



BeneServ: The Company Clients Love and Competitors Hate

SPRINGFIELD, Pa. – Russ Carlson describes himself as the healthcare broker other brokers hate.

Not because the 44-year-old president of BeneServ Corporate Benefit Services isn't a nice guy, but rather because he's changing the way healthcare brokers do business.

"In the industry, we're known as the company that 'gives away benefits,'" says Carlson. "Traditionally, most brokers act solely as the middlemen between employers and insurance companies, taking their commissions and never providing any customer service or extra benefits. I don't do that."

"That's why I'm not very welcome at broker functions," he jokes.

Founded by Carlson in 1985, BeneServ is a fast-growing healthcare-benefit brokerage firm serving more than 500 companies in the Delaware Valley. With existing offices in Springfield and West Chester, and a newly opened office in Center City Philadelphia, the company has increased revenues by 50 percent in the last year alone.

BeneServ stands on two principles: excellent customer service and providing benefits that aren't commonly offered by brokers. For example, BeneServ offers a discount vision plan, an accidental death and dismemberment life insurance plan and unequalled human resource services.

"Seven out of 10 companies I pitch my services to switch brokers and go with me," says Carlson. "We've been so successful that we're actually changing the way our competitors do business. They're now adapting to be more like us."

From the beginning, Carlson has used service to set his company apart. It's won him praise from his customers but some disapproval from his industry colleagues who view what he does as "derailing the gravy train," he says.

"There used to be an ad campaign that said, 'Don't hate me because I'm beautiful,'" says Carlson. "I like to say to my competitors, 'Don't hate me because I provide great service.'"

According to Carlson, clients often ask him why he does business the way he does.

"I honestly tell them that I just can't take someone's money and do nothing. I would feel guilty as can be."

Although business is booming now, things weren't always so easy for Carlson.

After graduating from Lansdowne Aldan high school in 1979, he worked as a masonry laborer for three years and then as a bookkeeper. He eventually ended up at Prudential selling insurance. In 1985, Carlson left a good paying job at Prudential and started his own company selling life and disability insurance.

Unfortunately, he made one big mistake.

“I didn’t know I had a no-compete clause with Prudential, so I started off with zero clients. I made \$9,000 my first year. I had a wife and a new baby. I was walking the streets at night. Our electric was turned off and the bank came looking for its mortgage payments. Around the holidays I sold Christmas trees to pay the bills.”

Realizing that desperate times called for desperate measures, Carlson made a last ditch effort at success and bought three automated telemarketing machines on a credit card. His bet paid off and he began landing customers.

“To this day I keep the \$9,000 W-2 in my top desk drawer as a reminder of where I once was,” he says. “It still makes me sick to my stomach when I look at it and it spurs me to succeed.”

Carlson adds that he’s always had a simple vision for his company.

“I told myself that I wanted to build a company my competitors would be afraid of. I think I’ve done that. Now I just hope they’ll talk to me when I see them in the grocery store!”

#

BeneServ at a Glance

- 15 employees
- \$1.5 million in revenue
- 50 percent increase in revenue in last year
- Based in Springfield, Pa., with a branch in West Chester and Center City
- Founded in 1985 as Carlson Insurance Services
- Changed name to BeneServ in 2000