

Enhancing the Wellbeing of Employees



American Medical Group Association Conference

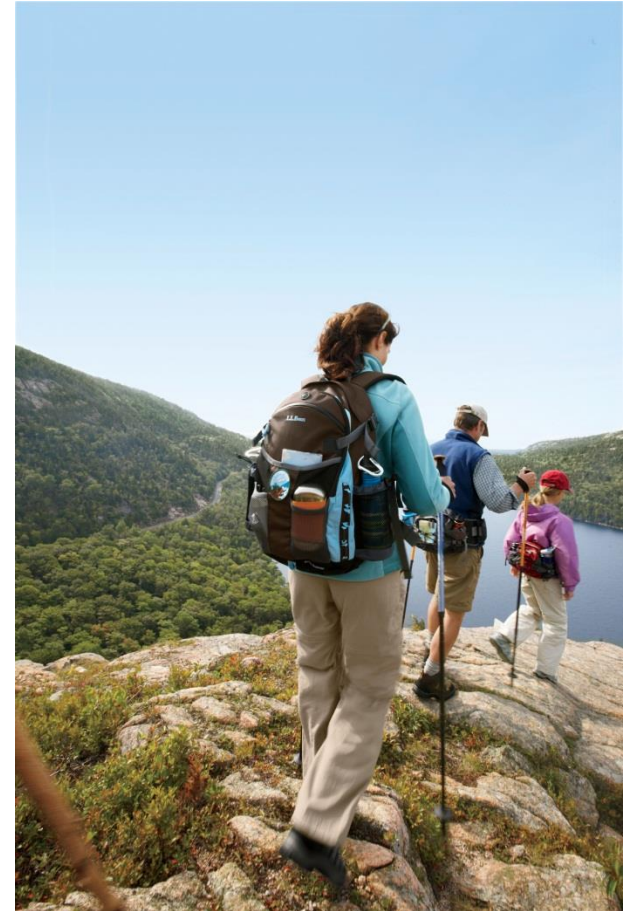
March 14, 2013

Outline

- L.L.Bean History
- Employee Wellness at L.L.Bean
- Critical Components of Wellness
- How to Engage your Employees
- Measurement & Evaluation
- Impact

L.L.Bean - Company Heritage

- Founded in 1912 by
Leon Leonwood Bean
- Maine Hunting Shoe
- Product Quality & Customer Service
- 24 hours a day, 365 days a year
- Core Values – Outdoor Heritage,
Integrity, Service, Respect,
Perseverance, Safe and Healthy
Living



L.L.Bean - Corporate Information

- Freeport, Maine
(headquarters)
- Global Organization
- \$1.5 billion annual sales
- 5,000 year round employees
(10,000 employees during peak)



L.L.Bean - Corporate Information

- \$30,000,000 annual health costs
- Self-insured
- Average Age – 49
- 66% Female



Employee Wellness at L.L.Bean



A business is in a unique and responsible position
to effectively enhance the well-being
of its employees”

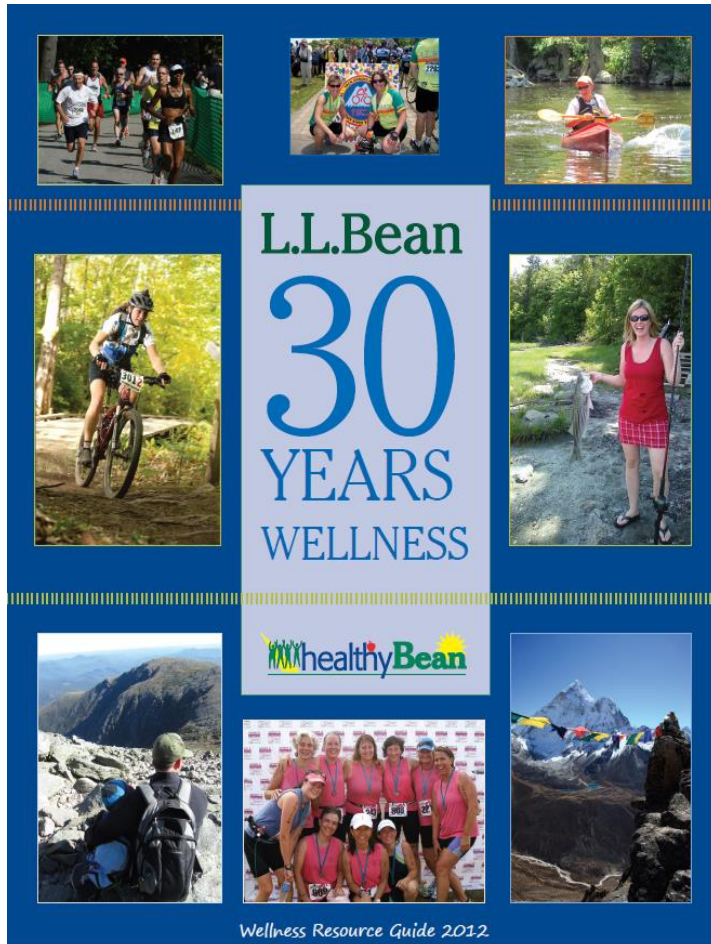
- Leon Gorman, 1982

Safe & Healthy Living Core Value



We believe healthy people lead fuller, more productive lives. Our employees and other stakeholders should feel their association with L.L.Bean contributes to their health and well-being.

