

## In Focus

### Is Your Leadership Team Fit for Success?

The health of senior management impacts the success of the company. It is an issue of shareholder value. If a senior manager is unable to perform his or her duties due to a serious illness, disability or death, the company will suffer material consequences.

In 2004, the Partnership for Prevention launched a *CEO-to-CEO* initiative called *Leading by Example*. At the core of the initiative are CEOs who are champions of worksite health promotion. The CEOs "lead by example" by making health promotion and disease prevention a priority and integral parts of their companies' business strategies.

Five years later, many senior executives are not leading by example. Are yours?

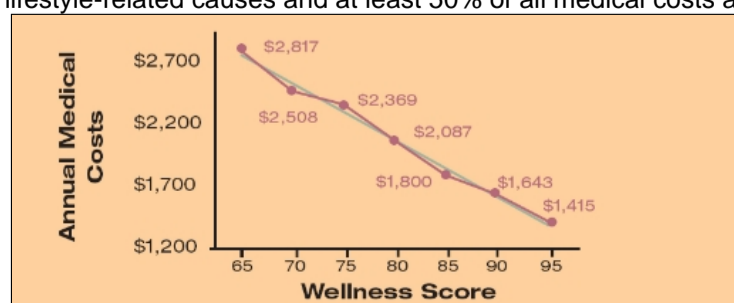
Is it that executives, like teenagers, view themselves as invincible? Or is it that CEOs are willing to let senior management health suffer in pursuit of shareholder value? How would CEOs respond if they understood that the health of senior managers and shareholder value are completely aligned? As the Steve Jobs example shows, the loss of a key employee will materially impact an organization's success. The same is true for other members of the C-suite, general managers, key project and product managers, etc. A temporary or permanent loss of a key employee does impact business success – it might even alter the course of a business!

As such, we believe it is time to make executive health a priority and to reward senior management for good health and good results. This is good business – both in the short and the long run. A fit leadership team will produce better financial results and its members will enjoy a higher quality of life for years to come. And, akin to the wisdom in the Bible: "What profits a man to succeed in business and lose his health?"

Now especially is the time for your senior management to be fit enough to lead the company through the challenging days ahead. By focusing on a results-oriented health incentive program for senior leadership, you will better leverage your investment of scarce resources to positively impact business success. The payback will be greater, the timing more rapid and positive results more likely. This also is a group that is used to performance targets and incentive compensation – two critical ingredients to high performing worksite health programs.

Capturing senior level support is also the first step in the Wellness Councils of America's (WELCOA) seven benchmarks for success. Supportive executives provide resources for health promotion and serve as role models through their own action and results. Companies with executives that are committed to a culture of health in their organization are more likely to have successful worksite wellness programs which can lead to lower health care costs.

It has been well established that lifestyle changes can not only improve health and productivity, but also reduce health-related costs. The U.S. Surgeon General has determined that 70% of all illnesses are due to lifestyle-related causes and at least 50% of all medical costs are attributed to



illnesses that could be prevented. Research conducted at General Motors by the University of Michigan has demonstrated

#### They Said It?

"A leader leads by example, whether he intends to or not."  
*Author unknown*

#### How executive health recently impacted Apple's bottom line:

- December 17, 2008—Concerns over CEO Steve Job's health caused Oppenheimer & Co. to downgrade stock from "outperform" to "perform."
- December 30, 2008—When a website reported that Jobs was in "rapidly declining" health, the company's stock gain that day was reversed. Stock prices sank from about \$88 to \$84.72 within minutes of the report.
- January 6, 2009—Oppenheimer upgraded Apple to "outperform" from "perform" based on Jobs' positive health report.
- January 14, 2009—Jobs announces he is taking a leave of absence until June. Apple shares dropped sharply in after-hours trading following the announcement - down 7.1 % to \$79.30.

the inverse relationship between a health risk appraisal's "wellness score" and annual medical expenditures. Increasing "wellness scores" are associated with lower health care costs.

Investing in senior management health is good offense in that it will contribute to higher performance over time, and good defense in that it will minimize the potential for the sudden loss of a key manager. It should be a part of your overall risk management strategy. Motivating executives to take care of themselves also has an added benefit - it will make similar efforts more credible to the rest of the organization.

To learn about *Be Fit for Success*, a new results-driven, health incentive program for executives, contact your Chelko Consulting Group consultant today. It is a nationally recognized, turnkey program that can have an immediate and profound impact on your organization - and deliver dividends for years to come.

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