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# The Total Economic Impact™ Of YuLife

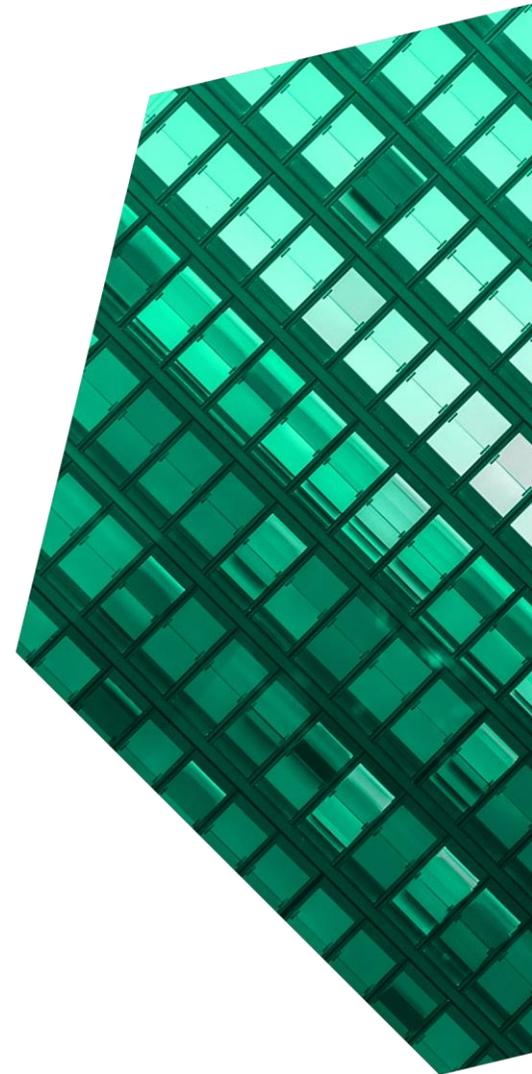
Cost Savings And Business Benefits  
Enabled By YuLife

**NOVEMBER 2022**

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## ABOUT FORRESTER CONSULTING

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## Executive Summary

Stress, financial, global pandemics, chronic lifestyle illnesses, and more are continuing to put pressure on people around the world — and it's impacting businesses, causing reduced productivity and retention and increases in absenteeism. Increased employee engagement with physical and mental well-being activities, as well as greater utilisation of tools, can provide a measurable way for businesses to proactively reduce the business impact of global pressures.

**YuLife** is transforming the traditional group insurance model from passive cover to proactive support of health and well-being, mitigating the risk and engaging employees on a day-to-day basis.

The YuLife platform comes in the form of a data-driven HR portal and an employee app, designed to drive high levels of engagement with health and well-being activities. Proven behavioural science and game mechanics, including leader boards, rewards, and incremental actions, help lock in positive behaviours. Employees also get access to a Wellbeing Hub where they can easily access preventative healthcare tools, including a virtual general practitioner (GP) and employee assistance programme (EAP) services.

YuLife commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) businesses may realise by insuring with YuLife compared to traditional insurance providers.<sup>1</sup> The qualitative and quantitative results explore the correlation between the lifestyle habits of employees, productivity, retention, and absenteeism, as well as whether employers can meaningfully measure the influence of those habits. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of YuLife on their organisations.

Forrester interviewed four HR and benefits representatives with experience using YuLife and gathered both quantified data and qualitative insights

### KEY STATISTICS



Return on investment (ROI)

**181%**



Net present value (NPV)

**£1.08M**

on the benefits, costs, and risks associated with this investment. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single **composite organisation** with a workforce of 5,000 employees.

Prior to using YuLife, most of the interviewees had existing group insurance policies with traditional insurance providers. As part of their contract renewals, these HR leaders were looking for alternative plans that provided higher value-add. The Forrester study found that improvements in employee health delivered reduced turnover, decreased absenteeism, and increased productivity.

### KEY FINDINGS

**Quantified benefits.** Three-year, risk-adjusted present value (PV) quantified benefits for the composite organisation include:

- **Improvement in employee retention.** Unlike traditional insurance models that only pay out

when a claim is made, YuLife offers health and well-being benefits and rewards that incentivize employees to continuously use them. This results in higher utilisation and employee satisfaction and engagement compared to traditional employee benefits programmes. Forrester estimates the impact of increased employee engagement improves turnover by 55%, leading to a cost saving of £272,000 for the composite organisation.