Wellness Offerings



- Onsite Fitness Centers
- Health Education Classes
- Activity Classes
- Comprehensive HRA Program
- Tobacco Free Campuses
- Healthy Foods in
Cafeteria and Vending
- Employee Outdoor Club
- Employee Assistance Program

Critical Components of Wellness

- **Health improvement programs**

Onsite fitness centers, Health Education & Activity Classes, Health Risk Assessments, Employee Assistance Programs

- **Corporate Environment**

Tobacco Free Campuses, OSHA-VPP Certification, Healthy Cafeteria/Vending offerings

- **Corporate Culture**

Outdoor oriented company, core value supporting Health & Safety, strong leadership support and employee involvement

Critical Components of Wellness

- Leadership Support/Commitment
- Strategy/Focus
- Employee Engagement
- Communication & Marketing ... Branding
- Incentives
- Measurement & Evaluation

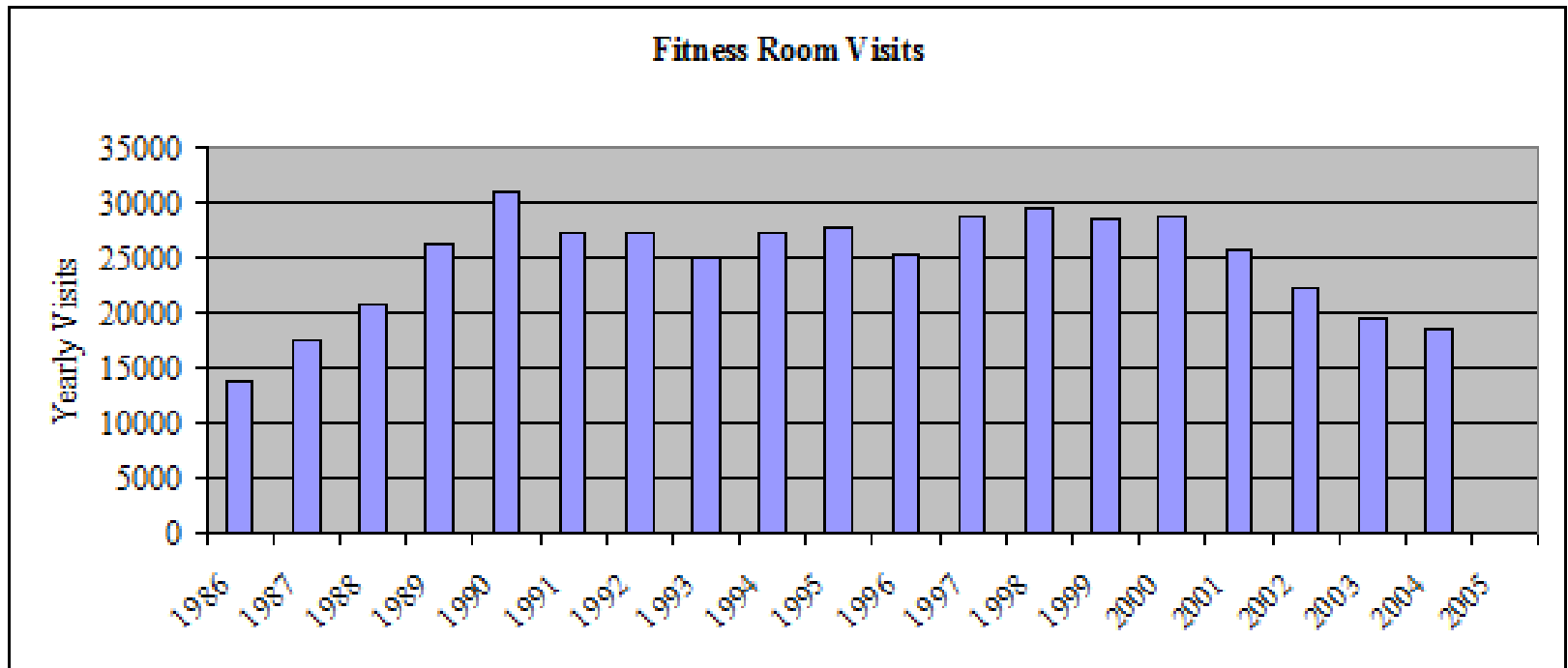
Employee Engagement

- Create a partnership
- Communicate everything – transparency
- Be in it for the right reasons
- Variety of programming
- Keep it fresh ... make it fun
- Provide incentives

