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**Houston Wellness Association**  
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Thank you, it's great to be here with you this morning.

I lived and worked in Houston for more than 20 years. So, it's special for me to be back in a city that was such a big part of my life.

When asked to speak at this forum, I didn't hesitate.

Wellness is a topic I'm passionate about. It's one of the most important issues facing society. It affects people of all ages, nationalities and races.

It can also be intimidating. In fact, in preparation for this panel ... my trainer doubled my workout.

Wellness not only affects our personal lives ... but also follows us into the workplace.

That's why this topic has every employer's attention.

If you're healthy and feeling good, it's reflected in your work. You're happier ... more productive ... and a better teammate.

By promoting wellness, employers can cut costs in terms of lost productivity as well as curb rising healthcare premiums.

As a multinational company, EDS has the increased challenge of tackling wellness on a global scale.

Whether it's Mumbai ... Buenos Aires ... Budapest ... or Houston ... the issues are more similar than you might think.

Yet, the solutions differ by culture.

My remarks today, however, will focus primarily on our wellness efforts in the U.S., including ...

- Why wellness matters.
- How working toward wellness can save everyone money on healthcare.

- And, the holistic approach we're taking ... with preventive programs and incentives that help our people make healthier **lifestyle choices.**

First, a few facts about EDS and our work force to help you fully understand our approach.

EDS is a 21-billion-dollar IT services company ... with 135,000 people ... who speak 43 languages ... and work in 70 countries.

We don't make a single product. Our product is our people.

EDS runs technology systems and business processes for the Fortune 1000.

We have 500 people based right here in Houston serving one of our largest clients ... **Continental Airlines.**

We run the gamut of all types of job needs and have all levels of workers ...

From mail room employees ... to call center agents ... and systems engineers ... to executives who travel the world.

Clearly ... the demographics and lifestyle choices of our employees are typical of what you'd find in most major cities.

And those choices directly impact the company's bottom line through healthcare expenses.

In the U.S., EDS covers more than 110,000 employees and family members in its health plans.

EDS is self-insured, which means the company fully funds its own plans.

Together, EDS and its employees spend more than 400 million dollars a year on medical and pharmacy expenses.

Years ago, like many companies, we focused primarily on premiums and health plan designs to manage costs.

However, we realized there was much more driving the equation.

After looking closely at the numbers, we found that half – or 200 million – of our insurance costs were in some way related to wellness.

So, in 2004, we took about one percent of our overall spend and reinvested it on wellness.

In the following two years, that investment paid off four-fold – saving us 16 million dollars.

Let me share some of the things we've done.

As the old adage goes ... an ounce of prevention is worth a pound of cure.

We completely reengineered our approach to wellness ... and our people now have access to several new prevention programs.

These programs combine the power of technology together with high-touch interaction.

For instance ...

**WebMD Health Manager** – This is a creative Web portal that's a real differentiator. It pushes out information to employees based on the health profile they set up. So if you have an issue with heart disease ... it's going to send you targeted information on heart disease. It will also help you develop a personalized health plan.

**Health advocates** – With this service, registered nurses offer personal care to our employees and their families – especially when dealing with a chronic condition or hospitalization. It's a high-touch model that our people are absolutely delighted with.

**Health coaches** – These are certified educators who help our employees identify strategies to maintain and improve their overall health. They focus on exercise, healthy eating and stress management.

**Tobacco Cessation** – as the name suggests, this is a program designed to help our people kick the habit.

**Health Screening Program** – This is huge. We all know how hard it is to make time for the doctor ... or go for a screening.

And for many of us, that means traveling across town – or not going at all.

So we reversed the engine. We said we'll bring the health professionals to you – at work.

That way you can pop down for a screening and then get back to your job.

Not only is this far more productive ... but, we know this program has actually helped save lives.

Take Neta, for example ... one of our executive assistants.

She came into my office and told me how the health screening program changed her life.

After her initial screening, Neta realized she had to make serious changes.