- **Reduced absenteeism.** Positive physical and mental lifestyle habits (inversely) correlate with unforeseen illness-related absences.<sup>5</sup> Forrester estimates that increase in physical activity amongst the proportion of the workforce reduces absenteeism at the composite by 23%, which equates to roughly £348,000 over three years.
- **Increased productivity.** The YuLife app drives engagement with lifestyle activities that positively impact productivity. For example, YuLife provides access to mindfulness and meditation activities that have been shown to improve attention and focus with regular practice. Forrester estimates that this leads to a 5% increase in productivity. Over three years, the improved work performance results in productivity gains of £810,000 for the composite organisation.

actively engaged with YuLife earned an average of £62.83 per year in rewards and discounts of their choosing. Over three years, this adds up to £246,000 for the composite organisation.

**“Our insurance costs were getting too high for the limited services we were getting. YuLife offered better and more engaging customer support for smaller organisations like ours.”**

*HR representative, financial services*

**Additional qualitative benefits.** Benefits that are not quantified in this study include:

- **Improvements in long-term health.** Not only does physical activity lower the risk of illnesses in the short run, but it also reduces the risk of prolonged sickness absences and improves musculoskeletal health in the long run, too, which may improve the overall health risk assessment of the workforce.<sup>2</sup>
- **A well-being hub, which increases visibility and usage of both YuLife and company benefits.** The YuLife app’s Wellbeing Hub offers a single place to unify all available employee benefits and share important information, making benefits easier to access and use for employees, and easier to manage for HR and benefits professionals. This improved accessibility drives increased utilisation and engagement amongst employees. Besides a 2.76x increase in the utilisation of EAP, organisations also saw a 2.68x increase in use of virtual GP services.

Increased productivity

5%



- **Value of rewards and discounts employees earn.** The composite organisation also offsets some of its investment in YuLife through the rewards and discounts employees receive through the YuLife app. Employees who are

- **Improved employee satisfaction with benefits.**

All interviewees shared that they received positive feedback from employees on their experience with YuLife in particular, the flexibility of the rewards catalogue, which catered to the broad needs of a diverse workforce.

- **Well-being credit earned from employee engagement.** Organisations achieving high engagement of healthy activities from their workforce are also rewarded with credit that can be reinvested back towards additional employee rewards and benefits.

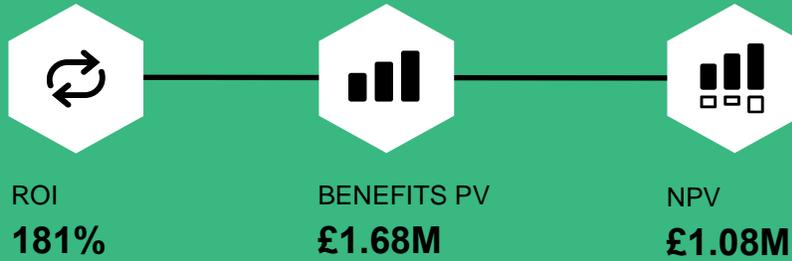
- **More actionable insights on employee well-being.** The aggregated trend and (compliant) data insights, from the monthly YuLife reports provide HR leaders with valuable information on employee well-being, including trends indicative of well-being improvements and stressors, and can be looked at for different populations. These insights also empower HR leaders to report quickly and easily on employee benefits impact.

**Costs.** Three-year, risk-adjusted PV costs for the composite organisation include the incremental cost of YuLife compared to a traditional insurance provider. As many organisations would already have existing insurance coverage in place, this study considers only the differential cost of insuring with YuLife against a traditional insurance provider. For a midmarket firm with about 5,000 employees, the incremental cost is 23% per annum or £597,000 over a three-year period.

The representative interviews and financial analysis found that a composite organisation experiences benefits of £1.68 million over three years versus costs of £597,000, adding up to a net present value (NPV) of £1.08 million and an ROI of 181%.

