

Cost Savings

Lincoln Industries ROI - Fiscal Year 2006-2007

Health Care Cost Savings	\$1,299,979.10
<i>Differential of Lincoln Industries cost vs. average employer in regions cost</i>	
<i>(LI = \$3,918.35 vs. Employer in region = \$7,394.23)</i>	
Difference = \$ 3,475.88 per person	
Total Lincoln Industries people covered = 374	
Workers Compensation	\$143,673.00
<i>(via trigger point therapy and medical claims dollars saved for internal case management)</i>	
MSD cost 06 = \$35,000, MSD cost 07 = \$24,327 (\$35,000 - \$24,327 = \$10,673.00)	
Workers Mod Rate of .71 = savings of \$133,000.00	
<i>Average medical cost per MSD = \$1,750</i>	
Weight Reduction (30 people)	\$42,000.00
<i>(Criteria = moving from a BMI of > or = 30 to < or = 29))</i>	
\$1,400 x 30	
Tobacco Cessation (13 people)	\$52,000.00
<i>(Criteria = 6 months or longer tobacco free)</i>	
\$4,000 x 13 quitters	
Other Intervention Programs	\$75,000.00
<i>(Blood pressures, blood profiles, thyroid, health consultations, flu vaccines)</i>	
30 people = avg. savings of \$2500.00 each	
Absenteeism	\$411,382.4
National Average Cost - 550 X 17.98 X .05 X 2080 = \$1,028,456.00	
LI Cost - 550 X 17.98 X .03 X 2080 = \$617,073.60	
Cost Differential - \$1,028,456.00 - \$617,073.60 = \$411,382.4	
Turnover	\$120,100.00
Assume 5% reduction in overall turn-over	
Total Turnover Cost LI 07 = \$2,402,000.00	
\$2,402,000.00 X .05 = \$120,100.00	
Total Cost Avoidance (totals above - program cost)	\$1,739,694.50
\$2,144,134.50 - \$404,440.00 = \$1,739,694.50	
<i>Total Cost of Program 06/07 (salaries included) = \$404,440.00</i>	
ROI: 5.30 to 1	



Overview of Lincoln Industries Wellness & go! Platinum

"Too often companies look at wellness as a stand alone program -- just another benefit. At Lincoln Industries, we have fully integrated wellness into every aspect of our company's culture. It's a source of pride and reflects how we care for one another. As a result, wellness has become a critical element of our success."

-- Marc LeBaron, Chairman & CEO

Five years ago, Lincoln Industries began to offer a unique incentive to promote wellness within the company. The program, go! Platinum. The incentive, a 14,000+ ft. mountain climb in Colorado. The incentive was the primary use in encouraging employee wellness. Today, go! Platinum and the climb still exist, with the addition of other go! Platinum incentives for those that don't make Platinum, but still achieve Gold, Silver, or Bronze medal status. However, Lincoln Industries Wellness is now modeled after proven health promotion and behavior change theory.

Go! Platinum

- Mandatory Quarterly Health Screens and 1-on-1 Coaching Sessions

Mandatory Quarterly Checks are conducted every quarter for all people. The mini physical includes a blood pressure screening (Figure 1), flexibility test (Figure 2), body weight and body fat composition testing (Figure 3), and wellness goals and objectives that are obtained through a 1-on-1 coaching session with an internal wellness staff member.

- Personal Wellness Profiles and Executive Physicals

Personal Wellness Profiles (PWP) are completed annually for all upper level managers. This comprehensive health screen includes a complete health risk appraisal, blood profile, fitness assessment, and physician follow-up. Senior executives have annual physicals, which consist of the same elements of the PWP including an enhanced VO₂ max test, chest X-ray, EKG, and mental health assessment.

- Wellness Participation

Throughout the year many wellness activities are offered that focus on a variety of health issues. These programs include a version of 10,000 steps, titled "Mark Your Miles." Each employee is given a pedometer to track their steps. In addition quarterly wellness newsletters are sent to employee's homes. Included with the newsletter is a worksheet. When the employee returns the worksheet they receive \$10. Throughout the quarter, at least 4 different wellness activities or programs are offered along with the possibility of earning up to \$40 "WellBucks."

- Tobacco Cessation and Weight Management

Free tobacco cessation and weight management programs are continual offerings that are available free and on the clock to Lincoln Industries people and family members.

