

# CASE STUDY: Battling Rising Health Care Costs

## SKF proactive approach results in healthier, happier employees and improved bottom line

### Situation

Improving employees' health was a struggle for SKF USA Inc., a global supplier of bearings, seals, mechatronics, lubrication systems and services with locations across the U.S. and Canada. Because Raymond L. Eames III, Director of Benefits for SKF USA Inc. knew 75% of health care claims are related to preventable chronic disease and lifestyle choices, he chose to be proactive and change the health culture at SKF.

The goal was simple, said Eames. "Initiate a wellness program to help our employees be more active and feel healthier, as many studies have shown that a sedentary lifestyle can lead to health related problems, including diabetes, cholesterol, high blood pressure and heart disease."

### Solution

SKF USA Inc. created an integrated wellness program by combining their current biometric screening program with a walking program, which can reduce risk of coronary heart disease, diabetes, hypertension, and help maintain a healthy weight. Eames knew the negative impact inactive and sedentary lifestyles have on people, not only in their personal lives, but on the job as well.

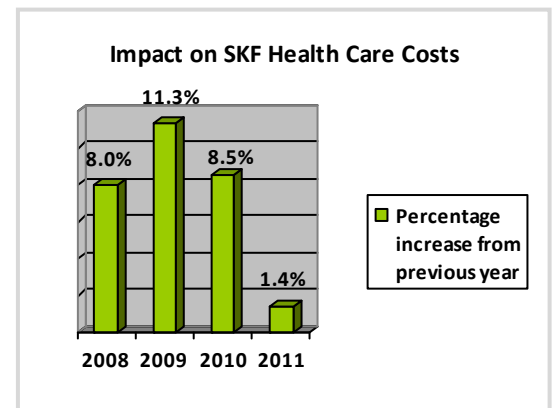
SKF chose the Walkingspree program which provided employees a pedometer to track validated steps and an online portal to monitor progress, manage health goals and track companywide challenges.

The cornerstone of the SKF walking program is the Million Step Challenge where employees earned pedometers after reaching the step goal in 200 days. (This is still a requirement for new participants and wearing pedometers has become a status symbol.) The program also includes incentives from sign-up raffles to monthly prize drawings for hi-tech items to donations to local charities – all tied to reaching monthly step goals.

### Results

More than 80% of SKF employees signed up for the program, which is significant considering 37% of the total eligible were union employees. Now in its third year, the program is still going strong and active participation is well over 60%. The program is also offered to spouses, which SKF believes is crucial to its success. Making lifestyle choices has to be done on the home front as well as at work.

SKF's step average significantly exceeds the 4,700 steps/day an average office worker walks. Their employees average 8,564 daily steps! But even more significant was the program's ability to move 66% of sedentary participants to active resulting in a ROI of \$9.38 return to every \$1 invested. Furthermore, SKF saw their health insurance rate increases were being curtailed with a wellness program from Walkingspree. SKF saw increases of 8% for 2009, 11.3% for 2009, and 8.5% for 2010. After a full year on the Walkingspree program, SKF's increase for 2011 was 1.4%!



And employee surveys herald the program's success: 60% said they felt healthier, 37% felt more productive, 80% felt more engaged with co-workers and 78% felt more positive about their employer.

### Future

Because of the program's success and web based technology, SKF Group is looking to implement this cost saving program to other global entities.

### Awards

2012 Benny Award for Benefits Leadership in Health Care

2011 SKF Excellence Award (Raymond Eames) – one of only 10 annual awards given by SKF Group worldwide