**“YuLife is a key driver of change which drives both increased engagement and, over time, will make the workforce healthier – this then will reduce absence in the workforce as it acts as a preventative measure both physically and mentally.”**

*Well-being manager, retail*



**Benefits (Three-Year)**



**“YuLife has turned what is a box-standard benefit that people don't prioritise into an attractive, everyday benefit that engages 60% of the workforce.”**

— Benefits and well-being lead, banking

## TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organisations considering an investment in YuLife.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that YuLife can have on an organisation.

### DISCLOSURES

Readers should be aware of the following:

This study is commissioned by YuLife and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organisations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in YuLife.

YuLife reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

YuLife provided the customer names for the interviews but did not participate in the interviews.



### DUE DILIGENCE

Interviewed YuLife stakeholders and Forrester analysts to gather data relative to YuLife.



### INTERVIEWS

Interviewed four representatives at organisations using YuLife to obtain data with respect to costs, benefits, and risks.



### COMPOSITE ORGANISATION

Designed a composite organisation based on characteristics of the interviewees' organisations.



### FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.



### CASE STUDY

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

# The YuLife Customer Journey

■ Drivers leading to the YuLife investment

## Interviews

Role	Industry	Size of UK workforce
Well-being manager	Retail	60,000 employees
Benefits and well-being lead	Banking	1,500 employees
Rewards and HR operations lead	Financial services	150 employees
HR representative	Financial services	70+ employees

## INVESTMENT OBJECTIVES AND DEPLOYMENT OF YULIFE

Prior to using YuLife, most of the interviewees insured employees through a traditional insurance provider. However, they felt that the coverage did not provide enough value.

The HR representative at a small financial services firm mentioned: “Our costs were too high for the limited service we were getting. We chose YuLife because they could provide better customer support for smaller organisations like ours.”

Interviewees also shared that introducing YuLife to their workforce was fuss-free, as the company also provided implementation advice, a launch campaign, and materials to help employees enrol on the YuLife app, which was instrumental in getting high levels of adoption amongst the workforce.

## COMPOSITE ORGANISATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organisation is representative of the four interviewees, and it is used to present the aggregate financial analysis in the next section. The composite organisation has the following characteristics:

**Description of composite.** It is a midsized retail firm with a UK-based workforce of 5,000 on-site and remote employees spread across multiple sites and locations — in offices, home offices, stores, warehouses, etc.

**Deployment characteristics.** Prior to YuLife, the composite organisation already provided group life insurance and income protection insurance for employees, including a telemedicine (virtual GP) access subscription, access to an employee assistance programme (EAP), and flexi-benefits for health and wellness. With YuLife, the organisation maintains a similar level of coverage for their insurance needs.

### Key Assumptions

- **5,000 employees located across different offices, stores, and warehouses**
- **Already provides a range of flexi health and wellness benefits for employees**

# Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Improvement in employee retention	£109,526	£109,526	£109,526	£328,579	£272,376
Btr	Reduced absenteeism	£140,024	£140,024	£140,024	£420,071	£348,218
Ctr	Total increase in productivity	£325,890	£325,890	£325,890	£977,670	£810,440
Dtr	Value of rewards and discounts earned by employees	£98,957	£98,957	£98,957	£296,872	£246,092
	Total benefits (risk-adjusted)	£674,397	£674,397	£674,397	£2,023,192	£1,677,126

## IMPROVEMENT IN EMPLOYEE RETENTION

**Evidence and data.** Interviewees shared that although their organisations were already providing well-being benefits, they struggled to get employees engaged and use them. For instance, several interviewees shared that income protection and life assurance coverage were benefits that employees don't often think about. As the HR representative at a financial services firm put it: "[Insurance is] something you hope you don't have to use ... Even though employees know they have the cover and protection, most just forget they even have it."

In these organisations, YuLife's broader health and well-being benefit offerings and gamified approach to creating daily engagement made its rewards and benefits a talking point amongst employees. Interviewees said that team- and organisationwide challenges and leader boards served as a way of socialising and raising awareness of the benefits amongst the workforce, thus improving employee engagement across the board.