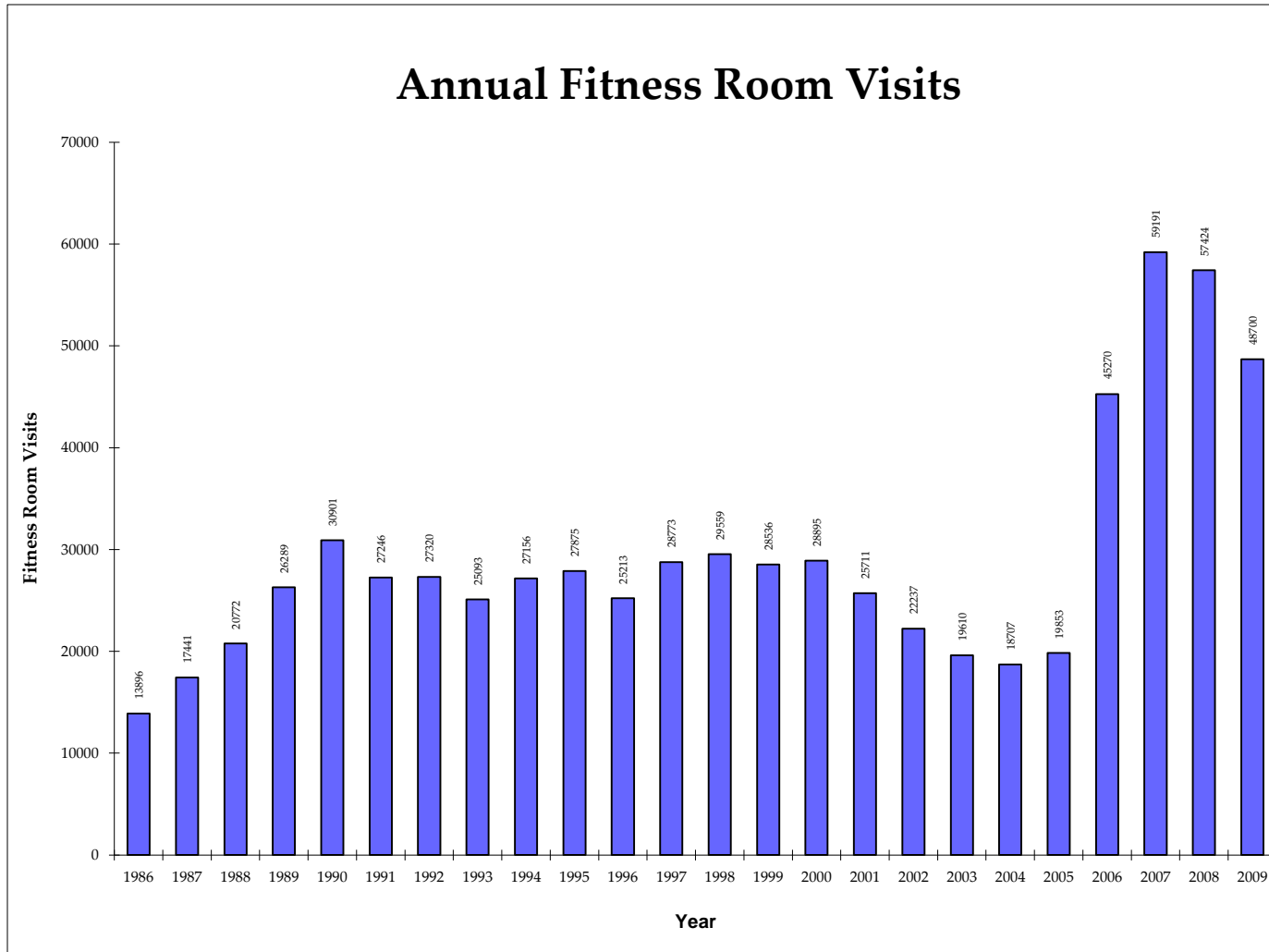
Program evaluation is critical

- To show whether or not your programs are working
- Help direct your efforts/resources
- Evaluate program impact
- Gain program support
- Provide momentum for continual growth

