

Global Health for Multinationals:

Challenges and Prescriptions for Success

**A OneWorld presentation by Nicole Serfontein and
Francis Coleman**

May 26, 2010

TOWERS WATSON 

Today's experts



Nicole Serfontein
is a senior international
consultant for Towers Watson,
based in Washington, D.C.

Nicole has worked in New York, London and South Africa, where she was a practicing attorney in the commercial and financial services industry. She has consulted on health insurance and related matters for many multinational companies, government and plan trustees, and was appointed in 2003 by the Minister of Finance in South Africa to the South African Financial Services Board to draft and comment on regulations to the Financial Services Advisory Act.



Francis Coleman
is a director in Towers Watson's
International Consulting Group
and is based in the company's
Los Angeles office.

Francis has more than 20 years of international benefit experience and has served in a number of different management roles and assignments worldwide, including in the U.K., France, Greece, Eastern Europe and the U.S.

Today's discussion

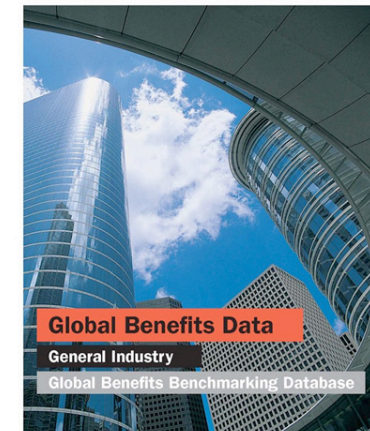
- Global health: The significance for global employers
- Employee health programs: Prevalence and global reach
- Program governance
- Issues and strategies
- Ingredients for success

Global health continues to grow as an important topic for global employers

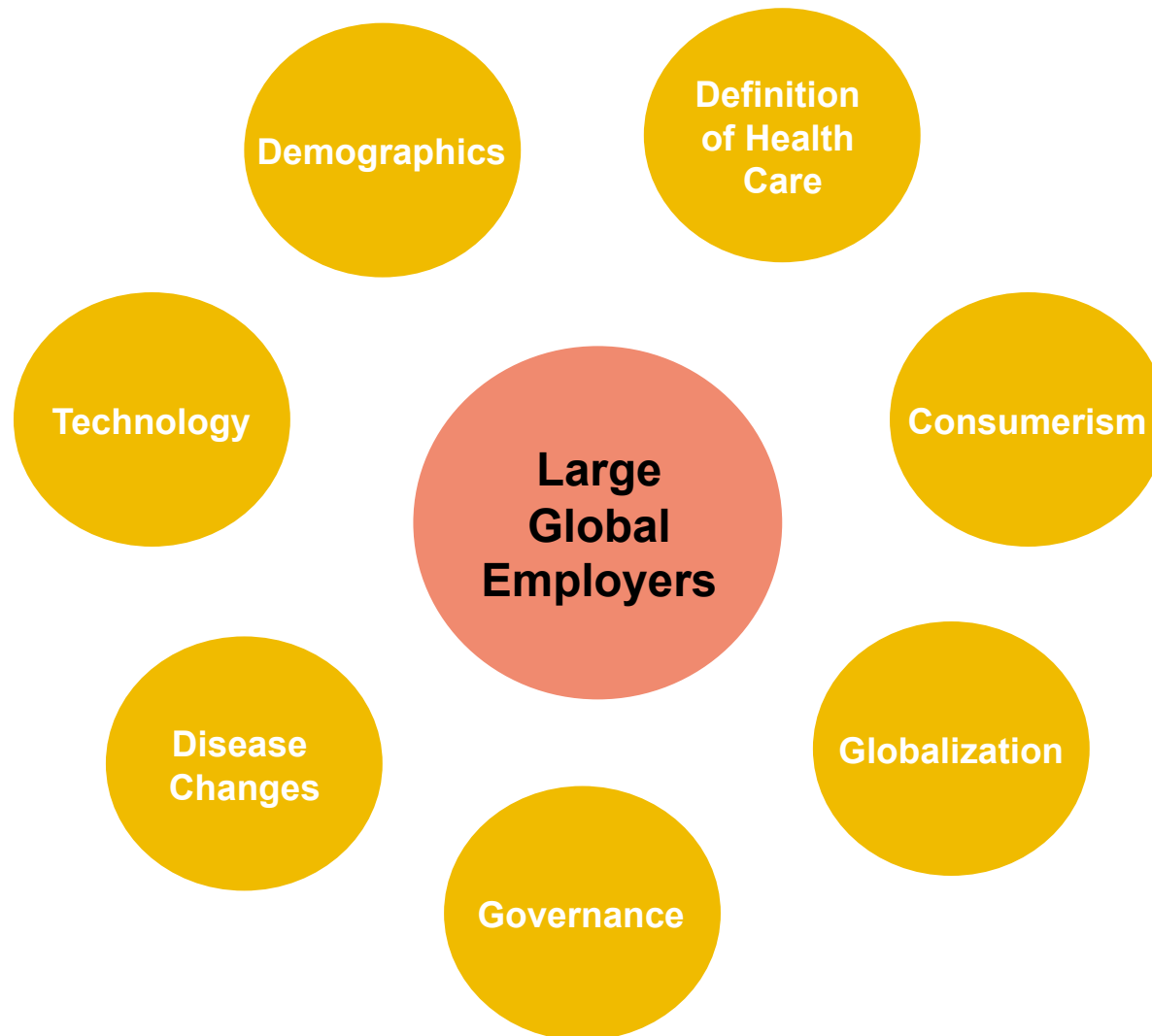
- Offshore workforce strategies continue to increase
- Public health systems are inadequate in many countries, and high-quality health care benefits and/or services can create a competitive advantage in the war for talent
- Leadership recognizes the value of health and that governance will provide a consistent approach to health care across geographies
- Vendors are starting to globalize their services/products
- Health care regulation is growing in volume and complexity around the globe, forcing large multinationals to react

TW continues to research and build on our database of global health risks, costs and medical intervention programs

- Global Medical Trends Report
- Country surveys, e.g., Health Care Benefits in India
- Global Health Care Cost Survey
- Global Benefits Benchmarking Database



Health care trends and issues are transcending local country borders



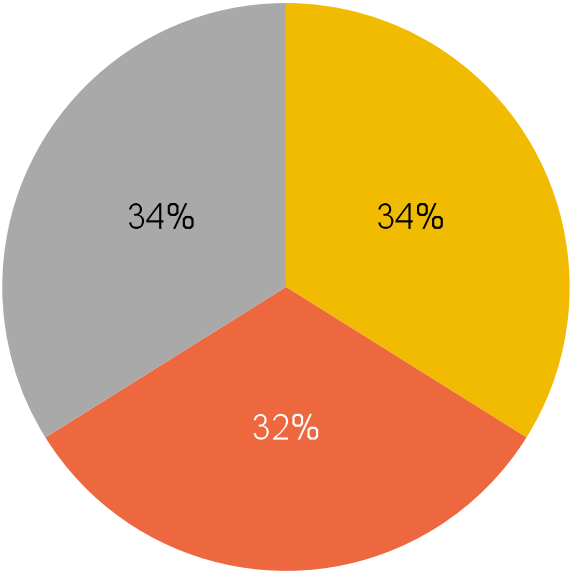
About the survey

- The survey included human resource and health and wellness executives in North America, Europe and Asia, and was conducted online between November and December 2009
 - Participation was limited to organizations with at least 500 employees and significant business operations in more than one country
- A total of 106 qualified participants completed the survey
 - Titles of respondents: director of HR operations; director of global benefits; global benefits manager; global head, human resources; senior director, global compensation and benefits; senior vice president, HR; team lead, health and welfare
- All percentages are based on 106 respondents unless otherwise specified

Employee Health Programs: Prevalence and Global Reach

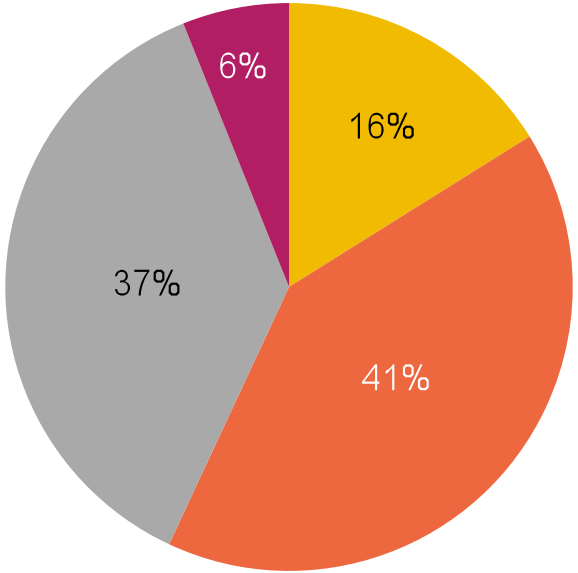
Global reach: Operations and employee health programs