- Tobacco Free Campus



Lincoln Industries is committed to providing a safe and healthy workplace and to promoting the health and well-being of its people. In 2002, Lincoln Plating implemented a *Tobacco Free Campus* policy, eliminating the possibility of ETS at worksites, therefore contributing to an overall safer and healthier work environment (Figure 4).

Lincoln Industries Wellness – Building a Culture of Wellness

Wellness Belief Statement

More than words on a wall, our Beliefs & Success Drivers guide our relationships and business decision. The only belief statement to be added since inception is *“Wellness and Health Lifestyles are Important to our Success.”*

Performance Management System

Each individual, production worker to executive sets a wellness goal at the beginning of the year as part of their performance objectives. The wellness goals are self defined and part of their performance review throughout their careers at Lincoln Industries. These wellness goals are monitored by the wellness staff for privacy and compliance.

Leadership Development

Leadership development at Lincoln Industries contains a significant wellness component. The senior executives participate in a wellness outing the first Monday of each month. Top level managers are selected each year into the Peak Performance Action Team. This team chooses wellness goals to complete as a team for one year. The team also participates in health assessments, at the beginning and end of the year. All supervisors are measured using a “3 for 3” model:

1. Initiate and manage change to deliver results
2. Development of self and others
3. Wellness of self and others

The Supervisory Greatness course focuses on leadership expectations and how to engage their people in their wellness efforts.

Tobacco Free Campus

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Actively Caring In Action

Lincoln Industries utilizes behavioral based safety program by including all employees, the goal is 100% participation. BBS uses observational data to examine and change unsafe behaviors that lead to injuries. All Lincoln Industries people participate in BBS observations and provide feedback to those they observe. The safety team also records all observational data to recommend



improvements in processes and systems. At Lincoln Industries, wellness and safety are closely linked. A healthy employee makes for a safer working environment (Figure 5 & Figure 6).

Disease & Health Management

Each fall, influenza vaccines are available to Lincoln Industries people at a reduced cost including spouses and children 18 or older. Our on-site Occupational Nurse administers the vaccine. Additionally, hearing and vision screenings are completed annually, which support Lincoln Industries in meeting OSHA guidelines and job standards. Annual blood profiles are also available to Lincoln Industries people at no cost with spouses and other family members for a minimal fee. Follow-up explanation of results and intervention is available and encouraged.

Community Support

As a part of our company's commitment to community service, the Lincoln Community Blood Bank visits every eight weeks to allow Lincoln Industries people to donate blood on site. Lincoln Industries is also a sponsor of WorkWell, a local organization that promotes workplace wellness. Lincoln Industries hosts an annual regional bicycle race benefiting Willard, a community center in Lincoln. Additionally, Lincoln Industries people are strong advocates for the American Heart Association, Juvenile Diabetes Foundation, March of Dimes, and the American Cancer Society. Lincoln Industries also stays actively involved in the community by promoting environmental efforts. Each year Lincoln Industries Green Team organizes the Bike to Work commuting challenge and Wellness Wednesday Trash Pick-Up. In addition a local hike and bike trail was adopted.

The Industrial Athlete

Job Conditioning - Stretch Program

Job conditioning helps prepare Lincoln Industries people for work. Properly warming up the muscles helps prevent sprains and strains. Lincoln Industries people take part in a mandatory stretch program on a daily basis. The stretch program was initiated in 1993. At the beginning of each shift everyone takes part in a 10 minute stretch program consisting of 14 different flexibility exercises. Production specific stretch programs have also been created for select departments that engage in highly repetitive motion and increased physical stressors. These were developed by examining the biomechanics of the job tasks.