Participation - Fitness Room Use



Participation - Fitness Room Use

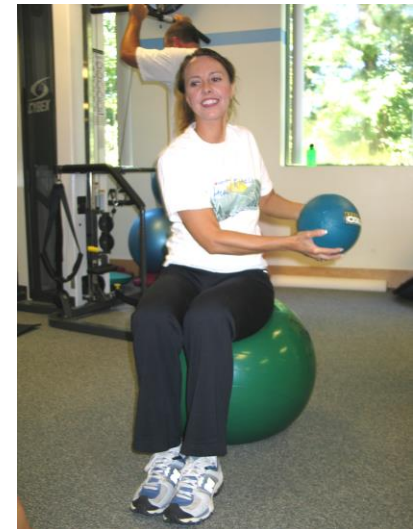


Fitness Room Usage

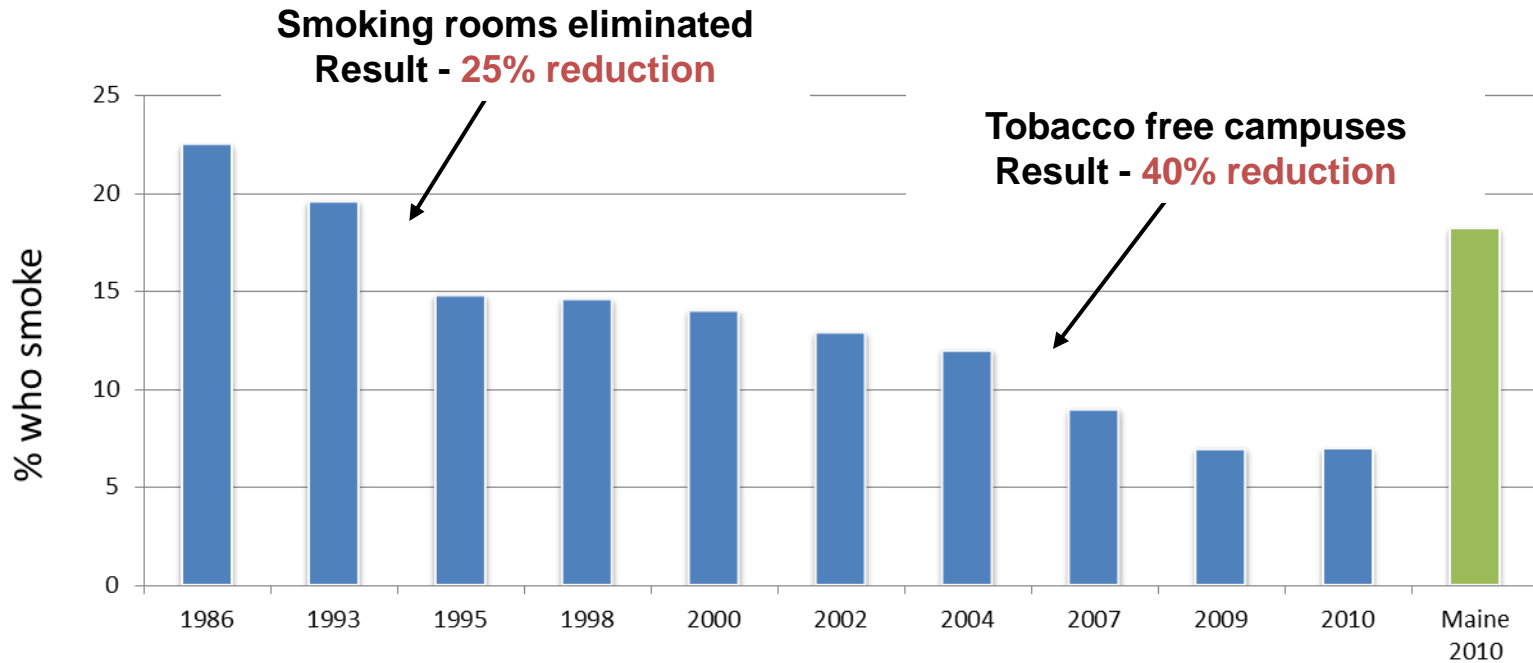
Fitness room usage increased dramatically after our 2005 update.

Approximately 30 - 40% of our employees take advantage of our fitness rooms and onsite classes.

These improvements have had a significant impact on increasing the activity levels of our employees as seen in the HL data.



Survey Data - Smoking Rates



In addition to Wellness programs, the environment and culture within an organization play critical roles in successful behavior change.

Projected Cost Savings - Smoking

**L.L.Bean
has 16 %
fewer
smokers
today
than in
1985**

Translates to 800 fewer smokers today than in 1985

Yearly health costs for a smoker average \$1,700 more than a non-smoker

Annual savings in health costs for L.L.Bean due to fewer people smoking is \$1,360,000





Healthy Lifestyles Program Goals



- Help employees and their families achieve and maintain good health
- Help manage health cost increases to keep healthcare affordable for both L.L.Bean and employees
- Identify current health risks in an effort to prevent future illness and disease



