



WELLNESS
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How to Prove ROI and Secure Leadership Support for Your Wellness Program

You want to bring a workplace wellness program to your company – but you're not sure how to make the case to your leadership team. Whether your organization is large or small, getting support for your program can be a challenge.

With that in mind, let's look at what you'll need to know in order to demonstrate a return on your investment (ROI) and get buy-in from leadership.

Follow these steps:

Step 1: Do Wellness Programs Really Work?

Step 2: ROI and VOI: What's the Difference?

Step 3: When Can You Expect to See the Benefits?

Step 4: How to Make the Case to Leadership?

Step 5: What to Focus on First for Fast Results?



Step 1: Do Wellness Programs Really Work?

If your organization's leadership team is skeptical about the real benefits of workplace wellness, it's important to understand potential sources for those doubts. One source could be mixed results from recent studies.

For example, researchers at University of Illinois at Urbana-Champaign (UIUC) conducted a [two-year workplace wellness study](#) of 5,000 participants. They found that after one year, the programs had not changed healthcare costs or measured health behaviors. They also found that the people who participated in the programs were already healthier to begin with, with lower healthcare costs, than those who did not participate.

On the face of it, this study makes it sound like wellness programs make no difference at all, but there's more to it. In fact, the study found that:



- Those who participated were more likely to get preventative health screenings.



- Those who participated perceived that their employer cared about their well-being.

As we're about to see next, those two findings aren't insignificant. Rather, they're the whole point.

Step 2: ROI and VOI: What's the Difference?

We reviewed that ROI stands for return on investment, but what is VOI? V stands for Value. The value of your investment is not at all the same as its return.

What's the difference?



- **ROI:** can be measured in data and dollars, both short-term and long-term. Where wellness programs are concerned, ROI is related to decreasing health care costs, reducing the number of sick days, and minimizing disability claims. These are objective metrics that can be detected as soon as they occur.

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- **VOI:** is harder to measure, and its benefits take time to show. That said, the value it represents is much broader, strengthening the interconnected aspects of organizational health.

The VOI of a workplace wellness program has to do with:

- Reducing employee health risks
- Reducing workplace safety risks
- Attracting and retaining top talent
- Raising business profitability and performance
- Reducing absenteeism and presenteeism
- Building team camaraderie, morale and energy
- Connecting employees to communities

Because wellness is a holistic objective with ramifications that add up over time, the VOI of a program is arguably much more important than the ROI.

Case in point

Remember those two findings from the Illinois study? Those were examples of VOI.

Finding that the wellness program caused more employees to get health screenings (risk reduction) and to feel that their employers care about their well-being (morale improvement) are two powerful benefits.

These results don't fit neatly into the ROI box; however, their long-term value is more significant than any short-term return. This creates the internal resilience, efficiency and energy that a company needs to thrive within its market.



Step 3: When Can You Expect to See the Benefits?

Now that we've covered the difference between value and return and why VOI is so important – it's time to assess how and when to expect results from a workplace wellness program. In other words, what difference can you expect to see from your efforts, and when?



Short-term benefits

When [Rand Corporation studied](#) nearly 600,000 employees working for seven employers, they saw the fastest return in the area of disease-management.

Participants with heart disease, diabetes or emphysema were more likely to avoid heart attack, amputation and pneumonia, saving 87 percent in employer health care costs, with an ROI of \$3.80 for every dollar spent (a savings of \$136 per member per month).



Long-term benefits

The same study found that the lifestyle program for people who were not managing a disease yielded a negative ROI, bringing in only \$0.50 for every dollar spent. While the total average was still positive, this aspect of the program was money lost – so does that mean that these employers should have jettisoned their general efforts and focused only on disease management?

Not at all. The story doesn't end here.

The benefits of a general wellness program add up over time. Rand found that by addressing poor eating habits, smoking and lack of exercise, participants were more likely to avoid pre-diabetes, cancer and hypertension down the road.

In fact, according to Harvard Business Review, a landmark study of 185 employees and their spouses working for one employer yielded an ROI of \$6 for every dollar spent. Fifty-seven percent of high-risk cardiac patients dropped to low risk by the end of the study, and the employer's medical claim costs fell by \$1,421 per participant.



Step 4: How to Make the Case to Leadership?

To roll out a successful workplace wellness program, you'll need to achieve buy-in from your company's leadership. So how can you get them on your side?

→ The first step is getting prepared.

Build a workplace wellness program proposal that spells out the cost/benefit of your plan, with all the details on the resources, partnerships, strategies, and metrics that you'll use to make your program a success. Then create a presentation that highlights its strengths.

→ Lead with the numbers.

We know that workplace wellness programs can deliver fast, hard results when addressing acute needs, such as disease management. In your presentation, start by touting those numbers. This will establish the credibility of your objective.

→ Tie it to existing goals.

Does your company have wellness initiatives in place? Make sure your program is aligned with those goals, and make sure your presentation tells that story.

→ Bring VOI to the table.

On its own, ROI is not enough. If that's the only metric you use, your pitch may underwhelm. More importantly, if those are the only objectives you attempt to achieve, your program will fail to reach its full potential. Once you've established credibility, it's time to bring up the deeper benefits of talent retention, team cohesion and culture, and business performance.

→ Make the case for communities.

A stronger workforce makes stronger communities, and these days, top job candidates are actively looking to work for organizations that demonstrate social responsibility. Launching a strong workplace wellness program is an opportunity to put your company ahead.



Step 5: What to Focus on First for Fast Results?

As you build your program, you might be wondering which goals and offerings to prioritize. We suggest the following approach:

Start with acute needs.



If your workforce currently struggles with disease management, financial stress, or some other acute issue, start there. Get employee input on the concerns that are troubling them most and look for ways to partner with them.

Follow up with preventative efforts.



Preventative health screenings are a no-brainer. If your workplace deals with specific occupational hazards, safety is another important topic to look at.

Move on to morale-building.



One of the strongest sources of VOI is morale. When employees feel respected, supported, and cared for, you can bet the effects will ripple out to retention, productivity, brand perception, and ultimately your bottom line. There are many ways to send this message.

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