

# Well-being Industry Prospectus

2018

---

SEARCH WITH CONFIDENCE

# About Shortlister

Shortlister is the #1 marketplace for finding and selecting vendors in the wellness, HR technology and benefits space. Shortlister combines a proprietary algorithm and bid management technology with industry thought leadership to provide you with the support you need to find the perfect vendor for your company. Our learning algorithm analyzes data from thousands of previous vendor selections, industry trends and vendor reviews to make the optimal vendor recommendations for each client's needs.

After completing a short "matching survey" (think eHarmony for human capital vendor selection) we provide a list of qualified vendors, which have been customized to the client's unique needs. The client then selects the vendors they'd like quotes and demos from. This process can be completed in a fraction of the time of a traditional RFP process, because hundreds of vendors in the Shortlister platform are keeping their answers to over 1,200 RFP questions up to date in real-time. With the click of a button, we can access hundreds of comparison questions, ratings/reviews, videos, sample reports and more.

Shortlister has helped thousands of employers, representing over 6 million employee lives, find the best vendors for their budget, goals and demographics. If you're a broker, employer, health plan or investor going to market for a vendor in the human capital space, make sure you're leveraging the efficiency and experience of Shortlister.



# Contents

Survey Participation Profile

Industry Trends

Success Factors

Program Component Demand

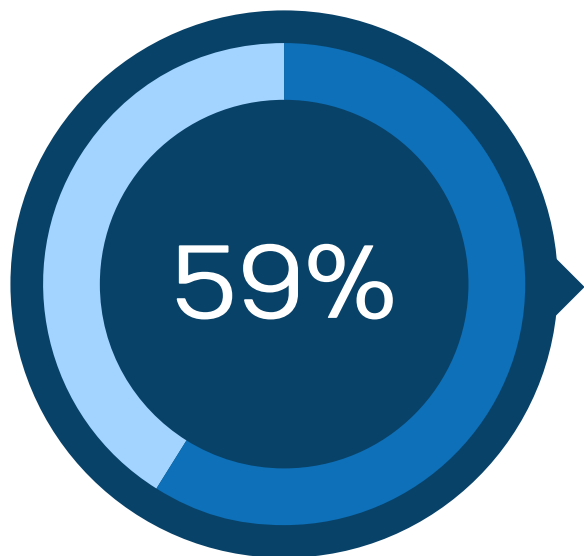
Financial Wellness Focus

Parting Thoughts

Share this  
report



# Participation Profile



Shortlister would like to thank our broker partners that responded to this survey. Our goal is to provide an unbiased and educational overview of how today's employers are purchasing wellness & well-being services.

With over 400 vendors enrolled and 9 of the 12 largest employee benefits consultants in the US using Shortlister, we're in a unique position to share these insights with the market.

**We'd specifically like to thank the following partners for contributing multiple responses to our survey:**

Arthur J. Gallagher, AON, Alliant, BB&T, CBIZ, Hays, HUB International, Lockton, Marsh & McLennan Agency (MMA), Mercer, NFP, USI and Willis Towers Watson

● Top 10 Firms ● All Other

144

Respondents

59%

From Top 10  
US Benefits  
Consultants

51

Firms  
Represented

9

Top 10 Consulting  
Firms are  
Represented





After analyzing the business placed by responding broker/consultant partners in 2017, we estimate that more than 2,263 bids were conducted representing over 3,250,000 employee lives.

To segment out respondents, we categorized them by the size of the clients they serve. The respondents were split into two groups of roughly the same size and used employers of 5,000+ lives as the demarcation line:



49%

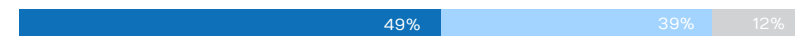
work with the large employer market, where they represent clients with over 5,000 employees.

51%

work with the small and mid-sized employer market, where they represent clients with less than 5,000 employees.

The large market group represented 80% of the bid volume vs. 20% for the small & mid-sized market.

Total Respondents



Employee Lives



0 20% 40% 60% 80% 100

● Large ● Mid ● Small

# Industry Trends



Are your clients  
doing more or less than  
in past years?