**“People are constantly talking about it because they’re comparing their steps. They’ll talk about which challenges and activities they have tried ... It keeps the conversation going. You don’t have to do as much promotion because people are doing it for you.”**

*Well-being manager, retail*

**Modelling and assumptions.** When assessing the impact of employee engagement, Forrester looks at its effect on turnover (and associated costs). For the composite organisation, Forrester assumes:

- Turnover rates are in line with the UK national average of 17%.<sup>3</sup>
- Increased employee engagement is observed amongst active users of the YuLife app (30% of the workforce).
- The improved engagement results in a 55% reduction in turnover amongst engaged employees.<sup>4</sup>
- Five percent of this turnover reduction is attributed to YuLife, as a wide range of other organisational factors and policies also affects turnover.

**Risks.** The following organisational and external factors also affect employees' engagement with YuLife:

- Efforts to communicate and promote the new benefit.
- How it complements other existing benefits.

**Results.** To account for these variances, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of £272,000.

Improvement In Employee Retention					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of employees	Composite	5,000	5,000	5,000
A2	Percentage of employees who download YuLife	Assumption	70%	70%	70%
A3	Percentage of employees who are engaged with YuLife	Interviews	50%	50%	50%
A4	Number of employees actively engaged with YuLife	A1*A2*A3	1,750	1,750	1,750
A5	Average employee turnover rate	Office for National Statistics	17%	17%	17%
A6	Average fully burdened annual salary of employees in organisation	TEI standard	£45,000	£45,000	£45,000
A7	Cost to recruit and train each employee	35%*A6	£15,750	£15,750	£15,750
A8	Cost of employee turnover	A1*A5*A7	£4,685,625	£4,685,625	£4,685,625
A9	Reduction in turnover rate for engaged employees	Forrester EX Index	55%	55%	55%
A10	Attribution to YuLife	Assumption	5%	5%	5%
At	Improvement in employee retention	A8*A9*A10	£128,855	£128,855	£128,855
	Risk adjustment	↓15%			
Atr	Improvement in employee retention (risk-adjusted)		£109,526	£109,526	£109,526
<b>Three-year total: £328,579</b>			<b>Three-year present value: £272,376</b>		

## REDUCED ABSENTEEISM

**Evidence and data.** One-quarter of adults do less than the recommended daily levels of physical activity, and just 46% say they get enough sleep.<sup>5</sup> This sedentary behaviour presents health risks that workplace changes, such as the shift to hybrid working, exacerbate.<sup>6</sup> Furthermore, an estimated 52% of the global workforce are experiencing burnout, putting them at risk of mental health-related absences.<sup>7</sup> Interventions to promote health and wellness have a positive impact on several health measures.<sup>8</sup> Incentivising employees to increase their physical activity promotes health benefits that lead to a reduction in illness-related absences and providing them with mental health support through EAP may also help address and alleviate some of their mental health concerns.<sup>9</sup>

Across the four representatives interviewed, YuLife's gamification and rewards mechanics encouraged a 34% increase in daily steps. Additionally, interviewees shared that, as YuLife improved the visibility of these benefits through its app, employees' utilisation of EAP also increased.

**Modelling and assumptions.** For the composite organisation, Forrester assumes:

- Average absenteeism rates are in line with the UK average of 4.6 days per full-time employee.<sup>10</sup>
- The increased wellness activities result in a 23% reduction in employees who regularly use YuLife.
- Fifty percent of this reduction is attributed to YuLife, as external factors can also motivate employees to improve their physical activity.
- Employee EAP participation increases from 0.73% to 2.02% (a 2.76-times increase) as YuLife boosts employees' awareness of their EAP program.<sup>11</sup>



Increase in EAP utilisation

2.76x

- There is a further 3% reduction (or 0.12 days) in unplanned absences for employees participating in the EAP.<sup>12</sup>

**Risks.** The following organisational and external factors also affect absenteeism rates amongst the workforce:

- The workplace environment, culture, and policies supporting employee well-being.
- The general health of the population.
- The nature of employees' work.
- The range of issues employees can potentially seek support for can vary in its severity.
- EAPs can vary in their effectiveness.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of £348,000.

