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## **A Conversation With... Ed Buffett**

To mark its 15th year of publishing, **Benefits and Pensions Monitor** is featuring a series of conversations with people who have made a significant contribution to the industry.

Thirteen years ago, a heart attack changed Ed Buffett's life. As president of Buffett Taylor & Associates, he had been running a successful **benefits consulting** company. Since then, the president and CEO of Buffett & Company Worksite Wellness Ltd. has been delivering a message about the need for **wellness programs** in the workplace.

The following is an edited version of the conversation between Buffett and **Benefits and Pensions Monitor** Executive Editor Joe Hornyak.

BPM: How would you describe the group benefits sector when you started your company in 1981?

Ed Buffett: In 1981, most Canadian employers had some form of a benefit program, but not everyone had a consultant. A lot of people dealt directly with the insurance carriers. At that point in time, there were many more insurance companies and, in some respects, that served the clients better than what has ultimately happened as companies have consolidated and there are fewer and fewer players.

BPM: What prompted plan sponsors to decide they needed consultants to look after their best interests?

EB: Back in those days, there were so many players that to really have an appreciation of how these insurers differentiated themselves required a comprehensive knowledge of the industry. The sponsors realized they should be talking to somebody who really knew the strengths and weaknesses of the various underwriters.

There were also issues of plan design. Certainly in the 1970s and the 1980s, there was a realization that there were more ways than one to skin a cat. It's fair to say that, for the most part, consultants were the ones who were bringing these solutions to the attention of the plan sponsor.

BPM: Until the early 1990s, you were more of a traditional consulting firm. Then, you added a new focus to the company, wellness. What prompted the switch?

EB: By 1993, I'd been doing the same thing basically since 1981. I began to think that there was something we were missing.

Then, I had the misfortune – or in retrospect, the good fortune – of having a heart attack. Given what I had gone through, I looked at many of my peers and realized there were an awful lot of people out there like me – people who knew better, but were smoking, living sedentary lifestyles, not eating healthy meals, and didn't have a lot of skill when it came to managing stress.

I was fortunate that I had a very close relationship with my cardiologist. I had served as chair of the local hospital board and he was president of the medical staff. We had spent a lot of time talking about health and one of the things he impressed upon me was that we don't do a very good job in this country in the area of prevention.

That kept resonating with me. I recognized that one of the greatest opportunities we have to influence the way people approach their health is through the workplace. Where do we spend most of our waking hours? Most of us spend more time at work than we do with our families.

I started doing Web searches, looking for information related to preventative health, in particular, at the workplace. I found that, notwithstanding many of the challenges that our neighbours to the south face in the area of healthcare, the one area where they appeared to be significantly ahead of us was in the area of workplace wellness and health promotion.

In some respects, that's understandable. Their healthcare system is one where the employer pays a much greater share of the cost. I also learned about the Wellness Councils of America – the passion of one man, Bill Kizer. Through his years of business experience, he understood that there was a tremendous role to be played in the area of prevention. He became an advocate of the importance of utilizing the worksite as a place to disseminate information and to create supportive environments to help people make healthy changes in their lives.

BPM: What was the next step?

EB: In 1995, I brought together a group of 25 to 30 major employers from the greater Toronto area to meet with Bill Kizer and others who were heavily involved in the Wellness Councils of America. We spent two days talking about the U.S. model and whether or not it might be appropriate in Canada, given the differences in the healthcare systems.

We also took steps to establish a Wellness Councils of Canada.

In those days, we were doing a lot of, for a lack of a better word, missionary work trying to impress on people that there was a strong business case for investing in the health of their employees. I think, intuitively, people knew we were right, but they couldn't get through this notion that health was really none of the employer's business.

BPM: Was one of the obstacles that employers wanted to see a return on investment (ROI) before they would start putting money into wellness?

EB: In 1997 and 1998, when we were out there trying to convince people that there was a business case, there were a couple of things that were really harming us.

