How to: Lower a Fortune 500 company’s Healthcare costs while improving company culture, morale, productivity and ultimately promote healthier habits in the workplace

Case study

Client: Fortune 500 Pharmaceutical Company
stickK Enterprise: the **smartest way to engage healthier lifestyles**...

### Successful Outcomes
- **Outcomes** backed by stickK’s scientifically based incentive structure, combined with a high degree of **accountability** that rewarded healthy **habit formation**

### High Employee Engagement
- 6,266 employees at a Fortune 500 Pharmaceutical company participated in our goal-setting program, with an average of 9.1 goals per participant.

### Measurable Impact
- **Reducing** employer’s healthcare-related costs while yielding **tangible health benefits and positive lifestyle changes** for employees

### Better Employer Perception
- 89% of participants appreciated the employer’s concern for their health and wellness. Similarly, 78% said the program had a positive effect on their physical health

- 26,175 lbs lost roughly equivalent to 2 adult elephants
- 62,888 commitments created
- 80.4% overall avg. goal success rate
- 89% appreciation
**Fortune 500 Client: The Challenge**

**Lower Healthcare-related Costs**

With more than 12,000 employees, the Client was looking for ways to persuade their workforce to take up a healthier lifestyle, considering that chronic conditions like diabetes, heart disease, and obesity account for more than 75% of US national healthcare spending (over $1.5 trillion) are largely attributable to modifiable behaviors such as smoking, insufficient physical activity, and poor eating habits. The Client’s previous health promotion campaigns didn’t meet expectations and fell short on target participation rates, rendering efforts futile. They reached out to stickK looking for an interactive, engaging and fun way to change employee behaviors and build healthier lifestyles.

**stickK: The Opportunity**

**Encourage Long Term Habit Formation**

stickK implemented workplace health promotion goals for the Client to motivate lifestyle changes by offering sets of goals targeting gradual smoking cessation, encouraging physical activity and mindful eating habits. The tailored incentive-based goal setting platform required employees to take Health Risk Assessments to get to know their numbers and suggest custom activities they could undertake to improve their health. Lower Healthcare-related Costs Fortune 500 Client: The Challenge stickK: The Opportunity stickK’s goal-setting engine integrates principles of Behavioral Economics – like loss aversion, present-based preferences and optimism bias – nudging participants to take action, change their behaviors, build habits while earning rewards along the way.
Fortune 500 Client: The Challenge

Encourage Participation
When the Client reached out to stickK, they mentioned one of the challenges they faced were the low levels of participation on health-related activities and campaigns from employees. “Encouraging teams to participate in non work-related activities can be difficult (…) especially if these are related to something more personal like one’s diet or smoking habits.”

Diana, Benefits Manager

Raise Program Retention Levels
Levels: The client’s workplace wellness activities were limited to 2 office-wide 5K or 10K races a year. It was only before (and briefly after) these events that employees seemed to benefit and follow HR’s wellness campaigns. The client expressed interest in making wellness initiatives less seasonal to encourage year-round retention.

Increase Employee Engagement
In line with the Client’s need to encourage participation and increase the reach of wellness initiatives, employees expressed interest in incorporating mental health, mindful eating and productivity goals as part of the scope of future initiatives by HR that could also help them in their personal life.

stickK: The Opportunity

Deliver Personalized Incentives
To encourage participation and ensure rewards include items participants desire and look forward to earning, we surveyed the workforce to understand what types of material and experiential rewards they’d like to see in the rewards store. By delivering personalized incentives, stickK became an appealing way to engage in physical activity, mindful eating, and mental health goals.

Continuous Accountability
stickK’s Commitment Contracts require goal-setters to report their progress consistently or points would be deducted. Behaviors that signaled progress and that encourage habit-formation would be rewarded. This incentive structure caused 63% of participants to log in at least 5 times per month over a 3-year period.

Design Customized, Specific Goals
We identified 28 tangible goals participants could commit to, dividing them into campaigns that went beyond physical activity: Downtime (mental health), Healthy Life (wellness & smoking cessation), Eating Right (mindful eating). Only 22% of the goals created were related to physical activity.
stickK Enterprise: the **smartest way to engage** employees to undertake **healthier lifestyles**...

### Optimism Bias

"The tendency to believe in positive outcomes"
Encourage employees to precommit to goals and goal-setting in general

### Present Bias

Make rewards frequent and immediate for positive/beneficial behaviors.
Points were earned for actions associated to positive habit formation (like reporting frequently, inviting coworkers to support or validate progress)

### Framing & Segregating Rewards

Employee-selected rewards are more likely to be effective than a discount on health insurance premiums

### Applied Behavioral Economic Principles

1. Optimism Bias
2. Present Bias
3. Framing & Segregating Rewards
4. Better Employer Perception

### Better Employer Perception

89% of participants **appreciated** the employer’s concern for their health and wellness. Similarly, 78% said the program had a **positive effect on their physical health**.
Our experience with the Client made us notice some serious side effects of stickKing to a healthy lifestyle...
Warning! Possible Side Effects include:

**Increase Collaboration**

Employees were encouraged to support like-minded goal-setters, regardless of department or division; causing them to meet & engage with people they wouldn't interact with on a regular basis.

- **51%** of Commitment Contracts had 2 or more Supporters, while **32%** had 5 or more supporters.

**More Attentiveness at Work**

- **44%** of participants said the program had a positive effect on their work productivity.
- **33%** said it had a direct positive effect on engagement with their job.

**Higher Satisfaction**

- **58%** said the program had a positive effect on satisfaction with their employer.
- **81%** reported that the program demonstrated that the employer cares for its employees.
- **89%** appreciated the employer’s concern for their health and wellness.

**Enhanced Company Culture**

Barriers were broken: some departments reversed the role of team managers by making associate-level employees the goal supervisors ("Referees") of senior-level staff. According to a testimonial, this dynamic “put the team hierarchy on its head (…) and made everyone interact with each other, regardless of their office role.”

**Improved Workplace Morale**

- **54%** of participants said the program had a positive effect on morale.
Thoughts and experiences from the program, as explained by employees

FROM THE COMMITMENT JOURNAL

“"My wife of 15 years said something I never heard her say before and that was ‘you are going to need to wear a belt with those pants.’ That will never get old hearing DAVID”"
Thoughts and experiences from the program, as explained by employees

FROM THE COMMITMENT JOURNAL

"The program is designed for your success since you choose the commitment. The sweepstakes Chef Dinner that I won - absolutely amazing experience.

ANNE MARIE"
Thoughts and experiences from the program, as explained by employees

FROM THE COMMITMENT JOURNAL

"Your program inspired me to push myself...I lost over 20 lbs [...] and completed a marathon.

COLIN
Poster Child for Applied Behavioral Economics

stickK draws notice from mainstream press and academia

stickK has been mentioned or profiled in more than 40 books by notable authors including Michael Stanier, Daniel Pink, Keith Ferrazzi, Tim Ferriss, Kerry Patterson, Daniel Akst, and Richard Thaler & Cass Sunstein

stickK has ongoing behavioral economics research partnerships at leading institutions, including Northwestern, Stanford, Yale, Cornell, & UPenn
other ways organizations stickK to their goals

Employee Wellness

Academic Research

Energy Conservation Goals

Medication Adherence for Diabetics

Consumer Outreach

Public Outreach

Smoking Cessation Studies

Academic Goals for Students

Bupa

Staples

NAACP

Stanford University

NHS

American Cancer Society

LSE