Broadening the focus of traditional “physically focused” wellness programs to become more holistic (adding financial, social & mental well-being) has made agnostic “HUB” platforms a necessity to organize an ecosystem of targeted “point solutions”

This more holistic focus, along with a changing legal landscape, has led to a shift away from outcomes-based wellness programs.

A desire for a broader scope of services and more sophisticated offerings has accelerated the shift away from carrier-based wellness offerings.

| Client Strategy  | Less | Same | More |
|--|------|------|------|
| Shifting to a total “well-being” approach over physical health program                                       | 1%   | 15%  | 84%  |
| Adding more niche “point solutions” (e.g., diabetes management, mental well-being, financial wellness, etc.) | 1%   | 20%  | 79%  |
| Desiring mobile-first or native mobile app programs for their employees                                      | 1%   | 26%  | 73%  |
| Prioritizing wellness/well-being as a business objective   | 5%   | 30%  | 65%  |
| Asking about a platform/hub to combine all of their benefit initiatives (transparency, telemedicine, etc.)   | 5%   | 32%  | 63%  |
| Implementing a wellness program via a third-party vendor   | 9%   | 46%  | 45%  |
| Changing their wellness vendor   | 12%  | 53%  | 35%  |
| Implementing outcomes-based wellness programs  | 47%  | 35%  | 18%  |
| Opting for carrier wellness program over a third-party vendor  | 48%  | 37%  | 15%  |



## Executive Summary of Industry Trends



Growing desire for solutions that are mobile-first or have a “native” app



A more holistic approach to well-being is fueling the explosive growth of new “point solutions” that are being aggregated via agnostic “hub” platforms



Wellness/well-being is still a priority for businesses, but is seeing competition



The continued decline of outcomes-based programs

### Prioritizing wellness/well-being as a business objective



### Shifting to a total “well-being” approach over physical health program



### Adding more niche solutions – diabetes management, financial wellness



### Opting for carrier wellness program over a third-party vendor



### Trends from 2015 - 2017

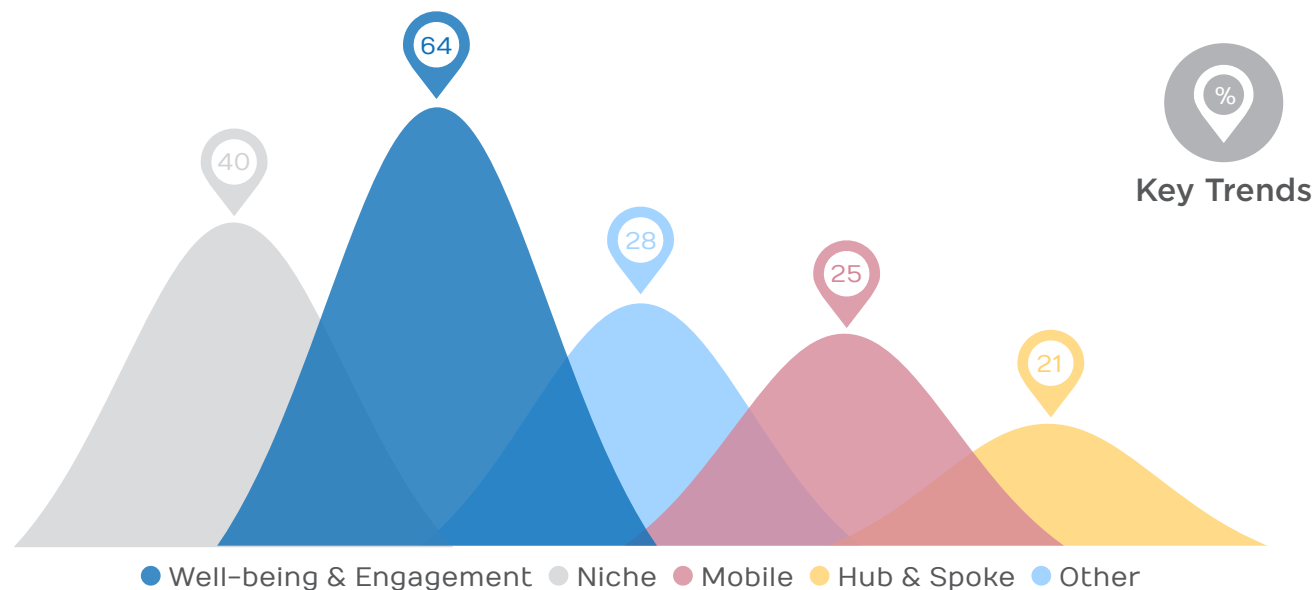
| Question   | 2015 |      |      | 2016 |      |      | 2017 |      |      | Trend |
|--|------|------|------|------|------|------|------|------|------|-------|
|  | Less | Same | More | Less | Same | More | Less | Same | More |       |
| Desire for programs that are mobile-first or have a native mobile app  | -    | -    | -    | 4%   | 34%  | 62%  | 1%   | 26%  | 73%  | ↑     |
| Shifting to a total “well-being” approach  | 3%   | 24%  | 73%  | 0%   | 10%  | 90%  | 1%   | 15%  | 84%  | ↓     |
| Adding more niche “point solutions” (e.g., diabetes management, mental well-being, financial wellness, etc.) | -    | -    | -    | 0%   | 19%  | 81%  | 1%   | 20%  | 79%  | ↓     |
| Asking about a platform/hub to combine all benefit initiatives   | 11%  | 40%  | 49%  | 4%   | 32%  | 64%  | 5%   | 32%  | 63%  | ↓     |
| Prioritizing wellness/well-being as a business objective   | 0%   | 26%  | 74%  | 1%   | 26%  | 73%  | 5%   | 30%  | 65%  | ↓     |
| Implementing outcomes-based wellness programs  | 25%  | 33%  | 42%  | 28%  | 43%  | 29%  | 47%  | 35%  | 18%  | ↓     |



