

Developing the business case for wellness



How does wellness fit into the bigger picture of your organization's mission and goals? Make the connection to translate the value of wellness into the language of business

by Patricia Ryan, MS

Most people in your organization will likely agree that wellness activities are nice to have. Yet, when it comes time to allocate resources—whether budget, staffing or priority—the “soft” values of wellness are difficult to compare to the “hard” numbers of revenue and expenses.

It's relatively easy to place the costs of food, building maintenance, equipment, salaries, water and electricity on a spreadsheet, then place revenues from fees, grants, dues, taxes or donations in the next column and see the association. It's far more challenging to convert feelings of well-being and the ability to twist open a jar lid into the numbers that fit on a spreadsheet.

No matter what your role, part of your effectiveness on the job depends on your understanding of the “big picture” depicted in the organization's purpose, goals and decision-making. Just as you strive to translate the language of your specialty—whether as a program manager, nurse or fitness director—to the language of the population you support, so is it most effective to translate the application of the wellness philosophy to the language of business.

The process for developing the wellness function from a business point of view is similar to what you probably already do when developing your health promotion activities. (In this article, *wellness* is a general term that includes services and facilities offered within the dimensions of wellness, regardless of a department's name.) Table 1 on page 42 outlines the steps involved.

Developing the business value of wellness is useful because it means sitting down and thinking through what your organization already does, as well as new additions or changes.

Start with mission

What is the mission of your organization? You probably already know this, and the mission likely includes the statement that the organization will serve the people who are its customers. It may also include words such as *support, health, welfare or well-being*.

What is the mission of the wellness function? Does your department or area have a mission that reflects the larger organization's mission? If not, now is a good time to think about the purpose of the work you do. What are you trying to accomplish? What do you want your older-adult clients to receive from your program?

The answers to these questions may be obvious to you, but not to others. A clearly stated mission is an important guidepost for you, and it is a focus point for business decisions. Mission is at the top of any business document you produce.

Uncover the business needs

An organization will have goals and objectives. Management consultants spend hours explaining the difference between the two, but whatever they are called, a few items are typically critical for the business to succeed. These are the business objectives, or operational objectives. These objectives are monitored by a few key indicators that show how well the organization is performing. Ideally, if the objectives measured by the indicators are met, the organization can fulfill its mission and remain profitable, or sustainable.

For example, a key objective for a retirement community is occupancy. For a seniors or community center, a key indica-

Resources

International Council on Active Aging

Industry surveys; business intelligence; The Business Case for Wellness Programs in Retirement Communities and Seniors Housing
www.icaa.cc

Leadership for Healthy Communities

Physical Inactivity Cost Calculator for Policy-Makers
www.leadershipforhealthycommunities.org/index.php?option=content&task=view&id=236

National Business Group on Health RTI Obesity Cost Calculator

www.businessgrouphealth.org/healthtopics/obesitycostcalculator.cfm

US Small Business Administration

Glossary of business terms
<http://web.sba.gov/glossary>

tor is likely utilization of services. Other indicators might be rate of staff turnover, rankings on customer satisfaction surveys, or revenue compared to budget.

The wellness program is one portion of the overall business. Wellness is not responsible for all of the organization's results, but all of the department's activities should support the overall objectives.

What do the decision-makers want to see? The only way you can know the answer is to ask. Otherwise, you can fill reams of paper and still not provide the business team with the desired information.

As part of the development process for the ICAA/ProMatura Wellness Benchmarks, several chief operating officers

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Needs assessment:	What is the need? What will benefit the older adults in your population?
Environmental assessment:	What is happening in the world that may affect the population you serve? On a more local level, what are others doing in terms of wellness? Are there unmet needs that can provide an opportunity for the program?
Possible solutions:	Among the programs, staffing, equipment or buildings that are available, which options will meet the needs and take advantage of opportunities?
Strategic alignment:	Which of the possible solutions fit within the mission and objectives of the organization?
Implementation:	What's needed to implement the solutions? Is it people or space or budget or partnership with other departments or organizations?
Evaluation:	How will you measure success? What are the outcomes that will be tracked, and how often are these reported?
Recommendation:	What are the priority items that meet the needs of the older adults and the organization?