**“YuLife is motivating change in those that would not otherwise do so. It’s this behaviour to achieve rewards that is driving the change in healthy behaviours but it’s not the driver of the user, is almost accidental that their drive for greater reward pushes improvement.”**

*Well-being manager, retail*

<b>Reduced Absenteeism</b>					
<b>Ref.</b>	<b>Metric</b>	<b>Source</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
B1	Number of employees actively engaged with YuLife	A4	1,750	1,750	1,750
B2	Average days absent per employee	Office for National Statistics	4.6	4.6	4.6
B3	Total cost of absence per employee	B2*A6/255	£812	£812	£812
B4	Reduction in employee absence for physically active employees	Assumption	23%	23%	23%
B5	Attribution to YuLife	Interviews	50%	50%	50%
B6	Subtotal: Reduced absenteeism through improvement in physical health	B1*B3*B4*B5	£163,368	£163,368	£163,368
B7	EAP utilisation without YuLife	EAP provider partnering with YuLife	0.73%	0.73%	0.73%
B8	EAP utilisation with YuLife	EAP provider partnering with YuLife	2.02%	2.02%	2.02%
B9	Increase in number of employees utilising EAP	(B8-B7)*A1	65	65	65
B10	Prevented absence (days)	3%	0.12	0.12	0.12
B11	Subtotal: Reduced absenteeism through higher EAP participation	B9*B10*45,000/255	£1,366	£1,366	£1,366
Bt	Reduced absenteeism	B6+B11	£164,734	£164,734	£164,734
	Risk adjustment	↓15%			
Btr	Reduced absenteeism (risk-adjusted)		£140,024	£140,024	£140,024
<b>Three-year total: £420,071</b>			<b>Three-year present value: £348,218</b>		

## INCREASED PRODUCTIVITY

**Evidence and data.** Forrester estimates that half the working population is experiencing some form of persistent stress and burnout, impacting their ability to focus at work.<sup>13</sup> Without intervention, this can lead to high levels of presenteeism, where employees are present at work, but are not fully productive — a phenomenon that costs the UK an estimated £15.1 billion a year.<sup>14</sup> Deploying a preventative and holistic approach to mental health, employees can improve their focus and attention, helping organisations regain some of the productivity lost to presenteeism.<sup>15</sup>

Interviewees in this study shared that YuLife provided employees with easy access to meditation sessions, and even prompted many to start forming the habit. On average, the organisations saw a 45% increase from 20% to 29% in the number of employees who were meditating regularly.

Additionally, higher EAP utilisation also had an impact on productivity. As more employees sought mental health support, they increased their focus at work and thus their productivity.<sup>16</sup>

Increase in employees meditating regularly

45%



**Modelling and assumptions.** For the composite organisation, Forrester assumes:

- There is a 9 percentage-point increase (or 45% increase) in the number of employees meditating regularly, similar to the increase seen in the interviewees' organisations.
- Employees who meditate regularly see a 5% increase in their work productivity.
- Fifty percent of this reduction is attributed to YuLife, as external factors can also motivate employees to improve their mindfulness.
- An average of 1% improvement in productivity for employees who participate in the EAP.

**Risks.** The following organisational and external factors also affect the impact of YuLife's meditation access on employees' productivity:

- The workplace environment, culture, and policies supporting employee well-being.
- Communication and campaigns to promote mental well-being.
- The range of issues employees can potentially seek support for can vary in its severity.
- EAPs can vary in their effectiveness.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of £810,000

Total Increase In Productivity					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Increase in percentage of employees meditating	Interviews	9%	9%	9%
C2	Improved productivity	Assumption	5%	5%	5%
C3	Average fully burdened annual salary of employees in organisation	TEI standard	£45,000	£45,000	£45,000
C4	Attribution to YuLife	Interviews	50%	50%	50%
C5	Subtotal: Increased productivity through meditation		£354,375	£354,375	£354,375
C6	EAP utilisation without YuLife	EAP provider partnering with YuLife	0.73%	0.73%	0.73%
C7	EAP utilisation with YuLife	EAP provider partnering with YuLife	2.02%	2.02%	2.02%
C8	Increase in number of employees utilising EAP	$(C7-C6)*A1$	65	65	65
C9	Subtotal: Improved productivity through higher EAP participation	$1%*C8*A6$	£29,025	£29,025	£29,025
Ct	Total increase in productivity	$C5+C9$	£383,400	£383,400	£383,400
	Risk adjustment	↓15%			
Ctr	Total increase in productivity (risk-adjusted)		£325,890	£325,890	£325,890
<b>Three-year total: £977,670</b>			<b>Three-year present value: £810,440</b>		

**VALUE OF REWARDS AND DISCOUNTS EMPLOYEES EARN**

**Evidence and data.** Organisations also offset some of their investment in YuLife through the rewards and discounts employees earned through the YuLife app. One interviewee, the well-being manager at a retail organisation, reported that employees who actively engaged with YuLife earned an average of £62.83 per year in rewards and discounts of their choosing. This improved the employees’ overall satisfaction with their benefits programme.