# Impacting Future Success



What trends or innovations in the market have you seen and believe will help improve the effectiveness of corporate well-being programs in the future?



\*Some responses touched on multiple trends

64%

## Total Well-being & Engagement

“Integrating well-being programs into an employer’s total benefit offerings, instead of keeping it siloed.”

“A greater focus on integrating safety, building people-centric cultures and expanding programs to address holistic wellbeing.”

“Greater focus on the culture & environment and less on screenings & incentives.”

40%

## Niche Programs/Point Solutions

“Targeted interventions (or Digital Therapeutics) are on the rise, both in terms of client demand, and availability of vendor options.”

“More niche programs to address gaps in the industry, such as health literacy tools and pre-diabetes/diabetes management programs.”

“Niche solutions that have proven efficacy.”

Share this report





## Summary of Key Themes

The move toward holistic well-being programs is real and it is here to stay. While the “outcomes” movement is not entirely dead, the three-year trend shows that far more employers are moving away from outcomes-based incentive design than towards it.

### Employers Strive for Thoughtful Utilization of Resources

As the number of the available resources grows, what employers are really striving for is meaningful “engagement” from their populations. While there’s still no universally accepted definition of engagement or how to measure it, employers are actively seeking solutions that improve the probability that their members will access the right resources at the right time. This is becoming increasingly apparent as the desire for mobile-first solutions and “agnostic aggregators” or “hub” platforms grows.

### The Influx of Targeted “Point Solutions”

The tremendous growth in the number of “point solutions” available in the market is a result of employers trying to provide a diverse array of resources for their members. These resources fit the total well-being model and range from focusing on mental well-being (ex: stress reduction) to financial wellness (ex: student loan repayment) and everything in between.

### Desire for Mobile-first Solutions & “Apps”

Mobile-first solutions with native apps provide a unique combination of: 1) Access and 2) Personalization that make navigating the growing number of resources a clearer and more user-friendly experience for members. In our always connected society, you’d be hard pressed to find someone who doesn’t have a smart phone. By providing a central “app” or hub platform, you create a consolidated location where the member

knows they can go to access all of the benefits offered by their employer. These apps also support more targeted communication (ex: push notifications) to provide the “right message at the right time” to more thoughtfully suggest resources to members when they need them most.