Symptom Intervention - Work Related Musculoskeletal Disorder (WMSD) Injuries

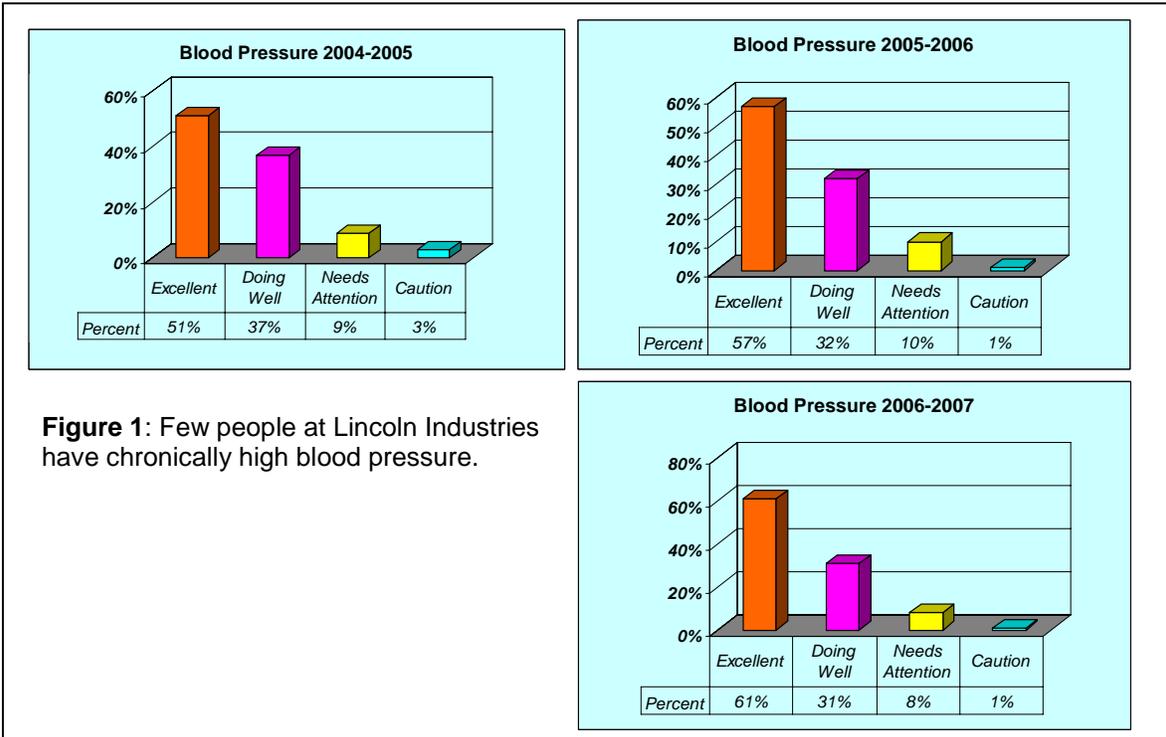
Symptom intervention uses early intervention strategies such as conservative treatment, job task evaluation, work system design, ergonomics, and trigger point therapy to prevent a possible ache or pain from developing into an injury. In 2006 Lincoln Industries Wellness initiated trigger point therapy. Trigger point therapy is a type of massage therapy that utilizes deep tissue techniques to alleviate pain and decrease tightness of muscles (Figure 7). Therapy is offered