Number of Countries Where Company Has Significant Business Operations



Average number of countries where company has significant business operations: 20

Number of Countries Where Employee Health Programs Are Offered



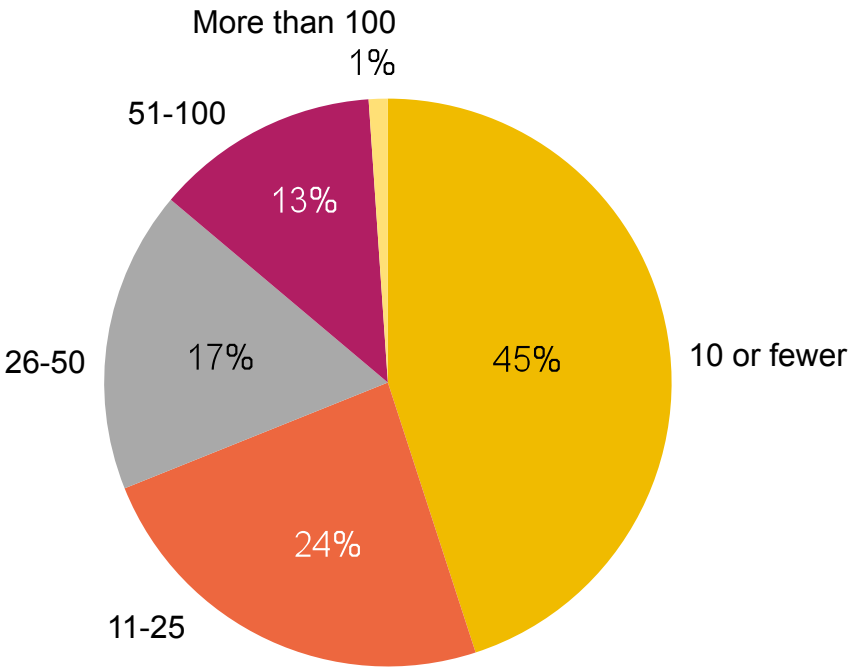
Average number of countries where employee health programs are offered: 12

- 20 countries or more
- 5-19 countries
- 2-4 countries
- One country

Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

Respondents have, on average, 25 employee health programs across their operations

Number of Employee Health Programs Companies Have Around the World

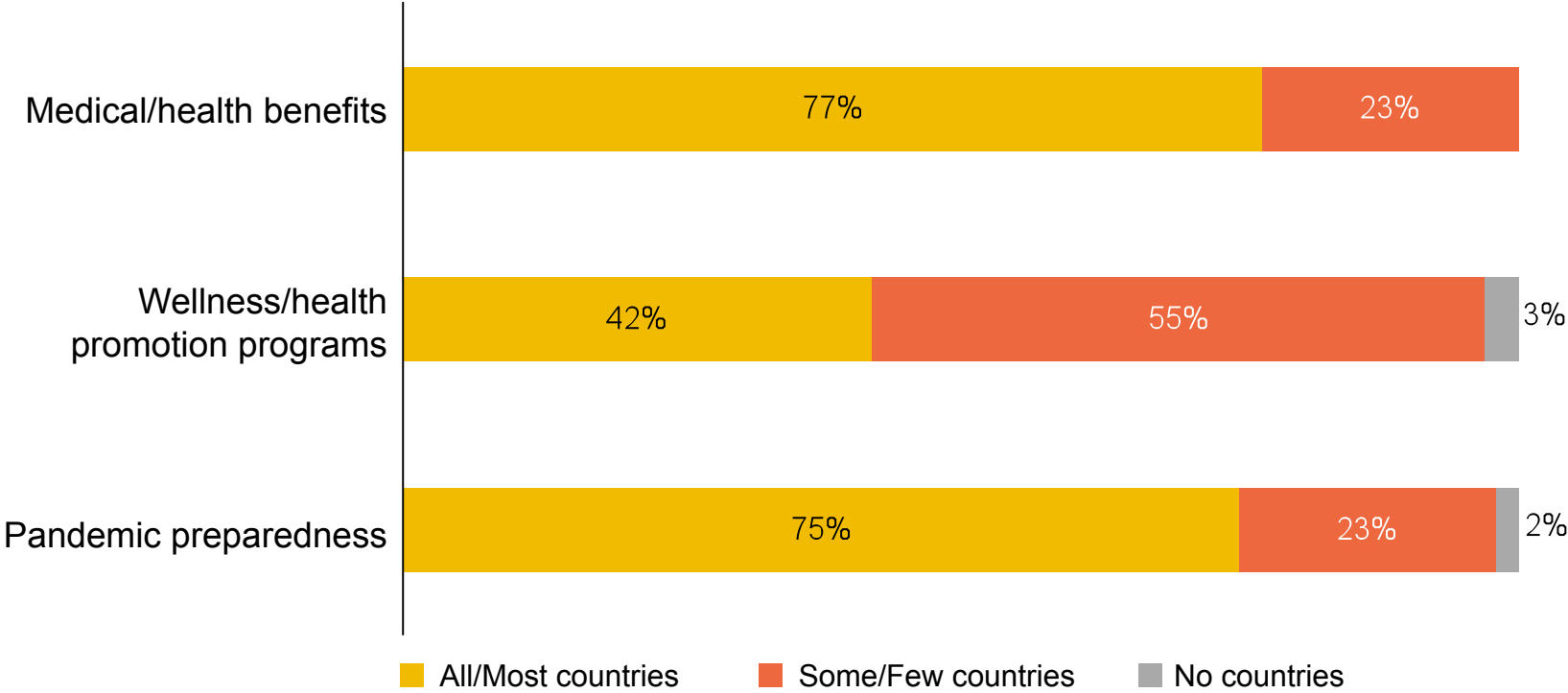


Average number of employee health programs: 25

Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

Most companies have medical programs and pandemic preparedness in virtually all countries of operation

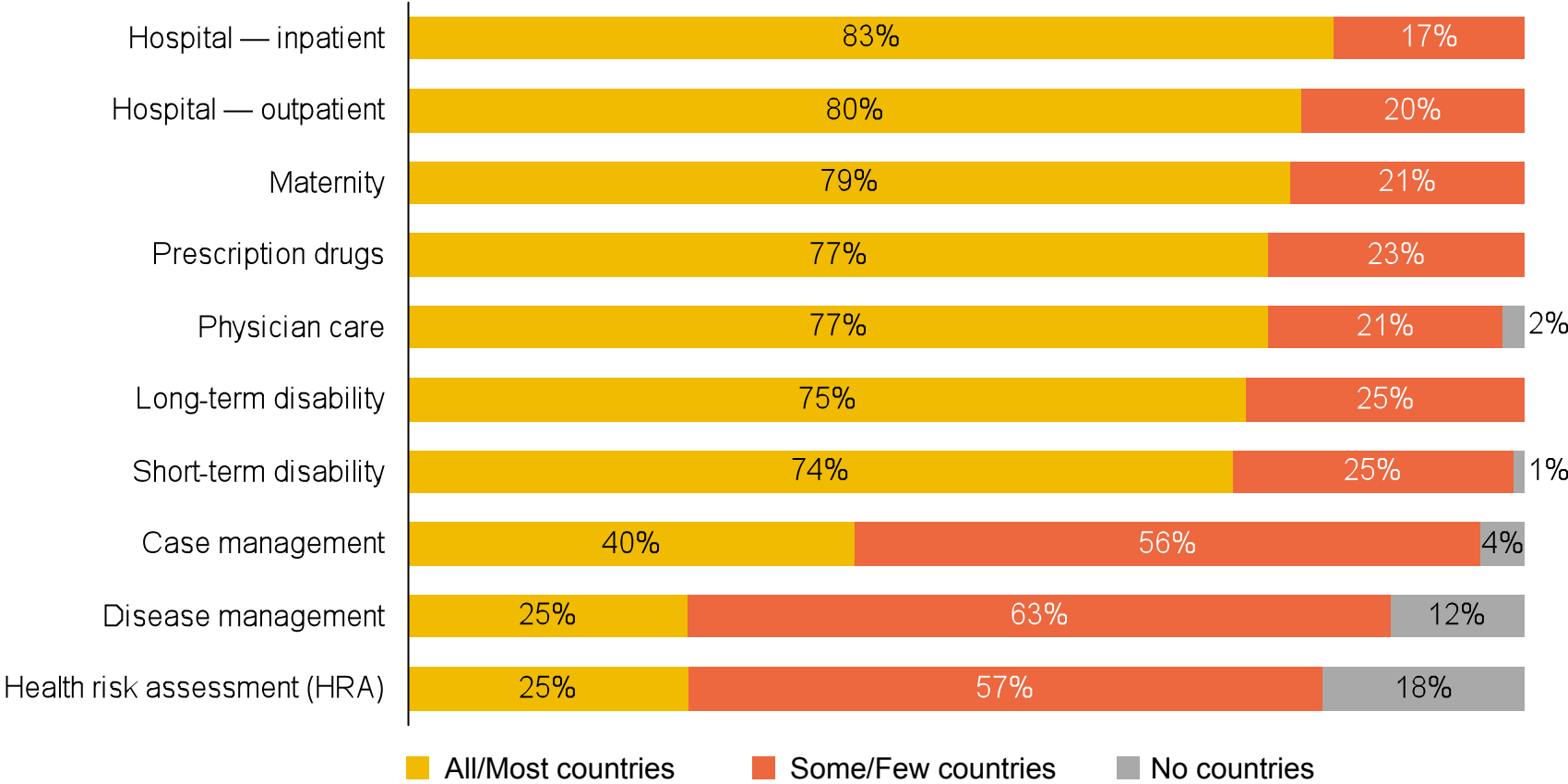
Number of Countries Where Employee Health Programs Are Offered in Lieu of or in Addition to Publicly Provided Programs



Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

Respondents have robust medical programs in virtually all countries of operation

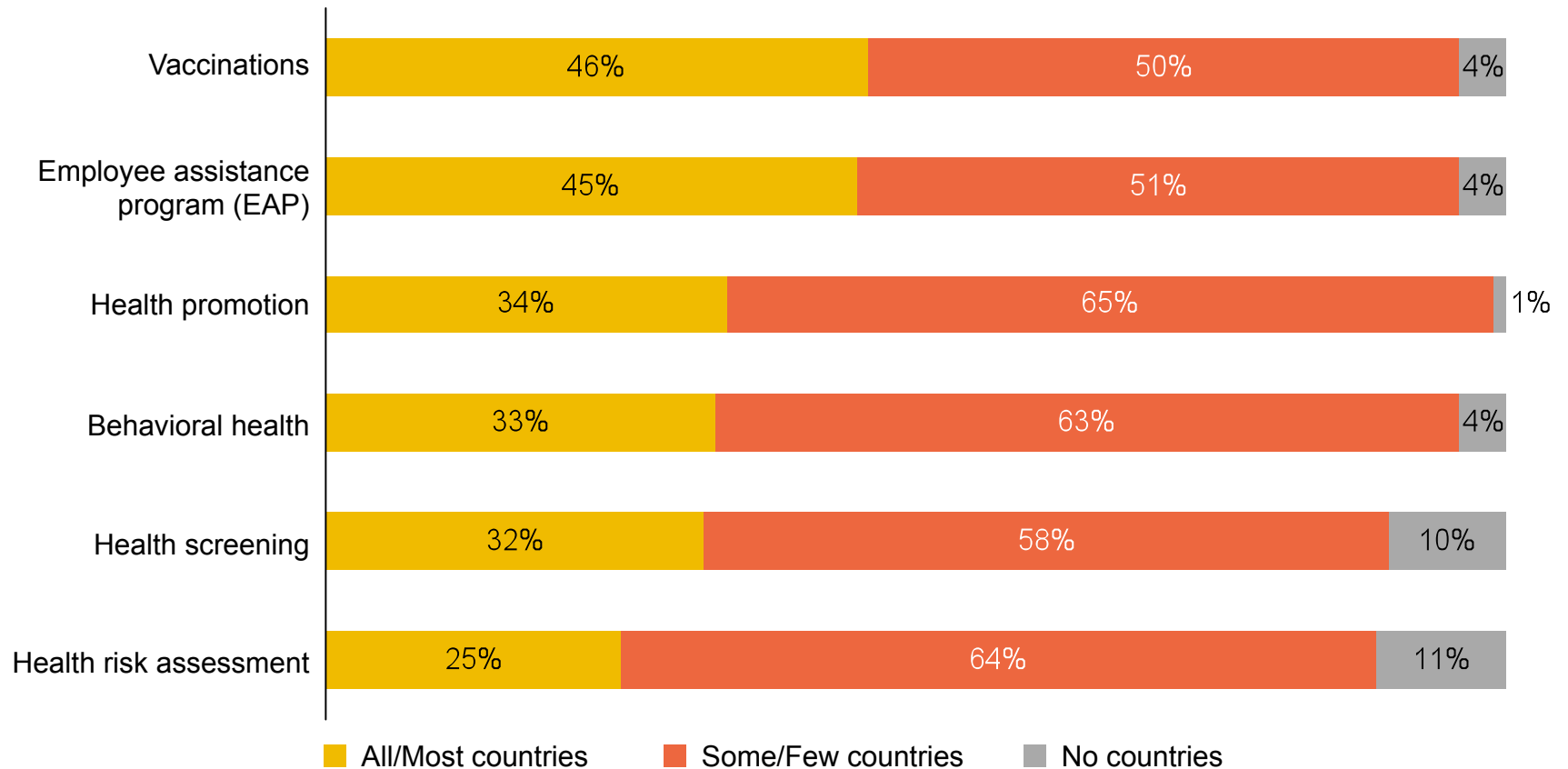
Number of Countries Where Medical/Health Benefits Are Offered



Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

Wellness/health promotion programs have been implemented in some countries

Number of Countries Where Wellness/Health Promotion Programs Are Offered

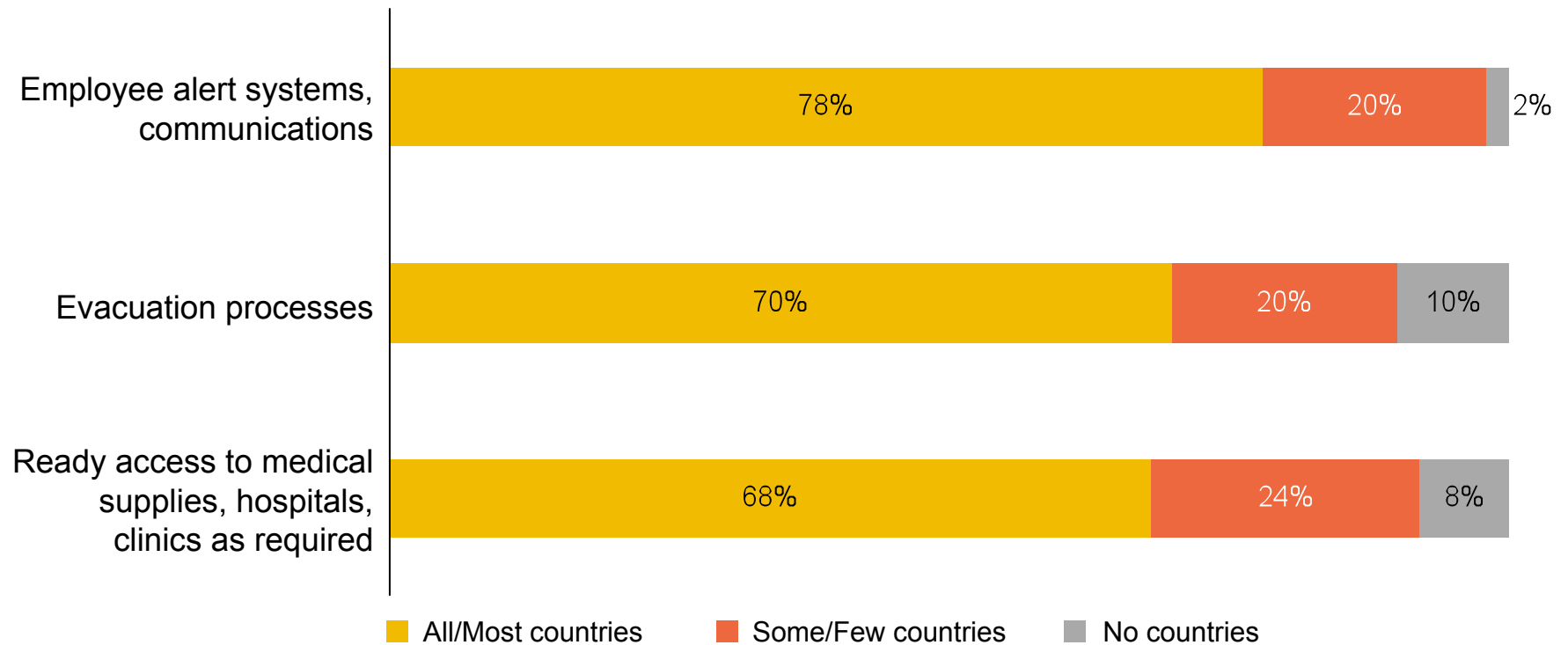


Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

towerswatson.com

A majority of participants have pandemic preparedness programs in most countries

Number of Countries Where Pandemic Preparedness Programs Are Offered



Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

towerswatson.com

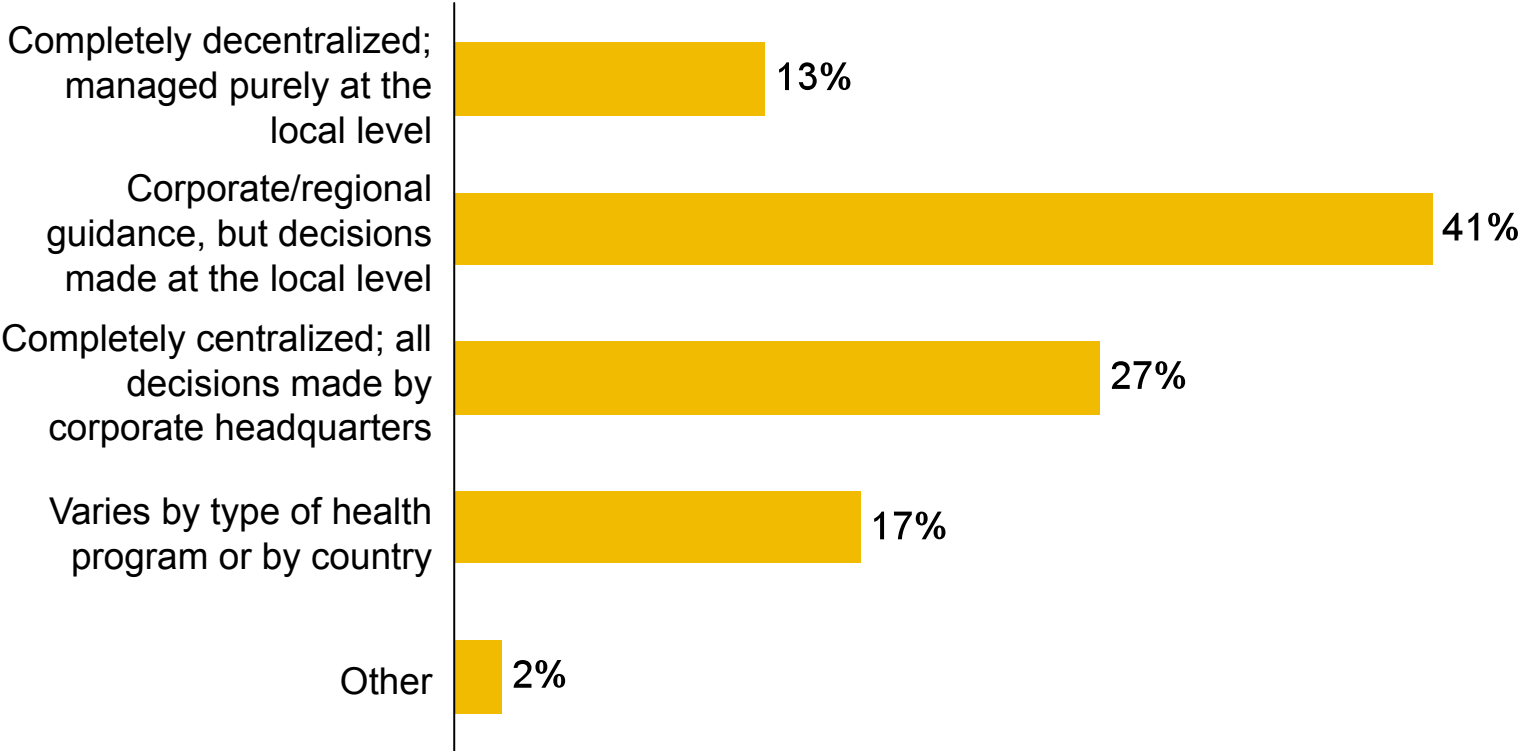
Polling question:

- Which country is currently or will be a priority for implementing local wellness initiatives?
 - Brazil
 - Russia
 - India
 - China
 - Mexico
 - U.K.
 - Japan
 - Germany
 - Singapore
 - Other

Program Governance

Governance models vary: Global guidance with local decision making is most prevalent

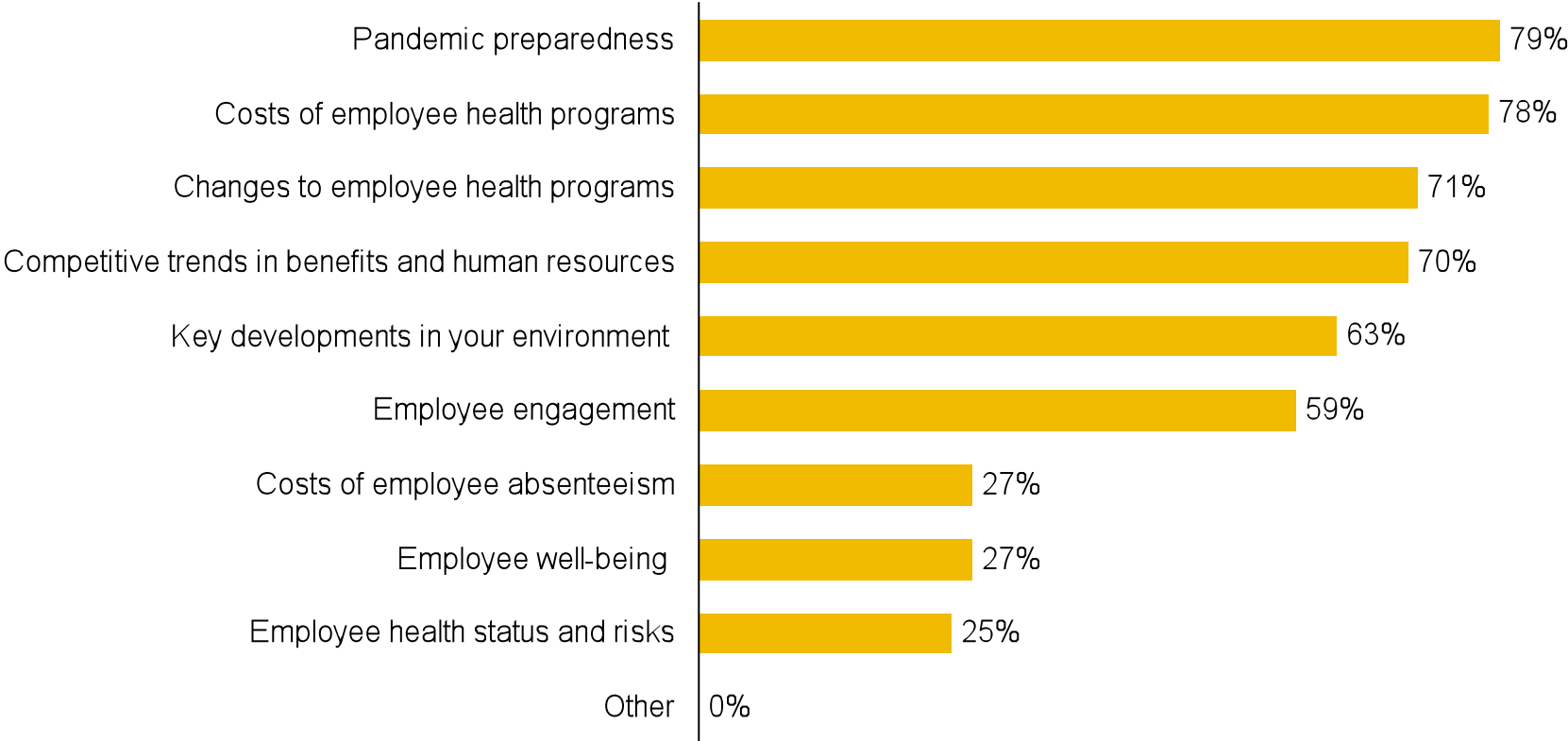
How Employee Health Benefits Are Managed Within Organizations



Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

Respondents keep a global watch on the following metrics

Workforce Health-Related Metrics Monitored Around the World From Corporate/Regional Headquarters



Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

towerswatson.com

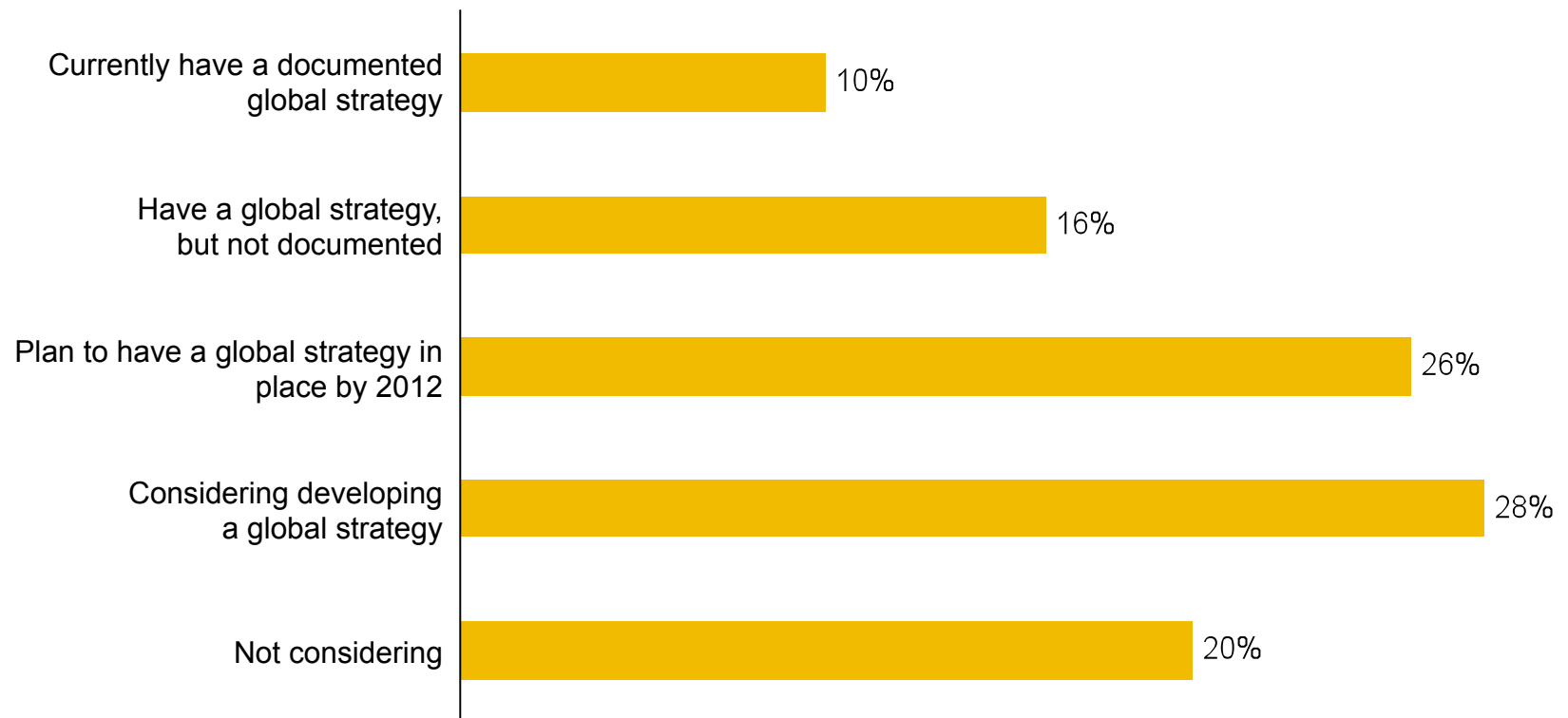
Issues and Strategies

Polling question:

- What is your current strategy for global health care?
 - Have a documented global health strategy in place
 - Have a global health strategy, but not documented
 - Plan to have a global strategy in place by 2012
 - Considering developing a global strategy
 - Not considering

About one in four respondents has an employee health strategy today, with an equal number planning to develop a strategy by 2012

Organizations That Have a Documented Employee Health Strategy

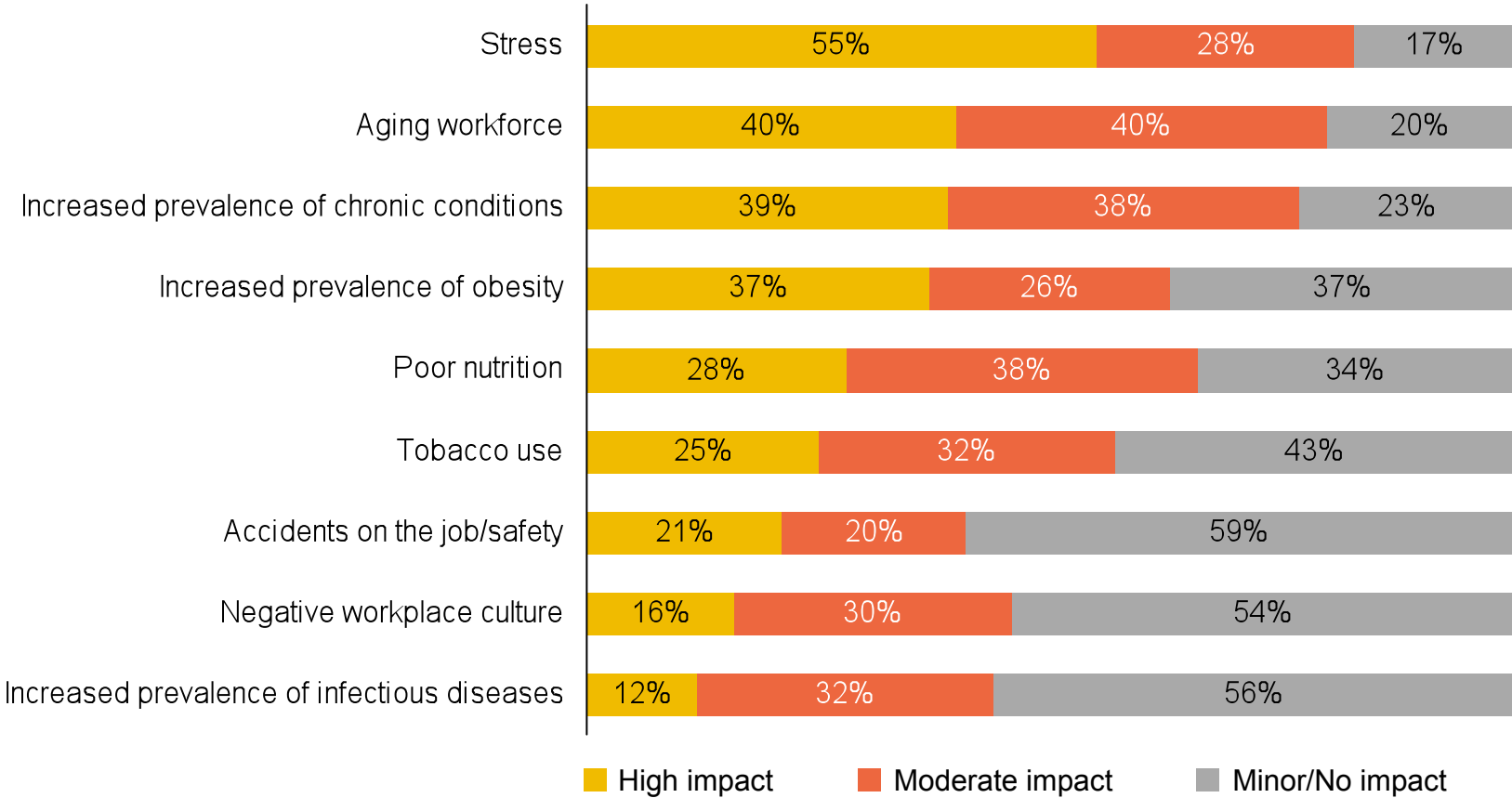


Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

towerswatson.com

Stress, aging workforces and chronic conditions are top cost and productivity challenges

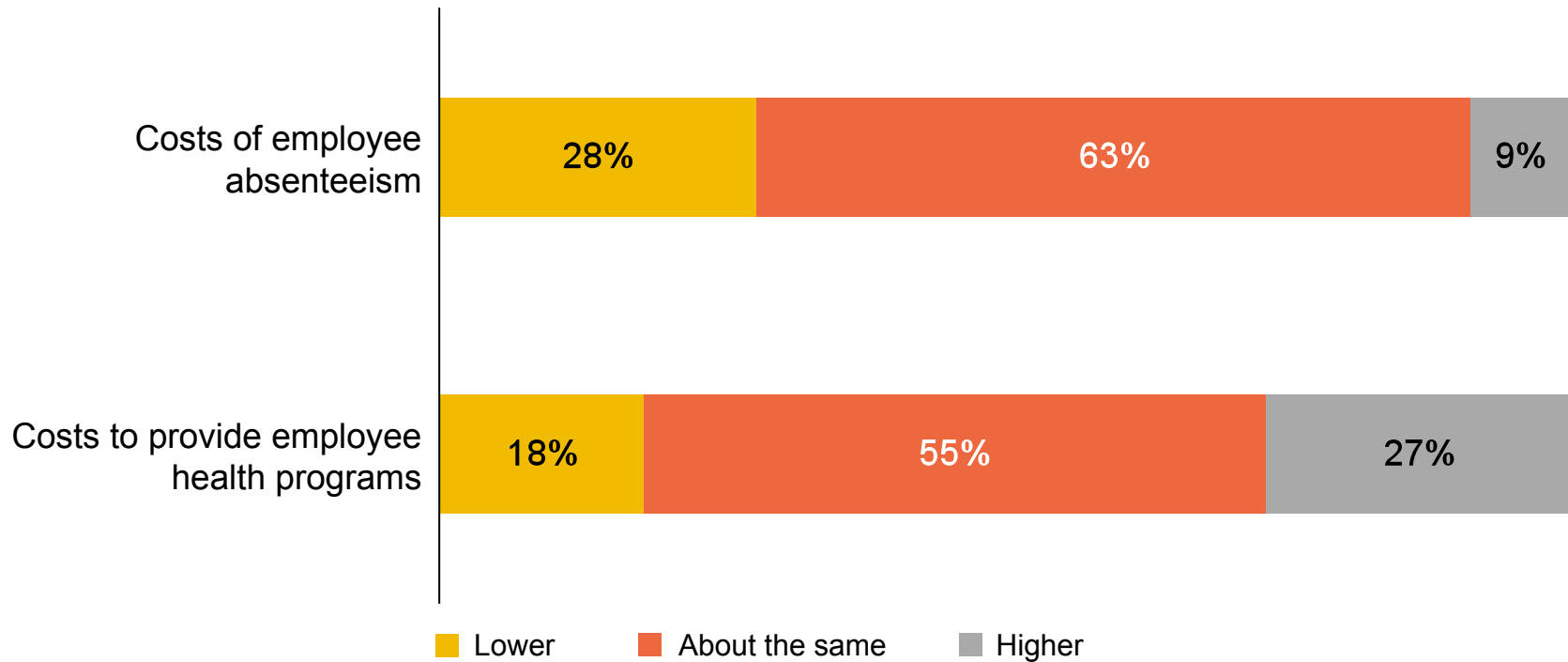
Impact of Health Issues on Health Care Costs and Workforce Productivity



Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

Health program costs are a concern for more companies than absenteeism costs

How Costs of Employee Absenteeism and Costs to Provide Employee Health Programs Compare With Those of Industry Peers/Competitors

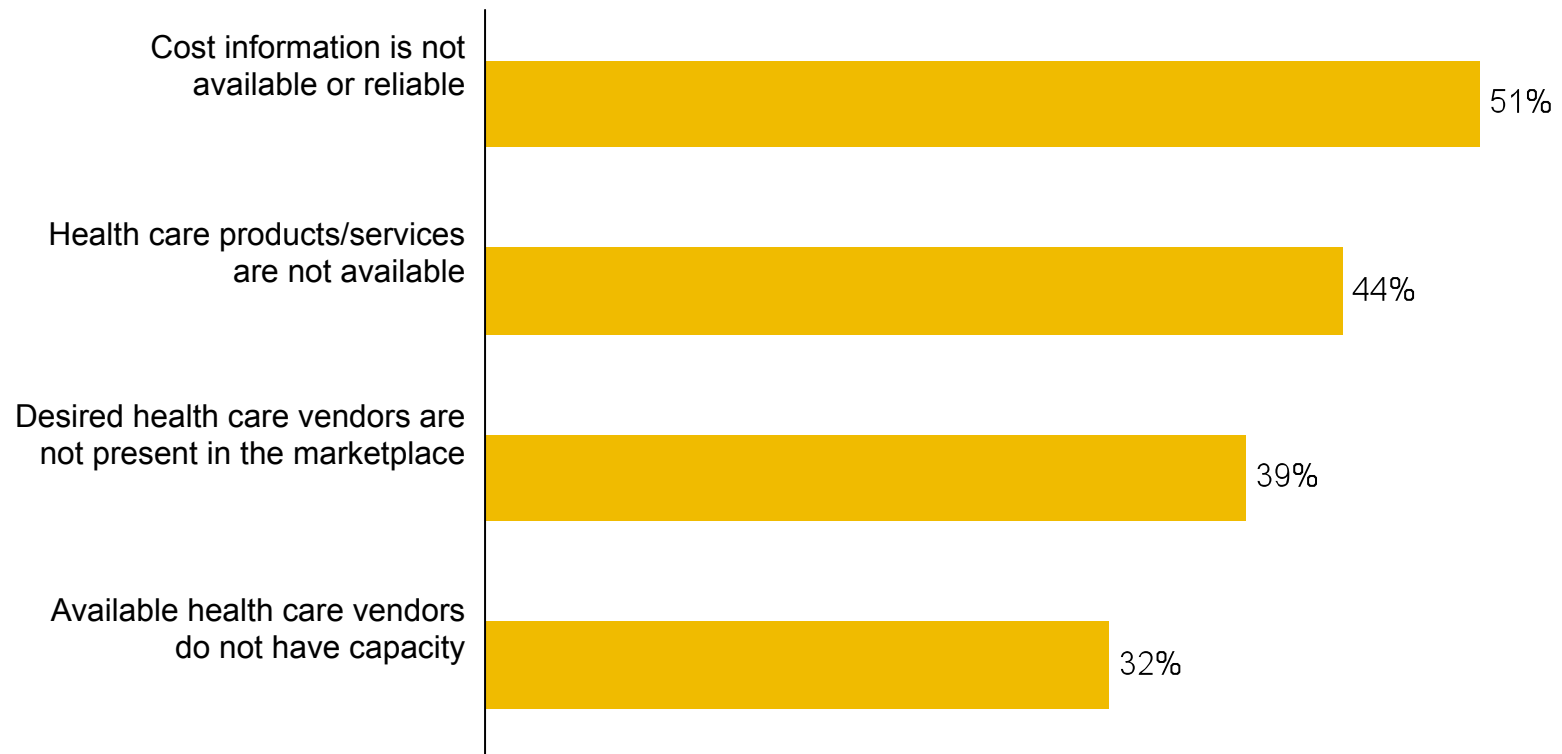


Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

towerswatson.com

Implementation challenges still exist, with cost information and service gaps topping the list

Difficulties Implementing Employee Health Programs in Countries Where There Are Significant Business Operations

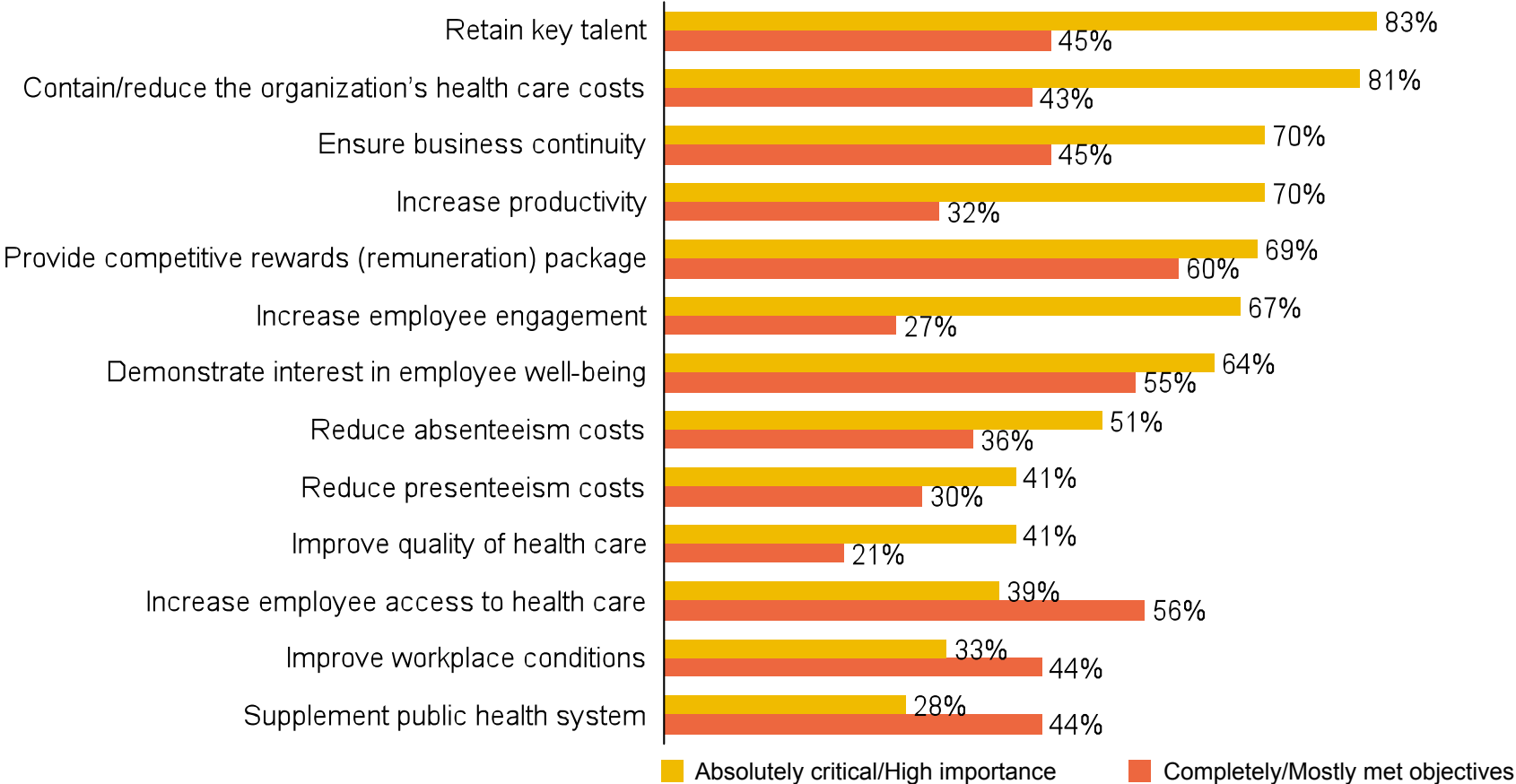


Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

towerswatson.com

Most health strategies aim to address critical talent management issues but fall short of meeting objectives