### Agnostic “Hub” Platforms to Organize the Ecosystem

In addition to providing a clear and personalized user experience for the member, hub platforms also offer a robust ecosystem of “point solutions” that employers can select to best meet the unique needs of their population. Employers report a number of benefits to this structure: being able to select resources from an ecosystem of options that are already integrated with the hub platform, consolidated billing & vendor management and enhanced reporting of key metrics to name a few.

25%

### Mobile First

“A mobile app can improve program effectiveness by creating a central point where users can access all aspects of the wellness program.”

“Improved ability to personalize communication to members and boost engagement.”

“Text reminders/trackers so there isn’t such a disconnect from employees logging activity.”

21%

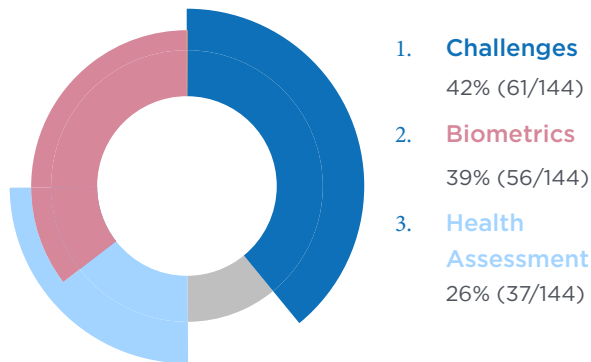
### Agnostic “Hub” Platforms

“Resource aggregators where niche vendors/employer resources can be “plugged in. There are too many point solutions for consumers to be aware of.”

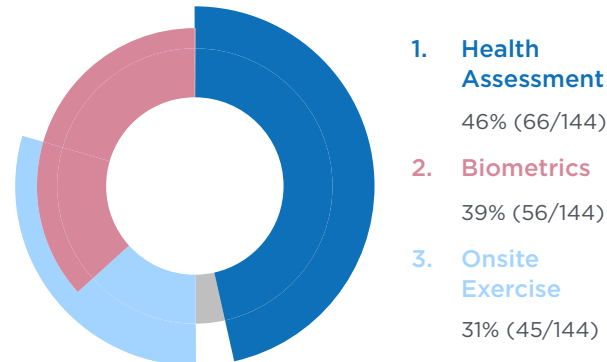
“Creating wellness platforms that “snap on” to an HRIS system or feed data to them.”

“More clients are interested in a well-being platform that serves as a one-stop shop for everything wellness and benefits.”

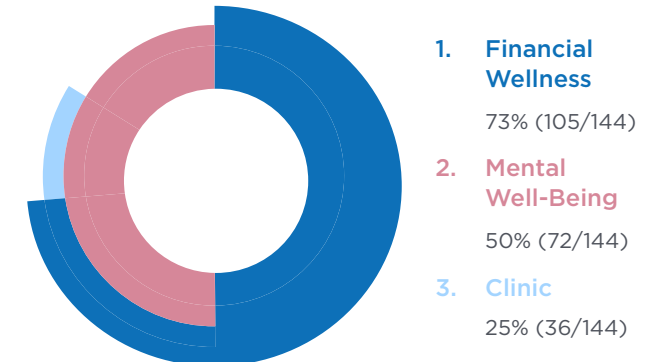
## What are the Top 3 “Must Haves”?



## What are the Top 3 “Declining in Demand”?



## What are the Top 3 “Growing in Demand”?



\*Respondents could choose up to 3 categories

### Next 5 “Must Haves”

EAP  
Health Coaching  
Tobacco Cessation  
Disease Management  
Stress/Resilience