Healthy Lifestyles

Key Program Elements



Onsite Health Screenings

Height, Weight, Blood Pressure,
Cholesterol, Glucose

Health Questionnaire

WebMD

Health Coaching

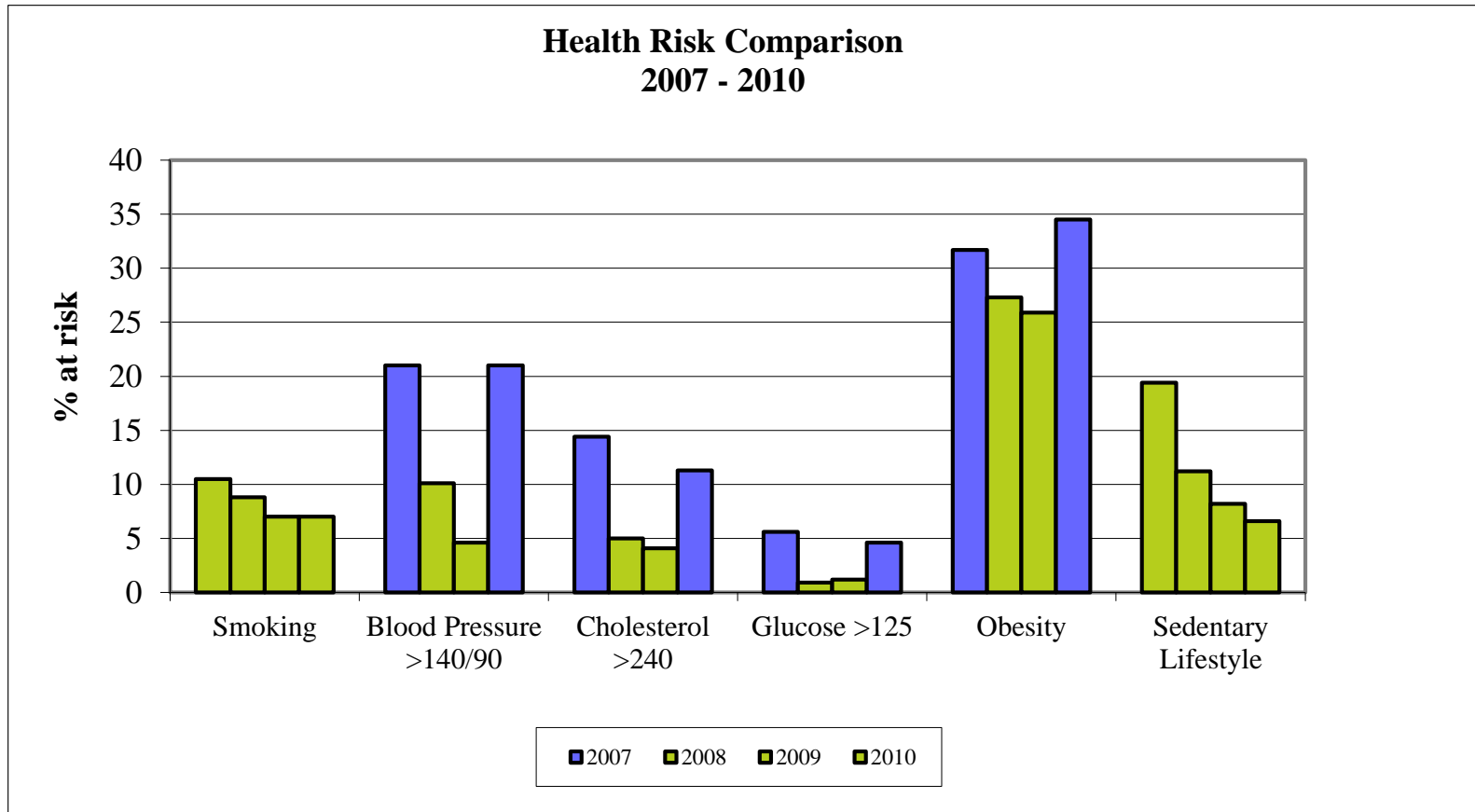
Telephonic - WebMD

- 90% of employees electing medical coverage participate
- 4,000 employees and spouses/domestic partners enrolled
- 98% met all program requirements
- The majority of the participants report a positive program experience

Self-reported vs. Measured Data

- Self-reported data is easier to obtain
- Commonly known information is reported more accurately (smoking, weight, exercise)
- Blood Pressure and blood values are often significantly misreported.
- Measured data is most accurate

Self-reported vs. Measured Data



2007 Health Screening Data - 2008 & 2009 Self-Reported Data - 2010 Health Screening Data

Health Risk Improvement & Projected Cost Savings



Health Risk	2007	2010	% Change
Smoking	12%	7%	↓ 42%
Cholesterol (240 or >)	14.4%	11.3%	↓ 22%
Glucose (125 or >)	5.6%	4.6%	↓ 18%
Sedentary Lifestyle	19.4%	6.6%	↓ 66%
High Blood Pressure (>140/90)	21%	21.8%	↑ 4%
Obesity (BMI>30)	31.7%	34.5%	↑ 9%