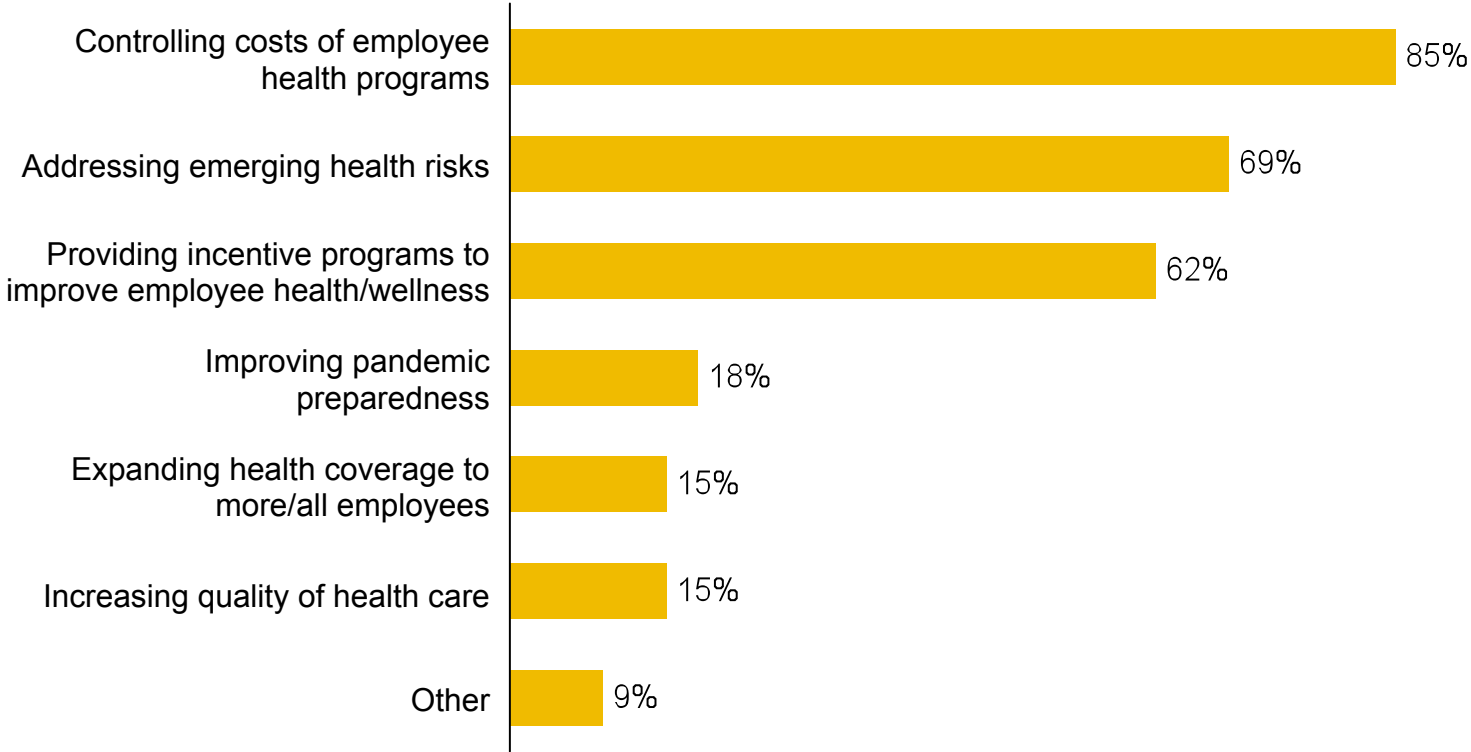
Importance of Employee Health Strategy Objectives and the Extent to Which Health Programs Meet These Objectives



Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

Controlling costs, addressing health risks and incenting healthy behaviors are top priorities

Top Priorities for Employee Health and Wellness



Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

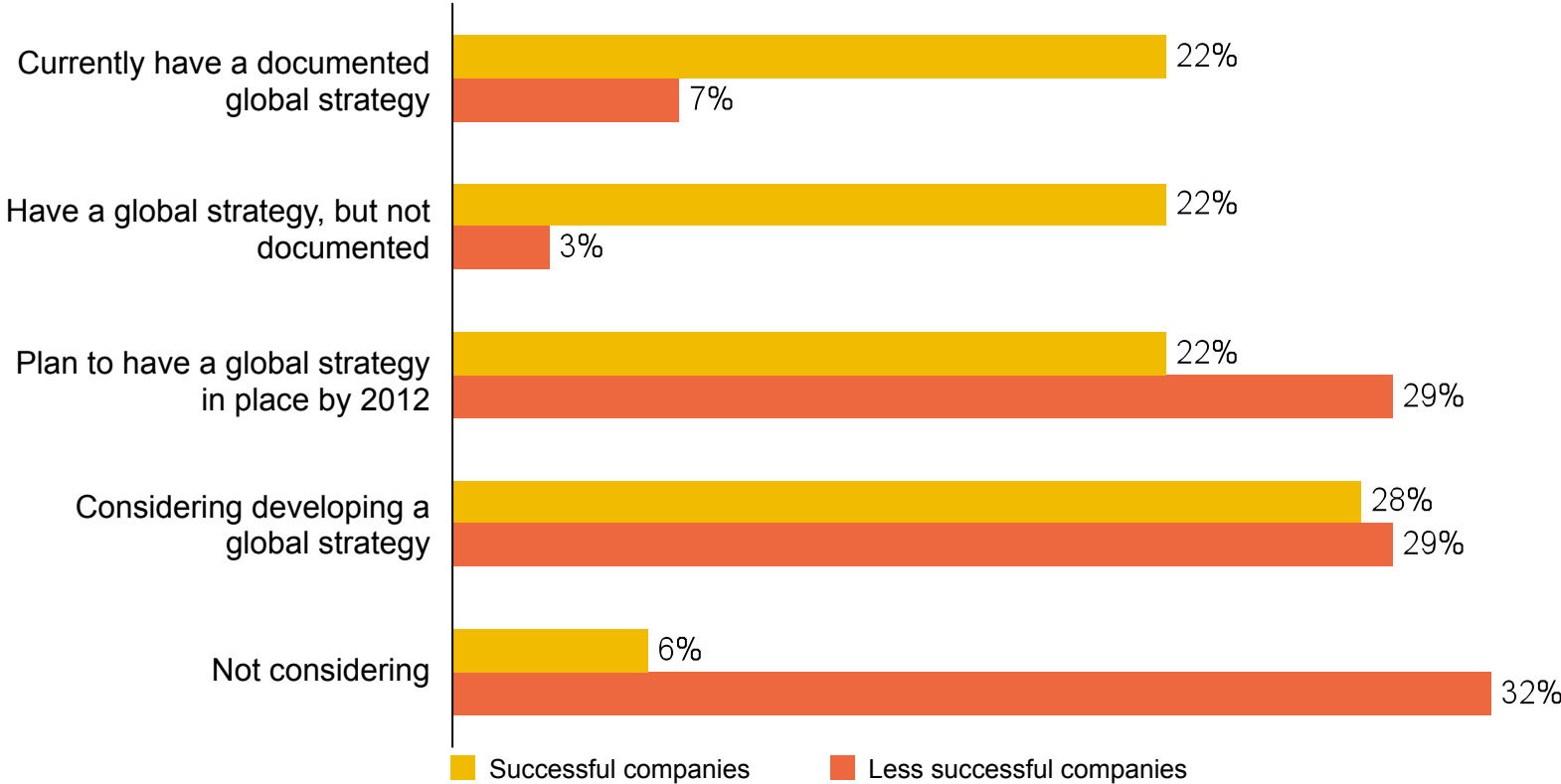
Polling

- Which wellness program has the broadest application for your organization on a global basis?
 - Employee assistance program
 - Smoking cessation
 - Nutrition counseling
 - Weight management
 - Health screening
 - Vaccinations
 - Mobile Health (mHealth)
 - Other

Ingredients for Success

Successful companies are more likely to have a global health strategy than less successful ones

