

2005 Memo on Wal-Mart's Benefit's Strategy: An Exert.

Redesign benefits and other aspects of the Associate experience, such as job design, to attract a healthier, more productive workforce.

Given the significant savings from even a small improvement in the health of our Associate base, Wal-Mart should seek to attract a healthier workforce. The first recommendation in this section, moving all Associates to consumer-driven health plans, will help achieve this goal because these plans are more attractive to healthier Associates. The team is also considering additional initiatives to support this objective, including:

1. Design all jobs to include some physical activity (e.g., all cashiers do some cart gathering);
2. Offer savings via the Discount Card on healthy foods (e.g., fruits and vegetables);
3. Offer benefits that appeal to healthy Associates (e.g., an education offering targeted at students).

A healthier workforce will lead to lower health insurance costs, lower absenteeism through fewer sick days, and higher productivity. It will be far easier to attract and retain a healthier workforce than it will be to change behavior in an existing one. These moves would also dissuade unhealthy people from coming to work at Wal-Mart. Even a modest shift in Wal-Mart's ability to attract and retain a healthier workforce could result in significant savings: \$220 million to \$670 million in FY2011. The key tasks in implementing this fourth bold step, once the team has developed a more complete list of actions, are to create a clear set of metrics to measure success, to run pilots in several stores to understand each idea's effectiveness, and then roll out the most successful ones.