



THE STRATEGIC LINK™

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Establishing Goals and Objectives



At Burkwald and Associates, we believe that it is imperative to have a strategic plan in place for all aspects of your employee benefits. We help our clients identify the dangers, opportunities, and strengths within their

organizations that will guide them through the plan. Creating a plan forces you to consider your company's needs and strategic priorities. A plan serves as a means to measure and prove the effectiveness of your efforts.

There are several basic elements to your plan. The first step is to establish a mission statement that will define the big picture of what you are trying to accomplish. The next step is itemizing your goals and objectives. It is important that your objectives be SMART — Specific, Measurable, Achievable, Realistic, and Time Specific. The next major element of a strategic plan is establishing an implemen-

tation timeline. At Burkwald and Associates, we operate on a rolling 3-year plan and itemize a timeline to which we can refer when evaluating priorities. It is also important to have means in place to gather the data needed to evaluate the outcomes of your efforts. This may be through reports or surveys, but in any case, it is important to evaluate the effectiveness of your efforts and make any necessary changes to ensure future success.

Forming a strategic plan is time well spent. Thane Yost wrote, "the will to win is worthless if you do not have the will to prepare."

Smoking Policy Sparks Debate over Wellness Programs

(Employee Benefits News — April 1, 2005)

Howard Meyers had had enough. He gave his employees at Weyco an ultimatum — quit smoking or quit your job — and just over one year to comply. Seven workers left the Michigan-based company

this year or were fired due to the policy. About 20 smoking employees kicked the habit to keep their job. Weyers' methods raise questions about what tactics employers can and should take to lower their health

care costs. Employers prefer using "supportive" ways to coax employees to kick the smoking habit or lose weight. Yet major companies like railroad Union Pacific Corp., are

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Survey Finds Growing Interest in HSAs

(Benefit News Magazine, March 2005)

While 8% of employers now offer health savings accounts, another 18% want to add them to their health benefits next year, according to a survey conducted by Watson Wyatt

Of the employers surveyed, 47% are considering offering

HSAs. However 49% of companies aren't sure whether HSAs will help lower health care costs.

"While HSAs offer great promise, employers cannot solely rely on them to solve health care cost problems," says Ted Chien, a Watson

Wyatt director.

The survey finds that health care cost increases moderated this year. Employers are realizing that to get to the root of the health care cost problem, they must take a more active role in managing their employees' health.

A Spotlight of Success: Vilter Manufacturing



Burkwald & Associates (B&A) began working with Vilter Manufacturing in 2003 by outlining several business goals relating to employee benefits. A long-term plan was implemented that focused on increasing employee wellness.

The first goal at Vilter was the formation of an Advisory Board.™ Each quarter, a group of employees gather with representatives of B&A to learn about topics and issues relating to the company's benefit plans with an emphasis on health care costs. One of the benefits of this group is to discuss ideas with them before implementing programs for the entire workplace population.

Vilter established a goal of implementing a Health Risk Assessment (HRA) to address employee health. The Advisory Board members experienced the HRA before introducing it to the rest of the employees.

There were a few individuals on the board that did not see this type of program being well-received among other employees. Despite some reluctance, all of the Advisory Board members did participate in the HRA.

The majority of the Advisory Board members overall found value in the HRA and thus it was decided that Vilter would offer the same opportunity to all other employees in August of 2004. A total of 145 employees or approximately 73% of Vilter's workforce underwent the HRA. Each individual received a report outlining their results.

Paul Rubin was one of the Advisory Board members that was initially reluctant and doubted the HRA's value. As a result of reviewing his personal wellness profile, Paul has made changes in his lifestyle and thus in his health:

He has lost 19 pounds and lowered his cholesterol from 300 to a healthier 188. He

has also lowered an elevated blood pressure reading to a safer range. When asking Paul what types of sacrifices that he's made in his life, he lists things like eating fewer chips and less cheese. He has cut down the amount of caffeine that he consumes and eliminated the sugar from his coffee and soda. Paul has also begun walking and being more active.

Ken Koier, the HR Manager at Vilter views Paul's lifestyle changes as the group's first success story. The company's wellness goals, according to Koier are, "to keep low-risk employees healthy, and to provide at-risk employees with assistance so they can migrate to low-risk status."

Burkwald & Associates continues to work with Ken Koier and the Advisory Board at Vilter Manufacturing to assist them in reaching their wellness goals.



"Even if you
are on the
right track,
you'll get run
over if you just
sit there."
— Will Rogers

Smoking Policy Sparks Debate...

(Continued from page 1)
 taking a tougher line against smoking. Starting July 1, 2005, Union Pacific will ban smoking from all company facilities.

Employers that choose to follow in Weyco's footsteps could face some legal obstacles depending on where their offices are located. Twenty-nine states have laws that prohibit companies from discriminating against smokers.

Weyers worried a bit about lawsuits when crafting Weyco's smoking policy, but he checked it with the company's attorney before the

policy went into effect. His company rules are legal in Michigan. The state "is silent" on preventing an employer from firing an employee on the basis of tobacco.

However, the stir over Weyco's policy may prompt state legislators to change Michigan law. One state senator has introduced a bill that would prohibit firing workers for legal leisure time activities unless that behavior affects performance or creates a conflict of interest. No timetable has been set for the bill's passage.

Weyers says his company's policy evolved over time.

Weyco first banned smoking at its headquarters, then required smoking employees to pay a \$50/month "assessment" and finally refused to hire any new smokers before telling employees to quit smoking or quit work. "They were given a 14-month warning before the policy went into effect," Weyers notes. Company officials tested employees for tobacco use to enforce its policy.

While many employers want expanded wellness options, most are not willing to use the punitive measures that Weyco employed.



"People with goals succeed because they know where they're going."

Earl Nightingale

QUESTION OF THE QUARTER:

Q. What health conditions are the most expensive to treat?

- A. According to a survey of 53 large employers by the National Business Group on Health in December of 2004, the following conditions rack up the highest direct medical costs:
1. Heart Disease or Heart Failure
 2. Cancer
 3. Low Back Pain
 4. Diabetes Mellitus
 5. Complications of Pregnancy

The B&A Buzz...

Spring Break!!

The staff at Burkwald and Associates have been taking turns enjoying some sunshine and a little R&R over the past few gray months. Scott Schultz, Jennifer Matteucci and Courtney Schulteis all spent

some time in sunny Florida. Ardy Ellis and Sue Gaulke skied in Colorado. Dan Burkwald just returned from Cancun. Christine Meyer and Cec Casnovsky were both also able to get out of town for a little relaxation. They, however stayed a bit closer to home.

We're all glad that summertime is around the corner!!



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just good business.

“Leaders aren’t born, they are made. And they are made just like anything else, through hard work. And that’s the price we’ll have to pay to achieve that goal, or any goal,”

— Vince Lombardi

*Check out our website
at www.burkwald.com*

Better budgeting

While health care costs continue to rise at double-digit rates each year, employers have done a better job of planning for such sharp increase in their budgets, according to the “Managing Health Care Costs in a New Era” report by the National Business Group on Health and Watson Wyatt.