Yearly health costs for someone who smokes average more than \$1,700 higher than a non-smoker

Source: *Center for Disease Control*

Return on Investment

- Often difficult to measure
- Can be cost prohibitive (\$\$)
- 25 years into our program we obtained actual ROI data
- Utilized WebMD, Aetna & Everett James

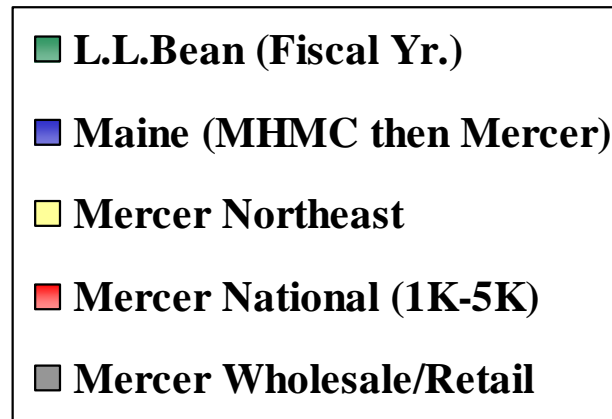
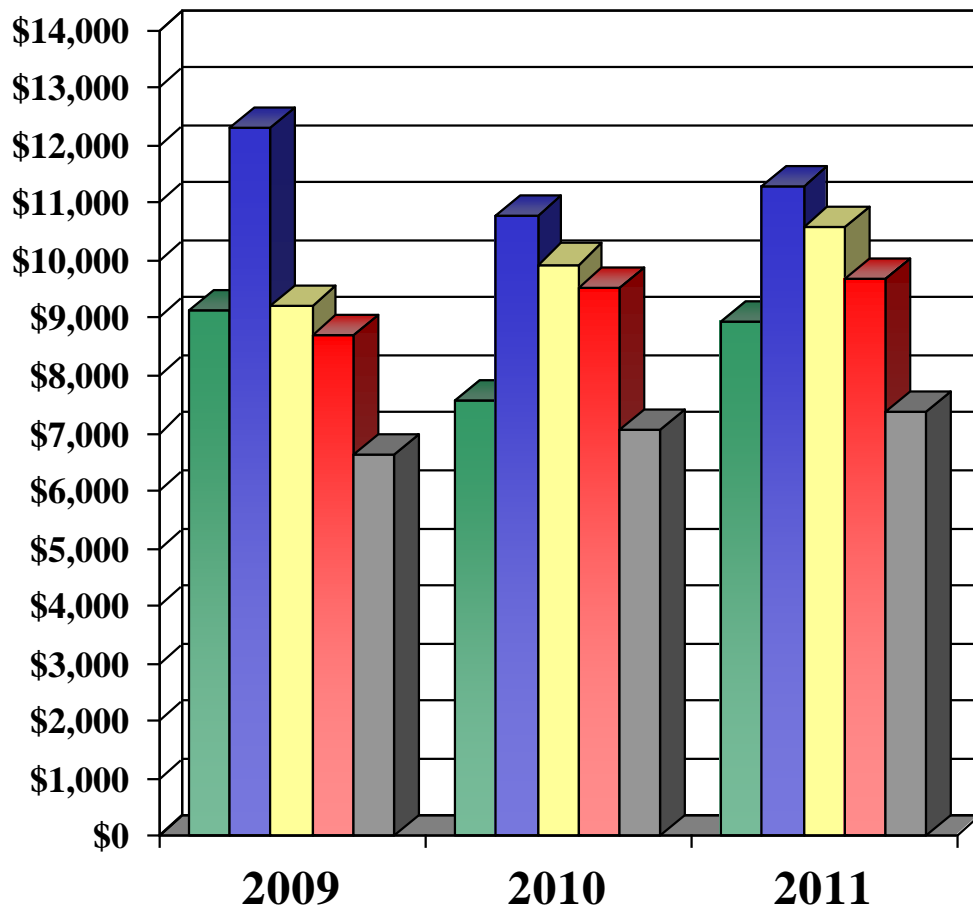
Return on Investment 2007 – 2011



	Year 1: 2007-08	Year 2: 2008-09	Year 3: 2009-10	Year 4: 2010-11
Medical Cost Avoidance	-\$480,683	-\$536,019	\$-1,259,560	\$-890,398
Coaching Program Cost	\$284,818	\$229,650	\$235,812	\$203,428
Net Cost Avoidance	-\$195,865	-\$306,369	-\$1,023,748	-\$686,970
Benefit: Cost Ratio (Medical Cost Only)	1.7:1	2.3:1	5.3:1	4.4:1

