

Case Studies: Coors Brewing Co.



COORS BREWING CO. HAS BEEN OPERATING AN EMPLOYEE WELLNESS PROGRAM SINCE 1981. THE INITIAL PROGRAM FEATURED EXERCISE EQUIPMENT, HEALTH EDUCATION COURSES AND HEALTH SCREENINGS. IN 1986 THE COMPANY FUNDED A MAJOR COST-BENEFIT STUDY TO DETERMINE THE BOTTOM-LINE VALUE OF THE PROGRAM. SOME KEY FINDINGS ARE AS FOLLOWS:

- For each dollar invested, the program returned between \$1.24 (worst-case scenario) and \$8.33 (best-case scenario). The average return was \$6.15 for every dollar invested.
- The program saved the company at least \$1.9 million annually by decreasing medical costs, increasing productivity and reducing sick leave.
- In spite of the fact that the company was operating a quite elaborate program (including an on-site exercise facility), the annual cost of the program was recouped with the participation of even relatively few employees (approximately 15%) and accounted for less than 5% of the companies annual healthcare budget.

Clifford, FW and Diaz, RJ. "Wellness on Tap at Coors," in Financial Executive. March-April, 1995; 11(2): 21-4.

Case Studies: Steelcase Inc.



A 10 YEAR STUDY BY THE UNIVERSITY OF MICHIGAN FITNESS RESEARCH CENTER THAT EXAMINED 14 NON-GENETIC RISK FACTORS (INCLUDING HIGH BLOOD PRESSURE, HIGH CHOLESTEROL, BEING OVERWEIGHT BY GREATER THAN 20%, TOBACCO USE AND INACTIVITY AMONG OTHERS) FOUND THAT IF "HIGH-RISK" EMPLOYEES TOOK ACTION TO IMPROVE THEIR HEALTH HABITS, HEALTHCARE COSTS WERE DRAMATICALLY REDUCED.

- Employees who were moved from a "high-risk" category to a "low-risk" category saw their annual claims decrease from \$1155 to \$537.
- Employees who remained in the "high-risk" category saw their annual claims increase from \$1155 to \$1677 in the same time frame.
- Employees who moved from the "low-risk" to the "high-risk" category saw their annual claims increase more than two times in the same time period, confirming the importance of a preventative approach to wellness.

The study concluded that company may gain a 3-1 return on their investment during a three to six year period.

Cohen Mason, J. "The Cost of Wellness; The Evidence is Trickling In: Worksite Wellness Programs Not Only Help Improve Employees Health, but also Have a Positive Impact on the Bottom Line," in Management Review. July, 1994; 83(7): 29-34.

Case Studies: Husky Injection Molding Systems



HUSKY INJECTION MOLDING SYSTEMS IN BOLTON, ONTARIO IS WELL KNOWN FOR ITS WELLNESS PROGRAM, WHICH INCLUDES A HEALTH EDUCATION PROGRAM, AN ON-SITE FITNESS CENTRE AND OTHER INITIATIVES INCLUDING A COMPANY NATUROPATHIC DOCTOR. ACCORDING TO HUMAN RESOURCES AND DEVELOPMENT CANADA (HRDC), HUSKY ESTIMATES THAT IT SAVED \$8 MILLION FROM ITS \$4 MILLION INVESTMENT IN THE CREATION OF A HEALTHIER WORKPLACE ENVIRONMENT THROUGH REDUCED ABSENTEEISM, HIGHER PRODUCTIVITY AND FEWER INJURIES, AMONG OTHER BENEFITS. HIGHLIGHTS OF THE HRDC PROFILE ON HUSKY INCLUDE:

- An absenteeism rate of 2.25 days per employee, compared to the industry average of 9.6 days, and the Canadian average of 5.7 days.
- An annual drug cost per employee of \$153, compared to a sectoral average of \$495 in 1997.
- 0.77 injuries per 200 000 hours worked in 1998.

Human Resources and Development Canada, July 2001
<http://labour.hrdc-drhc.gc.ca/worklife/husky-en.cfm>