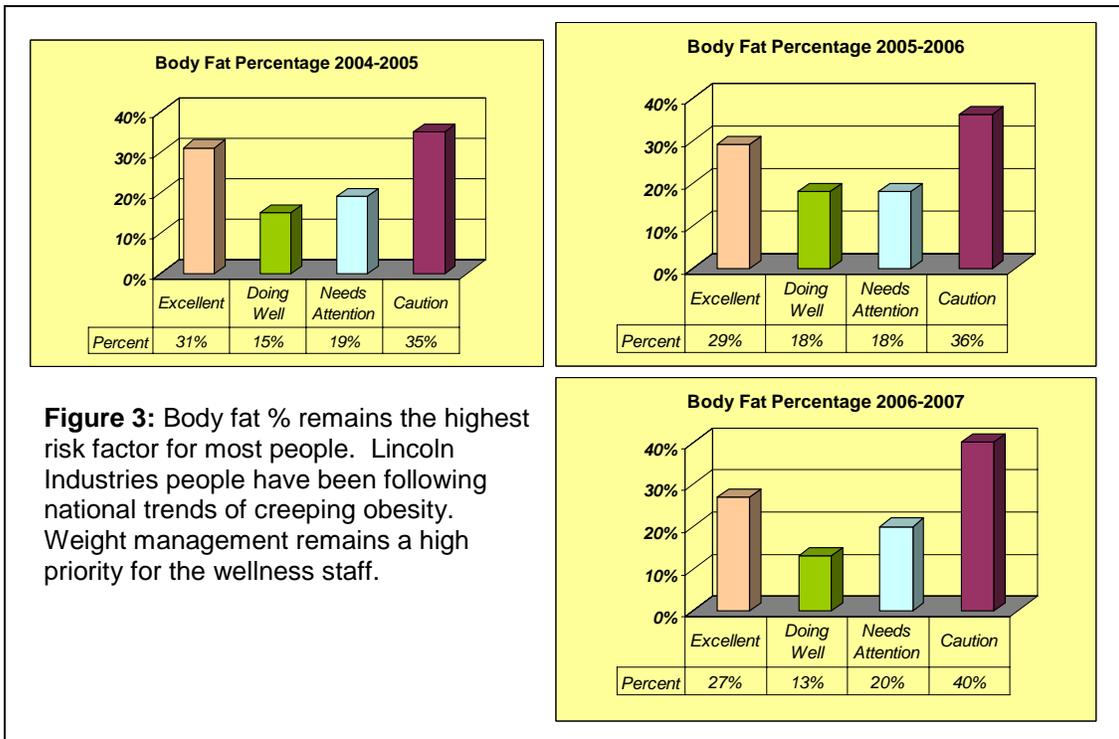
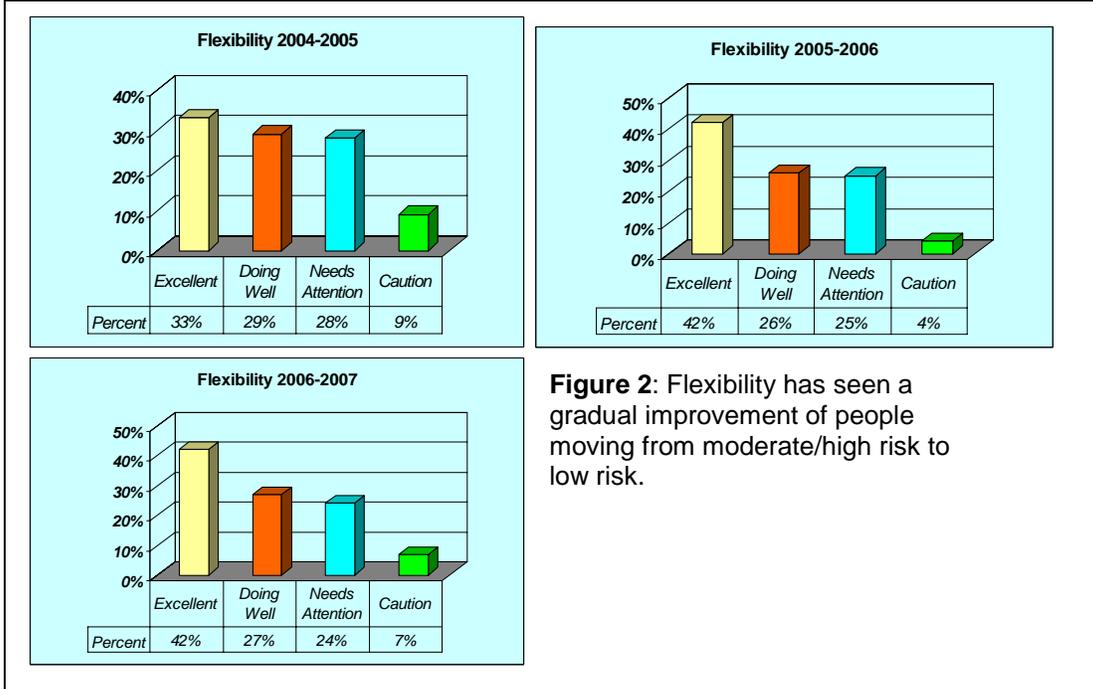
to all Lincoln Industries people and is provided on the clock and at no charge to the employee. People are scheduled using a triage type approach determined by the Wellness Specialist and Occupational Nurse. All department and production lines have been evaluated and classified according to physical demand.

Work Hardening – On-Site Physical Therapy Walkthroughs

Not all injuries can be prevented. When an injury does take place, the goal is quick recovery. Work hardening assists in bringing employees back to work off of leave status, and moves the employee to MMI. When the participant’s condition allows, light duty jobs may be implemented. Key components are education, strength training and work simulation delivered onsite by therapists knowledgeable about Lincoln Industries job requirements.