So she went to work on her health issues.

A year later, Neta went back to re-check everything.

Not only had she lost 35 pounds, but she aced her blood pressure and cholesterol tests.

Nearly in tears as she spoke to me about this, she said:

“You can’t believe what a wake-up call the screenings were for me ... and I wouldn’t have taken the time if it weren’t so convenient.”

These programs work when employees use them. Our job was to make them accessible.

While these programs were a great start, we had to get more people to **think** and **act** differently about their lifestyle behaviors.

Nothing motivates people like money ... so we went to the whiteboard to develop ideas around health-related incentives.

So, what did we come up with?

Last year, when we introduced WebMD, we gave employees \$10 a month toward their premiums just for completing a health questionnaire.

That’s \$120 a year, which is a lot of money to our work force.

Seventy percent of employees completed the questionnaire – an outstanding response rate.

This incentive was a win-win for the company and our employees.

Employees benefit directly from knowing where they stand on their personal health.

And EDS benefits by having overall, confidential trend information that we use to direct our wellness efforts.

For example, we discovered that 78 percent of female respondents ... and 87 percent of male respondents are overweight.

Remember that's self-reported information.

These numbers go even higher when you consider another statistic: 20 percent of those who self-report underestimate their true weight.

This was a real problem that needed real solutions.

So, we intensified communications around our weight management program called **Healthroads**.

This program helps our employees lose weight by changing their lifestyle and eating habits.

Our incentives worked so well that, in 2008, we will provide up to 740 dollars per family if they take advantage of preventive wellness programs.

For example ...

Employees will receive \$250 toward their insurance premium for participating in a health condition management program for issues such as asthma, diabetes, obesity or smoking cessation.

Employees can earn \$50 for joining a gym or participating in Weight Watchers.

And \$25 for getting an annual flu shot.

Finally, my favorite.

We have a "couch potato" special ... where employees and their spouses can earn \$125 each by simply watching five health and wellness videos offered by the **Cooper Clinic**.

Bottom line: incentives work.

So far, the programs I've discussed deal with basic health issues.

But we believe taking a holistic approach is key to achieving wellness.

So, in addition to preventive healthcare programs, we offer work-life balance programs to help relieve the stress of everyday life.

Let's face it, a significant percentage of the medications prescribed today are anti-depressants.

And every company ... regardless of size ... will have to understand that stress ... and deal with it.

What has EDS done about it?

We've conducted focus groups ... surveys ... and town halls.

We looked at the socio-economic dynamics and interests of the various generations within our work force.

And we keep an open-door policy – all to better understand what's on people's minds.

And here's what our employees say they need – not just want – but need in order to help alleviate the stress of their everyday routine.

**Backup day care** – So, that if your pre-arranged day care falls apart, you've got backup. And not only for your children, but also your parents or your spouse. EDS heavily subsidizes the cost.

**Resources and referrals** for eldercare – We've engaged resources to help employees choose the right retirement facility and make eldercare arrangements for loved ones.

**Concierge services** – Employees get 24-by-7 assistance on everything from vacation arrangements and sporting tickets ... to pet services and birthday party arrangements.

## **[PAUSE]**

Now ... what wellness means in the United States and how you get there differs from other countries.

We have people working in the most remote locations around the world.

So we have to take into account what wellness and stress-related issues mean in their cultures.

For example ... helping relieve stress for our employees in India means giving them access to a full meal and a bus ride back and forth to work each day.

If your employees are stressing about something as fundamental as transportation and eating ... then they are not going to be as productive as they could be on the job.

So we made sure meals and transportation were available ... and it didn't cost us any more to do so.

By the way, we also have a doctor to advise us in the event of such things as a tsunami, an outbreak of E. coli, or a pandemic.

We aim for a comprehensive program based on the specific needs of our employees – around the globe.

These are things we will have to address more and more as our global labor pool continues to grow.

### **[PAUSE]**

When you talk about wellness, at some point you will have to talk about food.