First, virtually every employer in Canada has a healthcare and dental plan. None can tell you the ROI on those programs. So a different standard was being applied to wellness.

As well, invariably, we would meet with senior people and wouldn't get too far into the presentation before someone would raise the question 'what's the return on my investment?'

To be quite honest, in 1997, we didn't have a strong answer to that question. Intuitively, we believed certain things would happen. Those of us who were the believers felt that – based on what we'd seen in the United States – if people made meaningful change in terms of diet, exercise, and managing stress, we would see reductions in absenteeism, a lower incidence of presenteeism, and fewer LTD claims.

BPM: When did this start to change?

EB: In the late 1990s, better research started coming out of academia in the United States and Canada. This research demonstrated that there would be a return on investment.

I might not be able to tell you at any moment in time whether you're going to get \$3 for every \$1 invested because every circumstance is different. A lot of the ROI is based on the demographics of the workforce and the nature of the work they do. But I can tell you that you're going to get far more back than you're going to spend. Alternatively, I haven't seen any studies that demonstrated that firms got less than they spent.

What's fascinating is we had that period in 1997 where intuitively people knew it made sense, but without the ROI, nobody was willing to go to their executive committee. And for most of these companies, the amount of money that would be required to get a good program up and off the ground was miniscule compared to what these organizations were spending on their benefit programs. An organization that might be spending \$100 million a year on its employee benefit program could, for somewhere between \$500,000 and \$1 million, put together the Cadillac of worksite wellness programs that would pay off huge dividends in the area of improved attendance, improved productivity, and a measurable improvement in employee morale.

BPM: When did employers really start to see the need for wellness programs?

EB: The year 2005 was a watershed year. A couple things happened. The media really seemed to get a hold of the fact that the boomers are getting ready to leave the workplace. And people such as Linda Duxbury, a business professor at Carleton University who is arguably the conscience of healthcare as it relates to prevention and, in particular, work/family life balance, started to suggest that although many of them hadn't left, they had already checked out.

The other thing that happened was the elimination of mandatory retirement. If you expect people to work beyond age 65, there is no point if they're not healthy. However, if part of my strategy to deal with the fact I'm going to have a hard time finding enough workers is to employ people who are over age 65, then I had better be certain that they're healthy.

Employers started getting it. They started realizing that they were going to have to compete for employees.

BPM: Where do you see wellness and prevention programs going forward?

EB: Over the course of the next 10 to 20 years, most employers are going to have robust wellness programs. They're going to have them because they need them to compete for the workers they're going to so desperately need. They're going to be offering these programs because young people today, who are coming out of university, are not looking at the dollars exclusively. They are looking at a lot of these intangibles to determine where they want to work.

They want to know if the employer has a wellness program. Does it really believe in work/family life balance? What is the organizational culture?

Plus, in today's world, it's much easier for people to get on the Internet and acquire the answers to those questions.

Companies are being compelled to think about this quite seriously.

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Ed Buffett was born in Toronto in 1943. He grew up in what was then the city of York. After high school, he went to the University of Southern Mississippi in the U.S. on a football scholarship.

While he loved football, he was also a student of history. At Southern Mississippi, he experienced history first hand as it was at the height of the civil rights movement, a point in time when schools such as his were becoming desegregated.

Returning to Canada, he worked for Allstate Insurance first in the administration side of the business and then sales. After nine years of doing this, Buffett decided it was time to start his own business in the benefits consulting field – Buffett Taylor & Associates. He built a niche benefits consulting business that tended to focus on the public sector such as school boards, regional governments, and municipalities.

Then came Hallowe'en, 1994. While playing tennis with a friend, he started feeling sluggish and within hours suffered cardiac arrest. "The last thought I had before I actually went into cardiac arrest was I am going to survive this. I am not going to die now. I was 50 at the time. I was too damn young."

Upon his recovery, his attention turned to wellness and for the past 13 years he has been one of the champions of bringing wellness into the workplace.