Table 1. The process for developing the wellness function from the business point of view

and chief executive officers answered the question, What do you want to know to determine the return on investment for a wellness program? They said:

- Does the project meet mission?
- Does the project fit within operational goals?
- What actions are being taken?
- What are the current or expected results?
- Is there progress?
- What will it cost?
- Will there be a return on investment or impact on business?

Once you have identified the organization's business objectives and know what decision-makers want to see, you're ready to gather information to build your plan.

The tools of business communication

There are two documents frequently used to capture ideas and put them into a format that decision-makers can use when deciding how to allocate the organiza-

tion's resources (money, people, priority, space, etc.). These are:

The business plan. Typically written before preparing the budget, this annual plan contains the overall strategies and operations of the department or program. The document is valuable because everyone uses it to guide day-to-day decision-making and operations. A business plan is not cast in concrete; it needs to be adjusted as time progresses.

The business case. A business case is a proposal for a new or revamped program, service, product or staffing. This document explains the opportunity, and makes the argument for why the organization should seize it. A business case can be written at any time.

Examples of outlines for both a business plan and a business case appear in the sidebar on page 46.

Develop the plans

There are multiple resources you can use to develop plans for wellness that are consistent with basic business formats. These

sources will provide general information and facts to back up your recommendations. Once you have these, you need to draw the line to your local population.

Following is a closer look at each section in the foundation of a business plan or business case; of course, these will be customized to your individual situation:

Needs assessment. One way to conduct a general needs assessment is to research national, state and provincial statistics on the prevalence of health conditions among older adults, as well as the benefits of intellectual, social and other activities. For example, since chronic conditions such as heart disease, diabetes and functional limitations are common among older adults, people within your population will likely benefit from programs that address these conditions.

On the local level, counties and municipalities typically have statistics on the health, housing and economic status of the population. Within your organiza-

tion, use satisfaction surveys, focus group input and advisory boards composed of your customers to determine needs and interests.

Sources:

- Older Americans 2010: Key Indicators of Well-Being. Federal Interagency Forum on Aging-Related Statistics. www.aoa.gov/Agingstatsdotnet/Main_Site/Default.aspx
- Area Agency on Aging (for your local area). Check your state website for contact information.
- County or city aging services department should have the number of older adults and some documentation of service needs.

Environmental assessment. Look for trends outside of your organization to identify the factors influencing service providers for older adults on the national, state, provincial or local levels. Determine if the services already being provided diminish the need for you to offer them, or if a lack of services or funding opens a door for your organization. For example, if the city is reducing funding for recreation centers, does that create a market for you to provide wellness services to nearby neighborhoods?

An environmental assessment includes a review of the competition. What type of wellness activities are others with the same type of business offering?

Sources:

- The Business Case for Wellness Programs in Retirement

- Communities and Seniors Housing. International Council on Active Aging. www.icaa.cc/Management/businesscase-forwellness.htm
- ICAA 2010 Wellness Industry Development Survey, ICAA Wellness Buying Trends (2008), Wellness center development and renovation trends (2008). International Council on Active Aging. www.icaa.cc/Management/researchandreports.htm
- ICAA Salary & Benefits Survey. International Council on Active Aging. www.icaa.cc/Management/researchandreports.htm

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What value does your customer place on credibility?



The ICAA age-friendly designation will provide you with unprecedented credibility. This seal of recognition lets older adults know you take their business and well-being seriously. When you join this program, you can place this seal on all your marketing pieces, i.e. advertising, flyers, direct mail, posters, postcards, door stickers, brochures, client handouts, and website.

**To learn more, visit
www.icaa.cc**

Showing the business value can help turn wellness activities from “nice to have” to “must have” components of the organization’s mission

- National Whole-Person Wellness Survey. Mather LifeWays Institute on Aging. www.matherlifeways.com/re_nationalwellnesssurvey.asp

Possible solutions. Now that you have identified the needs of older adults in your area, and what is being offered, what are the options for your organization? This might be one or more new classes, new partnerships, outreach to a new market or new sources of funding. List the possible solutions, along with the pros and cons of each.

This is an ideal time to host a brainstorming session with older adults, your colleagues in other departments, as well as your own team to generate possible options. Don’t neglect the opportunity to ask people outside your organization for their suggestions.

Strategic alignment. Go down the list of each option and test it against the organization’s mission. Will that solution or program help fulfill the mission? Do the same for the business objectives. If the answer is no or somewhat, you may want to delete that solution from the list and move on to the next.