**Modelling and assumptions.** For the composite organisation, Forrester assumes employees who are actively engaged with the YuLife app earn and redeem a similar level of rewards and discounts.

**Risks.** The organisational and external factors that affect the number of rewards that employees ultimately earn back include organisational/HR efforts to socialise the YuLife programme and keep employees engaged. For instance, the benefits and well-being lead at a banking firm shared that with the materials and advice YuLife provided, they sustained engagement by organising challenges or using activities logged in the app for charitable fundraising (e.g., matching donations linked to steps taken).

**Results.** To account for these variances in how actively the organisation engages employees, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of £246,000.

**Value Of Rewards And Discounts Earned By Employees**

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Average rewards and discounts earned per engaged employee	Interviews	£62.83	£62.83	£62.83
D2	Number of employees actively engaged with YuLife	A4	1,750	1,750	1,750
Dt	Value of rewards and discounts earned by employees	D1*D2	£109,953	£109,953	£109,953
	Risk adjustment	↓10%			
Dtr	Value of rewards and discounts earned by employees (risk-adjusted)		£98,957	£98,957	£98,957
<b>Three-year total: £296,872</b>			<b>Three-year present value: £246,092</b>		

## ADDITIONAL QUALITATIVE BENEFITS

Additional benefits that customers experienced but were not quantified for the financial model include:

- **Improvements in long-term health.** Not only does physical activity lower the risk of illness in the short run, but it also reduces the risk of chronic illnesses, such as hypertension, Type 2 diabetes, coronary diseases, etc., which improves the overall risk assessment of the workforce.<sup>17</sup>

The well-being manager at a retail organisation mentioned that for their organisation, “Income protection costs have doubled since 2015, driven mainly by a rise in long-term absence caused by stress, anxiety, and musculoskeletal disorders.” This was a key reason for their investment in employee well-being.

With the aggregated data from YuLife on employees’ physical and mindfulness activity, organisations demonstrated that they were taking steps towards reducing the insurance risk of their workforce, potentially lowering their insurance premium in the long run as well.

- **A well-being hub, which increases visibility and usage of both YuLife and company benefits.** The YuLife app’s Wellbeing Hub offers a single place to unify all the available well-being benefits and initiatives, making the benefits easier to access for employees and easier to manage for HR and benefits managers. This improved accessibility and drove an increase in utilisation and engagement amongst employees.

This was especially useful for the retail organisation profiled, which has a large, diverse workforce, many of whom are not office-based workers with their own easy access to the company intranet, where such information was usually available.

Another interviewee, the rewards and HR operations lead at a midsized financial services firm, said that having information on benefits that was easily accessible, such as on employees’ mobiles, boosted their utilisation of benefits such as the virtual GP services. A virtual GP provider partnering with YuLife saw that organisations with YuLife had its’ employees utilising the virtual GP services 2.68 times as much as employees at other organisations. As employees in the UK face lengthening wait times for GP doctor appointments, it is increasingly useful and valuable for employees to have quick access to medical attention through a virtual GP.

- **Improved employee satisfaction with benefits.** All interviewees shared that they received positive feedback from employees on their experiences with YuLife. In particular, the flexibility of the rewards catalogue, which catered to the broad needs of a diverse workforce, was mentioned. For instance, the well-being manager for a retail firm mentioned, “We have a very diverse workforce — in terms of age, for instance — and giving them the choice to pick rewards that matter to them makes a lot of sense.”
- **Well-being credit earned from employee engagement.** Organisations achieving high engagement of healthy activities from their workforce, are also rewarded with (up to 10% in their annual premiums) credit that can be put towards additional employee rewards and benefits.
- **More actionable insights on employee well-being.** The aggregated trend and (compliant) insight data from the monthly YuLife reports provide HR leaders with valuable information on employee well-being, including trends indicative of well-being improvements and stressors, and can be looked at for different populations. These insights also empower HR leaders to report quickly and easily on employee benefits impact.

# Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Incremental cost of YuLife compared to traditional provider	£0	£240,000	£240,000	£240,000	£720,000	£596,844
	Total costs (risk-adjusted)	£0	£240,000	£240,000	£240,000	£720,000	£596,844

## INCREMENTAL COST OF YULIFE COMPARED TO TRADITIONAL PROVIDERS

**Evidence and data.** Three out of the four HR representatives interviewed for this study shared that their organisations were already providing insurance coverage for employees. The decision to switch to YuLife was therefore compared against alternative insurance providers. As such, for this case study, only the differential cost of insuring with YuLife was accounted for.

**Modelling and assumptions.** For a mid-sized firm like the composite organisation, YuLife's insurance premiums are estimated to be 23% more expensive than a traditional insurance provider, assuming the same level of coverage.

The premiums stated below are an estimation based on information the interviewees gave, and validated by YuLife, and should only be taken as an estimation. Pricing may vary, and readers should contact YuLife for additional details.

**Risks.** Costs will vary with several factors, including:

- The size of workforce and general nature of their work.
- Existing insurance coverage and premiums.

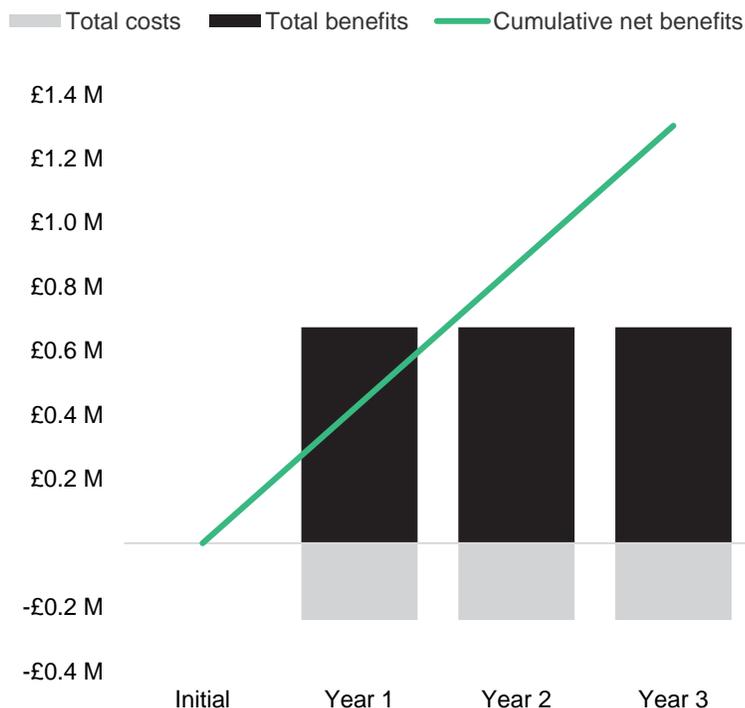
**Results.** To account for these variances, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of £597,000.

Incremental Cost Of YuLife Compared To Traditional Provider						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Insurance premiums with previous provider	Customer interviews		£1,000,000	£1,000,000	£1,000,000
E2	Insurance premiums with YuLife	Composite		£1,228,570	£1,228,570	£1,228,570
Et	Incremental cost of YuLife compared to traditional provider	F2-F1	£0	£228,570	£228,570	£228,570
	Risk adjustment	↑5%				
Etr	Incremental cost of YuLife compared to traditional provider (risk-adjusted)		£0	£240,000	£240,000	£240,000
<b>Three-year total: £720,000</b>			<b>Three-year present value: £596,844</b>			

# Financial Summary

## CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

### Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI and NPV for the composite organisation's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI and NPV values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

### Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	£0	(£240,000)	(£240,000)	(£240,000)	(£720,000)	(£596,844)
Total benefits	£0	£674,397	£674,397	£674,397	£2,023,192	£1,677,126
Net benefits	£0	£434,397	£434,397	£434,397	£1,303,192	£1,080,282
ROI						181%

# Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realise the tangible value of IT initiatives to both senior management and other key business stakeholders.