23 Total Categories were Ranked

### Next 5 “Declining”

Health Coaching  
Wearables  
Tobacco Cessation  
Clinics  
Disease Management

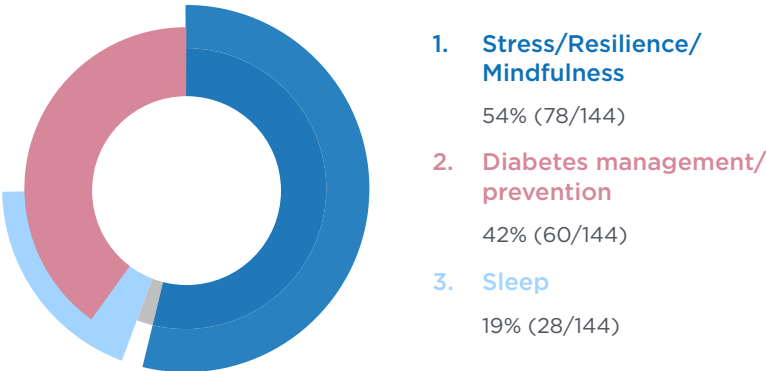
23 Total Categories were Ranked

### Next 5 “Growing”

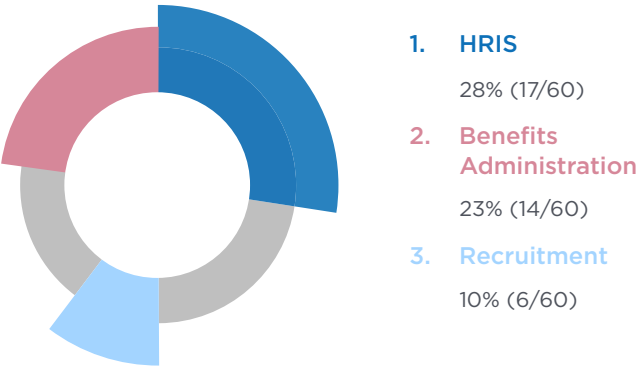
Diabetes  
Telemedicine  
Sleep  
Advocacy  
EAP

23 Total Categories were Ranked

What point solution(s) do you expect to get the **most traction** with your clients in 2018?



What products or services did HR focus their budget and attention on **instead of wellness?**



\*Respondents could choose up to 3 categories

Next 5 “Point Solutions”

- Financial Wellness
- Tobacco Cessation
- Weight
- Disease Management
- Nutrition

18 Total Categories were ranked

Next 5 “Products or Services”

- Payroll System
- Learning & Development Tools
- Rewards & Recognition
- Point Solutions
- EAP

12 Total Categories were ranked

# Financial Wellness Focus



## The Good (often with qualifiers)

"It is a topic most clients are asking about. I think that it is important to include in a total wellbeing approach."

"Employers think the 401K vendor can serve this function. They cannot. I like the availability of the vendor offerings, but no single solution stands out."

"Clients are interested, but many are kicking the tires and not proceeding with a vendor selection."

"There is a growing demand. If financial wellness is not part of a third-party vendor's solution, then the client needs to secure yet another vendor to provide that solution. The client often does not have the appetite or budget for that approach."

Share this  
report



## The Bad

It's the same solutions we've been promoting (on the 401K side) for years without a lot of success. I'm worried it's just the latest craze with no substantial impact. However, I'm hopeful that if the pricing is right, it may become more like an EAP (almost required) vs. now a boutique add-on solution which is expensive."

"I have yet to come across one really great solution, for a reasonable price, that can easily be plugged into an existing program. In theory, it's great. In practice, I struggle to find great partners to do this."