Implementation. What’s needed to implement the solutions? This is where budget comes in, as well as required staffing. It’s also the place to develop partnerships that leverage everyone’s resources. You might share the staff and budget of another department, or work with an outside organization—for example, could an internship program with a local educational institution provide staffing?

Evaluation. Before launching a new solution or continuing what you’re doing, think ahead to how you will measure whether that partnership, class or activity is meeting the intended purpose. What are the markers of success? Evaluation might include changes in scores on fitness assessments, ratings on satisfaction surveys, numbers of new members, or another indicator that will be clear and important to business decision-makers.

Recommendations. Based on your analysis of the needs of the older adults you serve, an assessment of the environment, the possible solutions, and the alignment with the organization’s mission and objectives, you probably have a clear picture of what to do and why it’s important. Highlight your recommendations. You might even want to make these an executive summary preceding the rest of the plan.

Plan for success

In your view, there may seem to be a disconnect between the mission of service to people and the close attention to spreadsheet numbers. However, there is a well-used phrase, “There is no mission without margin.” In other words, if the money doesn’t come in to pay for programs, staff and the lease, you can’t offer the services. If the program, service and staff do not support the organization’s mission, then why allocate the resources?

Business presentations don’t have to be long. A succinct and direct presentation

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Industry tool tracks the business of wellness

It will become simpler to link the outcomes of wellness activities to the business objectives of an organization with the release of the ICAA/ProMatura Wellness Benchmarks. This online system, currently available to retirement communities, was developed by multiple groups of active-aging industry leaders. Their purpose was to identify the key performance indicators that could assess the wellness program’s contribution to the community’s business objectives. Their goal was not to measure everything surrounding a wellness program, but to measure what counts for the overall program’s return on investment.


The work groups chose indicators that could answer key business questions:

- How many residents participate in and value the program?
- How are the program assets utilized?
- Is there progress in terms of participation and outcomes?
- Does wellness affect average length of stay?
- Do participating residents stay more independent, longer?
- Is there a potential for revenue contribution?

Communities enter information on their property and the wellness program into the online system, and generate reports that allow for program analysis and provide data for business planning.

For more information about the ICAA/ProMatura Wellness Benchmarks, visit www.icaa.cc/Management/benchmarks.htm.

of facts will relay the message that the plans for wellness are well thought-out, that there is a method for evaluating the results, and that these plans support mission and operational objectives.

Showing the business value can help turn wellness activities from “nice to have” to “must have” components of the organization’s mission. 

Patricia Ryan, MS, vice president of education at the International Council on Active Aging®, has written many departmental business plans over her career and worked with teams to develop organizational critical success factors and performance indicators. Ryan facilitated the development of the ICAA/ProMatura Wellness Benchmarks.

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Outlines of business documents

Outline of a business plan

The business plan describes the overall strategies and operations of the department/program. A business plan for a department or program could range from 3–50 pages. Up to 10 pages is reasonable because people may not read too much more. A business plan may cover one to 3 years.

1. Your department/unit’s vision/mission and goals, fulfilling the organization’s vision/mission and goals.
2. Your plan of action: What are you going to do? What is the rationale for each initiative (based on needs and environmental assessments)?
3. The resources (priority, equipment, staff, facilities, interdepartmental coalition) needed to implement the plan.
4. The results you expect to achieve.
5. How much it does or will cost.
6. How you will measure the results.

Outline of a business case

The business case presents a new or renewed program/service/class/staffing and explains why the changes merit investment. Like a business plan, a

business case can have a few or a lot of pages. Fewer pages are just as effective if you answer the key questions.

1. The business problem or opportunity
 - What is the problem this proposal will overcome? What new trend or potential has emerged that can be taken advantage of?
2. Environmental assessment
 - The big picture of what is happening in the industry, among your competitors and in the organization that led up to the problem or opportunity.
3. Possible solutions
 - List a few ways to address the problem or opportunity. One will be to do nothing.
 - The pros and cons of each possible solution.
 - The cost of each solution.
4. Your recommendation
 - Of the solutions, the one or more you feel are the best bets. If you are proposing more than one solution, list these in priority order.
 - The results you anticipate from the solution(s).
5. Measuring outcomes
 - How you will measure the results.