Documented Employee Health Strategy — Successful vs. Less Successful Companies

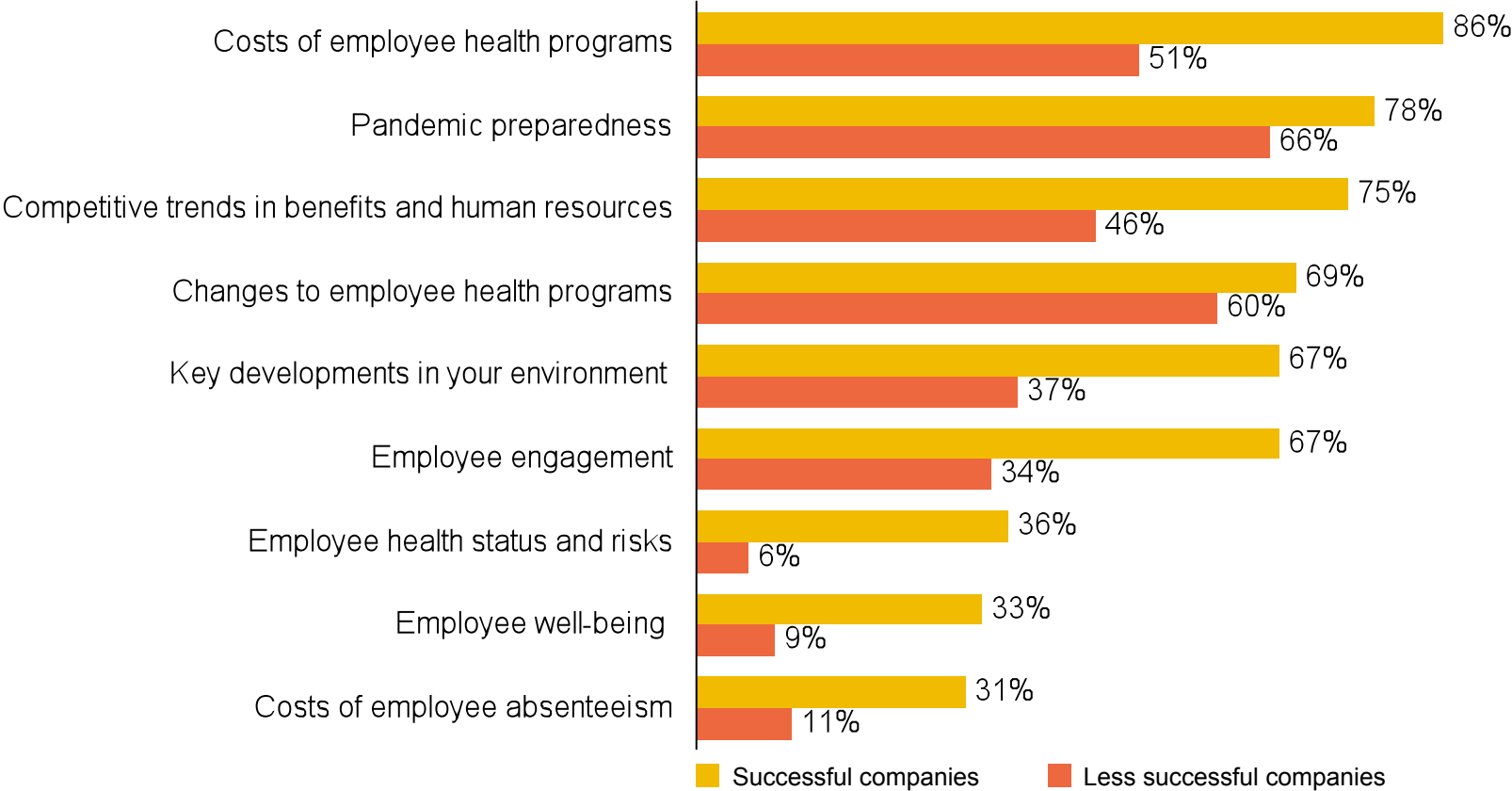


Successful companies have health benefit programs that are meeting six or more of the health strategy objectives they consider important. Less successful companies have health benefit programs that are meeting two or fewer health strategy objectives.

Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

Measurement disciplines are likely to be a key driver of success

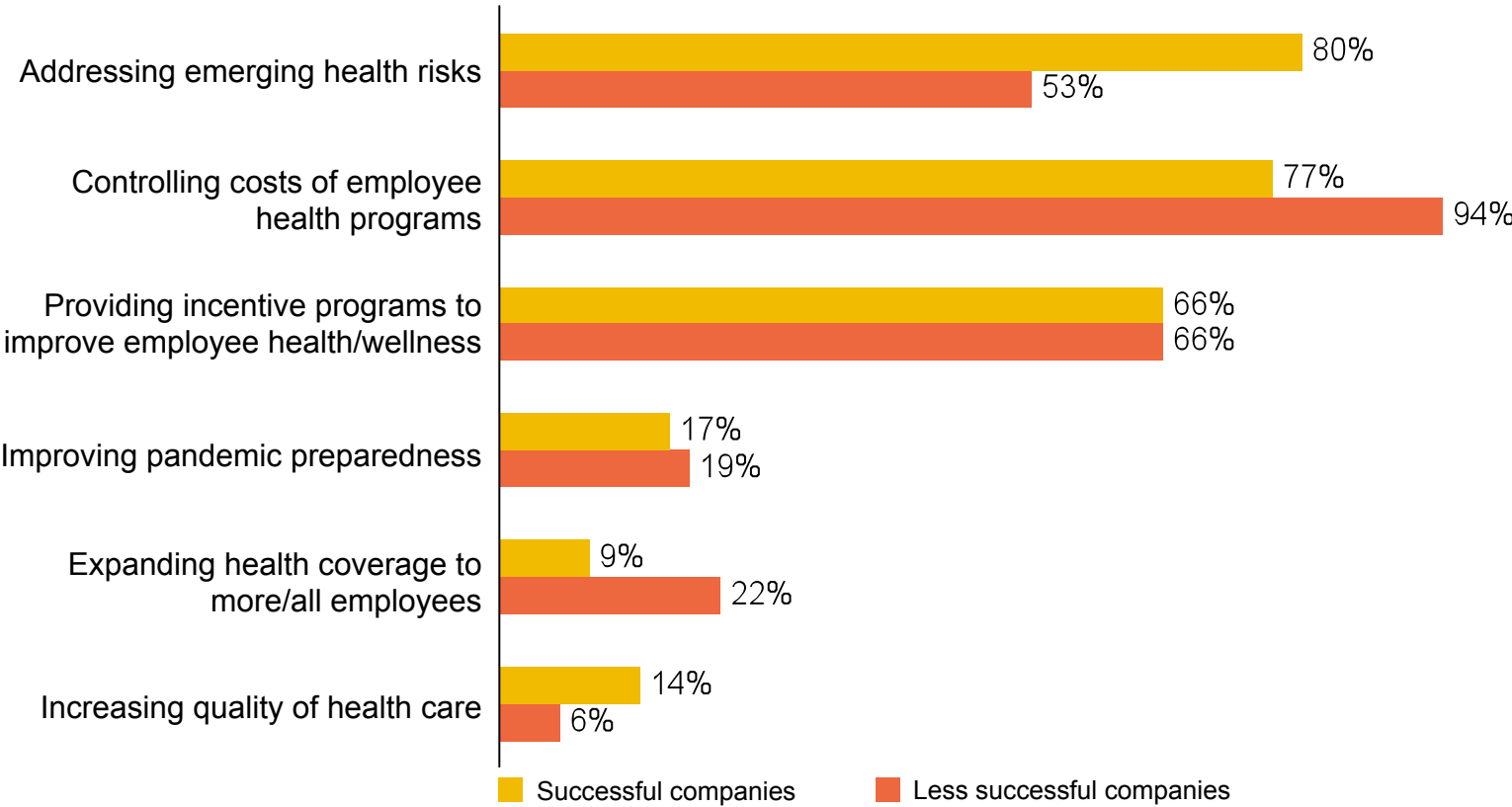
Workforce Health-Related Metrics Monitored Around the World by Successful vs. Less Successful Companies



Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

Successful companies are turning their focus to leading indicators and not responding to cost only

Top Priorities for Employee Health and Wellness for Successful vs. Less Successful Companies



Source: Towers Watson Workforce Health Strategies: A Multinational Perspective

The survey's key findings suggest that:

- It's important to have a global strategy
 - Sponsorship by senior leadership is critical
 - Local adaptation
- Governance approaches should include local/regional involvement
- Health is considered holistically
 - A full suite of health management programs
- Measurement
 - Not just ROI (behavior change/productivity/well-being/engagement etc.)

Questions

Contact details

- Francis Coleman
 - francis.coleman@towerswatson.com
- JP Provost
 - jp.provost@towerswatson.com
- Nicole Serfontein
 - nicole.serfontein@towerswatson.com