Graphs and Data





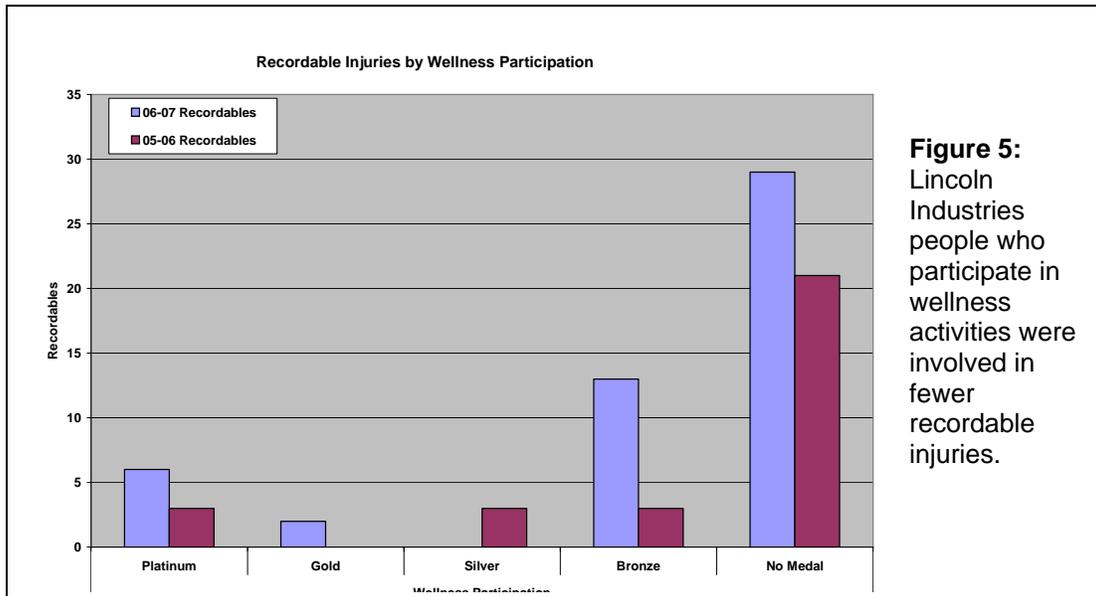
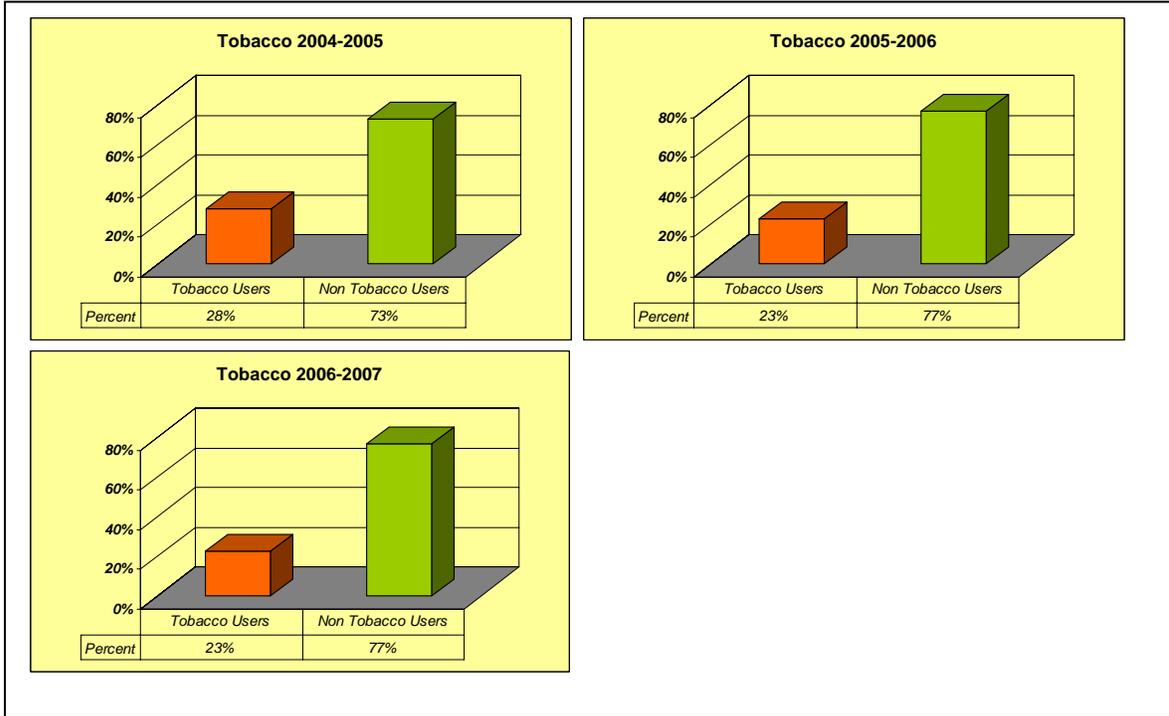


Figure 5: Lincoln Industries people who participate in wellness activities were involved in fewer recordable injuries.