Yet so many of us ... regardless of age ... know so little about what we're eating or how it affects our health.

To illustrate my point, I asked my team to visit some local shops and parks near our headquarters in Plano, Texas.

We wanted to see how much people really knew about healthy food and lifestyles.

Please roll the video ....

### **[ROLL VIDEO]**

What this video clearly shows is that we all could use some help.

And so, we saw another big opportunity to make a positive difference through our employee food services program.

First, you should know that EDS outsources its food service. It's not our core competency.

In the past, we had simply outsourced our food services without communicating our expectations ... or holding our vendor accountable for quality.

I'm a big believer that you have to be clear about your expectations ... and then *inspect* what you *expect*.

We met with the chefs ... polled our employees ... and made a complete assessment.

And here are some of the things we changed:

First, we started treating our vendor like a true partner that could help us achieve our wellness goals.

We developed service level agreements that required our vendor to perform to certain standards.

We pushed our vendors to supply us with things that were important to our employees and their health.

We gave our employees food options ... high-fat or low-fat.

And we spotlighted the healthier items with calorie and fat counts.

In short, we became more proactive on the front end and more thoughtful of a generation of workers that clearly has changed.

And by the way, our food today is very multi-generational.

We've got sushi ... turkey burgers ... and vegetable snacks. And, yes, we have hamburgers, pizza, ice cream and soda.

But you have to walk past the healthier choices before you get to them.

We also extended the hours of the cafeteria to 4 p.m. so employees can go down and get what I call an "adrenal pack" to boost their energy levels ...

Whether it's with a healthy smoothie – a very popular item – or fresh fruit and nuts.

We even changed the vending machines, which also offer healthy choices. And we labeled machines with the calorie, carbs and fat percentages.



My team jokes that my next step is to get voice-activated machines that suggest you might want to try the granola instead of the Snickers bar.

I can tell you all about our food service ... but until you actually experience it ... you don't get the full sense of it.

And from all of this, there was a by-product we never expected. There's a buzz in the cafeteria we'd never seen.

Many employees who used to leave the building for lunch are now going to the cafeteria.

In fact, I get e-mails on people's reaction to the changes ... saying they're happier and healthier.

So we've given our employees options ... with more exposure to healthy choices at work.

And we made all this available at no additional cost.

It's interesting to note that, **Aramark** – our food services partner – had a phenomenal wellness program that at first we didn't even know about.

Of course, that's all history. And now they're learning from us on what we think is most important.

In our conversations with Aramark, we didn't just talk about food selection ... we also talked about food supply.

Where do you get your food? How do I know you're not going to serve up E. coli to our employees? How do I know if you can shut off the supply of bad lettuce to our cafeterias?

Those are the conversations I had with the CEO. I wasn't just discussing the flavor of the month.

He told me nobody had ever asked him these questions.

And I told him that **we care**.

What's in it for Aramark?

Their sales numbers are up in our cafeteria by 5 percent in the last 6 months. This is significant because the industry average is 3 percent.

So this is a win-win ... and that's the way it should be and can be.

Let me wrap up my comments and leave you with a few thoughts to consider.

**First**, wellness is a mind-set and invariably requires a lifestyle change. Therefore, you can't expect your employees to change their habits overnight.

You have to educate and engage your employees ... and then find creative ways to incent the right behaviors.

And it's not just through financial incentives.

It's about creating a whole culture of wellness through positive reinforcement.

It's about building camaraderie ... constant communication ... and creating a rally around healthy lifestyles.

**Second**, you have to make your vendors true partners and clearly communicate expectations.

In other words, make sure the investments you're already making are aligned with your goals.

**Finally**, remember, the programs I discussed did not cost EDS any more money than we were already spending.

Each of you already spend money on healthcare. The key to any health program is to spend it thoughtfully ... and with a mission.

Thank you.

I'll be glad to answer any questions when we get to the Q&A for the panel.