- Did not anticipate positive ROI in first year of the program, goal was to break even
- Improvement in ROI values is validated by improvement in health risk and decreases in health costs

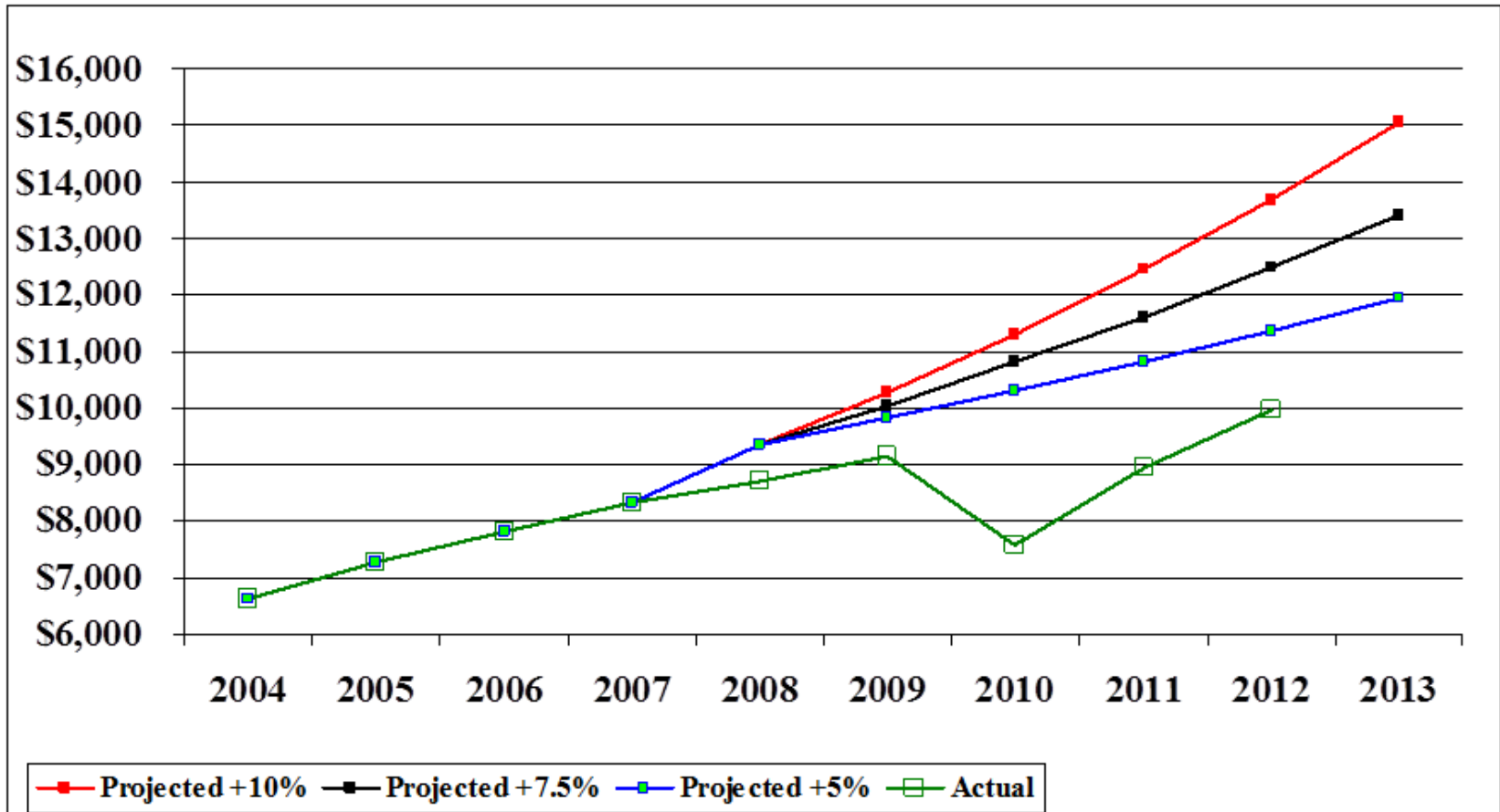
Total Medical Cost Per Enrolled Employee



➤ L.L.Bean continues to compare very favorably vs. total medical cost per enrolled employee



Total Medical Costs Per Enrolled Employee



Personal Impact



Bill DeBray of our Hunting & Fishing Store found motivation through the Healthy Lifestyles Program to lose an impressive 45 pounds. One year later, Bill has not only kept the weight off, he's dropped an additional 55 pounds, bringing his total weight loss to 100.

“I was tired of fighting with my weight. I decided to get fit, once and for all,” says Bill. So, armed with advice from his health coach, he embarked on a journey that has transformed his life.

“The health coaches gave me ideas on everything from working out to eating well,” he recalls. “I cut out ‘bad foods’ and opted for healthier choices — and healthier portions.