## TOTAL ECONOMIC IMPACT APPROACH

**Benefits** represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organisation.

**Costs** consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

**Flexibility** represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

**Risks** measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.



## PRESENT VALUE (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



## NET PRESENT VALUE (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made unless other projects have higher NPVs.



## RETURN ON INVESTMENT (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



## DISCOUNT RATE

The interest rate used in cash flow analysis to take into account the time value of money. Organisations typically use discount rates between 8% and 16%.



## PAYBACK PERIOD

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

## Appendix B: Endnotes

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<sup>1</sup> Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realise the tangible value of IT initiatives to both senior management and other key business stakeholders.

<sup>2</sup> Source: Amanda E. Paluch, Kelley Pettee Gabriel, Janet E. Fulton, Cora E. Lewis, Pamela J. Schreiner, Barbara Sternfeld, Stephen Sidney, Juned Siddique, Kara M. Whitaker, and Mercedes R. Carnethon, "Steps per Day and All-Cause Mortality in Middle-aged Adults in the Coronary Artery Risk Development in Young Adults Study," JAMA network open, September 3, 2021.

<sup>3</sup> Source: "Sickness absence in the UK labour market: 2021," Office for National Statistics, April 29, 2022.

<sup>4</sup> Source: "Use Insights From Forrester's EX Index To Guide Your Anywhere-Work Approach," Forrester Research, Inc., November 18, 2020.

<sup>5</sup> Source: "Take Employee Wellness Beyond Benefits," Forrester Research, Inc., June 18, 2021.

<sup>6</sup> Source: Daniel P. Bailey, "Sedentary behaviour in the workplace: prevalence, health implications and interventions," British Medical Bulletin, March 2021.

<sup>7</sup> Source: "The People Leader's Guide To Burnout," Forrester Research, Inc., January 11, 2022.

<sup>8</sup> Source: "William E. Kraus, Kathleen F. Janz, Kenneth E. Powell, Wayne W. Campbell, John M. Jakicic, Richard P. Troiano, Kyle Sprow, Andrea Torres, Katrina L. Percy, and the 2018 Physical Activity Guidelines Advisory Committee, "Daily Step Counts for Measuring Physical Activity Exposure and Its Relation to Health," Medicine & Science in Sports & Exercise, June 2019.

<sup>9</sup> Source: Elena Losina, Heidi Y. Yang, Bhushan R. Deshpande, Jeffrey N. Katz, and Jamie E Collins, "Physical activity and unplanned illness-related work absenteeism: Data from an employee wellness program," PLOS, May 4, 2017.

<sup>10</sup> Source: "Sickness absence in the UK labour market: 2021," Office for National Statistics, April 29, 2022.

<sup>11</sup> As customers were not able to share statistics on employee participation in EAP, Forrester used figures provided by an EAP provider partnering with YuLife in the financial model.

<sup>12</sup> Source: Amanda E. Paluch, Kelley Pettee Gabriel, Janet E. Fulton, Cora E. Lewis, Pamela J. Schreiner, Barbara Sternfeld, Stephen Sidney, Juned Siddique, Kara M. Whitaker, and Mercedes R. Carnethon, "Steps per Day and

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All-Cause Mortality in Middle-aged Adults in the Coronary Artery Risk Development in Young Adults Study,” JAMA network open, September 3, 2021.

<sup>13</sup> Source: “The People Leader’s Guide To Burnout,” Forrester Research, Inc., January 11, 2022.

<sup>14</sup> Source: “Managing presenteeism: a discussion paper,” Centre for Mental Health, May 23, 2011.

<sup>15</sup> Source: Julia C. Basso, Alexandra McHale, Victoria Ende, Douglas J. Oberlin, and Wendy A. Suzuki, “Brief, daily meditation enhances attention, memory, mood, and emotional regulation in non-experienced meditators,” Behavioural Brain Research, January 2019.

<sup>16</sup> Ibid.

<sup>17</sup> Source: Amanda E. Paluch, Kelley Pettee Gabriel, Janet E. Fulton, Cora E. Lewis, Pamela J. Schreiner, Barbara Sternfeld, Stephen Sidney, Juned Siddique, Kara M. Whitaker, and Mercedes R. Carnethon, “Steps per Day and All-Cause Mortality in Middle-aged Adults in the Coronary Artery Risk Development in Young Adults Study,” JAMA network open, September 3, 2021.

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