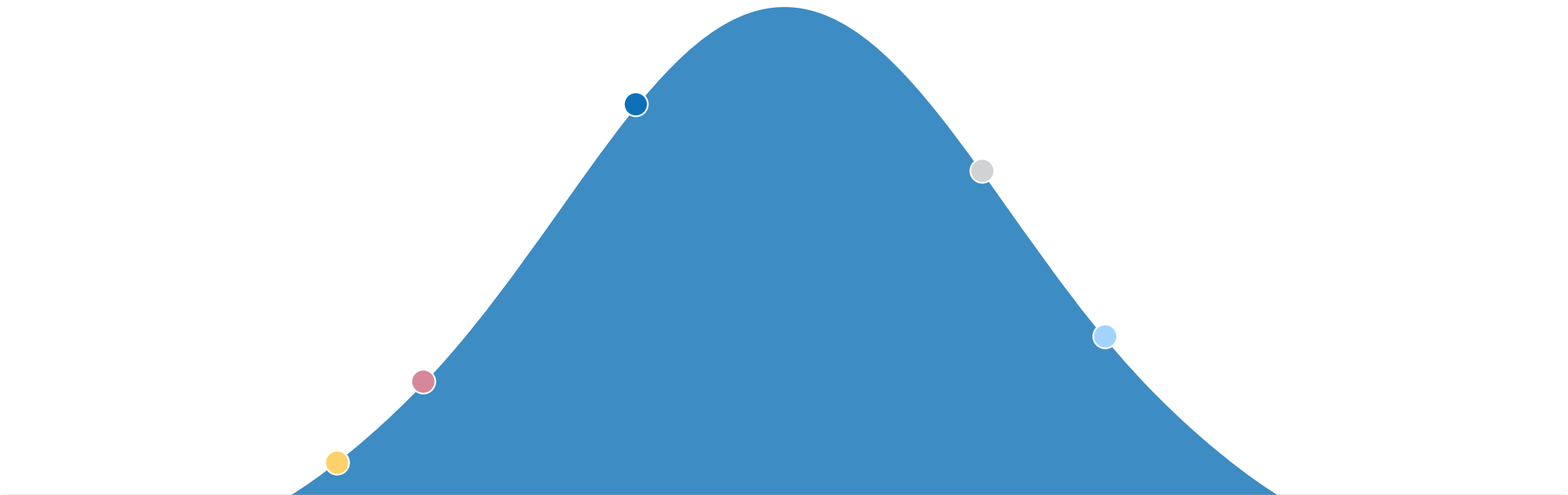
"I think the industry has a long way to go. Financial wellness tools are in their infancy."

"I believe in offering financial wellness solutions but find that my clients have not realized the value of these services. I also feel more drawn to solutions that enable face-to-face interactions, rather than simply a digital platform."

"They're lack-luster and not engaging employees or achieving results."



What are **your thoughts** on financial wellness solutions in the market today?



4%

Can't justify the budget



7%

Not sure what to make of it



43%

We see value but vendors and programs need to improve



35%

They are important and will continue to grow in popularity



12%

I see little value thus far



# Parting Thoughts

During our analysis of the thousands of questions and answers from the 2018 Well-being Prospectus, 2 key themes emerged:



## The Marketplace is Incredibly “Noisy”

The sheer volume of new entrants, mergers and acquisitions in the space is making the landscape confusing for both employers and their advisors. A record amount was invested in digital health in 2017 and we are seeing more of the same in 2018. Simply getting your arms around the available vendor options is a universal issue.

A far greater challenge however, is deciding where to invest limited time & resources. Do you invest in a traditional well-being program, a targeted point solution such as diabetes management or in other HR technologies that are critical to core business functions like a benefits administration platform, talent management system or learning & development tools?

With more and more solutions competing for the attention (and budget) of today’s “HR buyer”, employers are increasingly taking a more strategic view of HR initiatives and how those decisions align with their larger organizational goals.

## Personalizing the Member Experience

At their core, many of the themes described by our respondents as components that will “make a well-being initiative more successful” (ex: point solutions, mobile, agnostic hub platforms), ultimately boil down to a focus on personalization.

In the coming years, thoughtful personalization will be a key influencer of both engagement (is the member interested in the resource being offered) and outcomes (do the solutions impact a need the member has).

Technological improvements, like mobile apps, will certainly be a catalyst for improving these metrics, but employers looking to attract and retain the best talent should focus on providing resources that their members truly value. To find out what they value, there’s no substitute for asking them (and then following through on what you learn). These conversations can uncover financial stresses, issues with work/life balance, etc. that can inform the future direction of your HR initiatives.

If the introduction of caregiver resources or student loan repayment support addresses the real issues that are preventing your members from reaching their full potential, thoughtfully introducing relevant resources will have a far greater impact on productivity, retention rates and other KPIs than an annual biometric screening program.

# Thank You

Contact Us

[Info@myshortlister.com](mailto:Info@myshortlister.com)

Share this report