-- Bill DeBray, Hunting & Fishing Store

Connect the Data

- Participation
- Health Risks
- Return on Investment
- Health Costs
- Personal Impact

Use Your Data!

- Identify areas within your company where the greatest risk exists
- Use the data to determine what programs are needed
- Share the information with leaders to gain their support
- Share the information with employees to create partnerships in addressing health risks

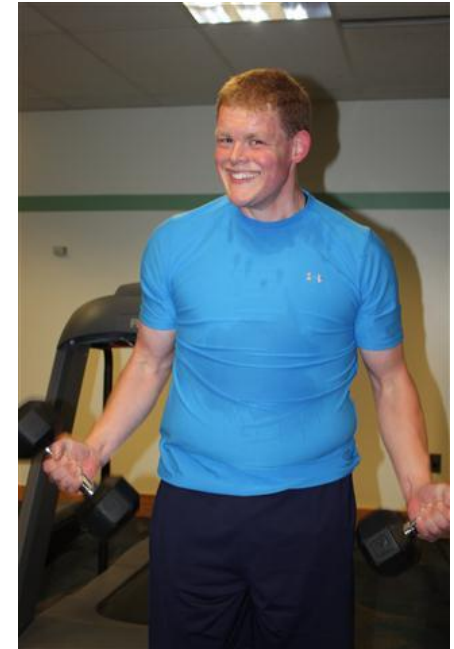
2010 Corporate Health Risks by Area

Health Risk	LLB 2010	CS NP	CS Peck	CS W'ville	CS Bangor	BR Mfg	OFC	Returns	Facilities	Office	Finance	LS.	HR/HSW	Retail	Outlets
Total Participants	3,530	324	226	129	112	166	640	203	142	495	125	324	125	413	114
Smoking	7.3	6.4	8.3		7.1	10.5	12.7	11.2	9.6	4.0	10.8	4.0	4.3	1.7	5.5
Hypertension	21.8	18.3	28.8	20.2	19.8	22.4	28.9	22.2	32.4	17.0	16.0	22.7	16.0	17.0	14.9
Pre-Hypertension	51.6	52.5	46.5	55.8	55.0	54.6	50.3	55.2	47.9	49.1	54.4	51.9	56.0	53.8	50.0
Cholesterol 240 or >	11.3	12.4	11.2	14.1	11.6	12.9	12.1	13.8	6.4	8.1	12.1	10.6	9.7	13.8	8.8
Cholesterol 200 - 239	30.9	31.0	36.8	31.3	28.6	35.6	30.5	30.0	33.3	30.2	25.8	29.2	27.4	31.6	32.5
BMI > 30	34.4	36.3	44.7	51.2	64.3	47.6	35.0	36.9	34.5	18.2	40.0	31.2	28.8	29.3	36.0
BMI 25 - 30	35.8	38.2	35.8	30.2	21.4	31.7	35.6	37.5	41.6	35.8	36.0	35.2	40.0	37.5	34.2
BMI < 25	29.8	25.5	19.5	18.6	14.3	20.7	29.4	25.6	23.9	46.0	24.0	33.6	31.2	33.2	29.8
Poor Diet	44.4	41.6	48.6		60.3	57.3	48.4	41.2	50.7	34.7	36.7	43.9	37.7	43.1	44.0
Exercise < 90 min./wk.	22.1	21.6	31.7		34.0	28.2	25.0	25.3	16.4	13.2	16.7	18.9	15.2	22.2	22.0
Glucose > 125 (Diabetic)	4.6	6.5	4.9	6.25	10.7	3.7	4.6	6.4	5.0	3.3	4.8	4.4	0.8	4.1	0.9
Glucose (100-125 - Impaired)	15.7	14.0	17.0	15.6	17.9	17.8	18.3	23.7	18.4	8.9	13.7	11.5	17.7	16.8	15.8
Emotional Health	12.1	15.2	14.1		16.7	11.3	14.4	12.9	7.5	6.9	10.0	8.5	12.3	13.2	16.5
Stress	43.6	44.6	49.7		47.4	37.1	47.2	40.6	41.8	36.6	43.3	42.7	49.3	43.1	41.3
Alcohol Use	4.9	5.1	5.5		3.8	7.3	6.3	9.4	4.1	2.5	1.7	4.6	1.4	4.5	7.3

Green – company average; Yellow – above company average; Pink – highest risk in category



What does the future hold?



Continual evolution.

Our programs have succeeded over time because we have adapted to the needs of our participants. No one program will work for everyone ... we need to be open to doing things differently and taking advantage of opportunities as they arise.



Personal Impact



Bill DeBray is on a four year leave of absence from L.L.Bean.

After losing 100 lbs. he was able to enlist in the army, something he always wanted to do but was not able to due to his weight.

He is currently serving as a medic.

It's about the people ...



Questions?

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