

Reducing the cost of Employee Absence



What you need to know

Clients have saved over £50 million

In a tough economic environment, reducing employee absence can significantly reduce your cost-base. Since our launch in the UK four years ago, AHP has helped large businesses generate over £50 million in 'hard' cost savings whilst positively managing the 'soft' side of employee health and wellbeing.

Our *Absence Management from 'Day 1'* is delivered using a combination of qualified nurses in our UK call-centres and a sophisticated web application which delivers consistent processes and actionable management information.

The Opportunity

Large businesses are now turning their attention to employee absence (sickness and other unplanned absence) to reduce cost and improve productivity in an increasingly competitive environment. On average, large organisations are recording over 20,000 lost days per 2,000 employees costing over £2 million annually.

AHP has helped clients reduce employee absence by up to 40%. This has translated into 'hard' savings of over £50 million since our launch four years ago. The 'hard' savings include reduced salary costs, over-time, agency staffing and administration. Reducing business interruption caused by unplanned absence also improves customer service and operational KPIs.

At the same time, AHP provides a medical benefit valued by employees and unions to help organisations attract and retain the most productive employees.

Why It Works

- Medical advice from nurses speeds up recovery, formal process deters unnecessary absence
- Consistent process and management information will provide actionable insights and drive accountability of both employees and managers
- Pro-active management of 'difficult' cases such as stress or accidents will reduce time lost and litigation risk

Cost of Absence

The corporate cost slashers have a fresh target in their sight: the absent employee.

BusinessWeek

Nov 12 2007

- Typically £2 million per 2,000 employees per year
- Unnecessary salary costs, over-time and agency staff
- Negative impact on customer service, KPIs and service level agreements
- Hidden costs of interruption and administration
- Negative impact on morale
- Health and litigation risk, particularly around 'stress' and 'bad backs'

Why Are People Not Coming To Work?

All our clients have one thing in common, they are working to balance the need for cost-effective operations whilst recognising the importance of looking after their employees. Increasing litigation risk, new 'diseases' in the area of stress and mental health and an increasing burden on line managers is making it more difficult to find the right balance.

A consistent process and relevant management information will help large organisations better understand some simple but powerful questions:

- Why are my people not coming to work?
- Can we understand how much time we lose to stress by department?
- Are my managers actually following our absence policy?
- Are our policies effective?

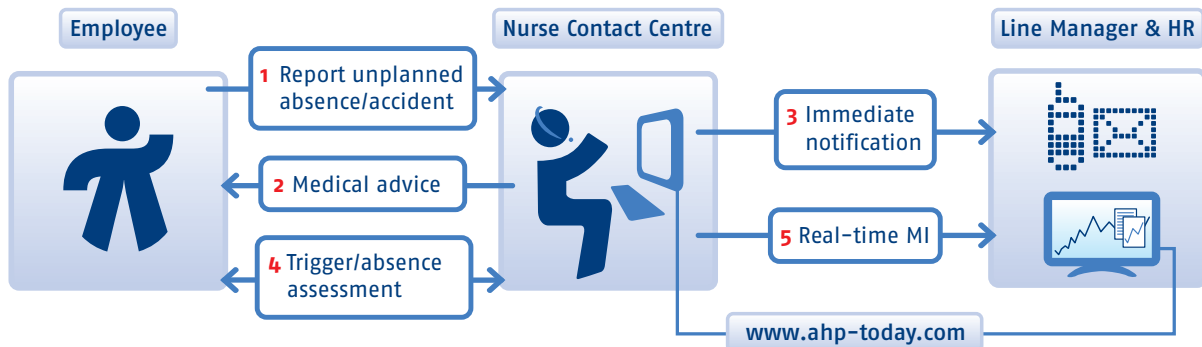
The Solution: Managing Absence From 'Day 1'

AHP provides a complete solution for managing employees from 'Day 1' of every absence episode. Employees are directed to report all absence 24/7 to our call-centre staffed with qualified nurses trained in occupational health. The nurse provides immediate medical advice according to strict protocols whilst our web-based software application ensures real-time notification to managers and easy access to management information via our online dashboard on www.ahp-today.com.

The solution, including the online reporting can be configured to incorporate our client's health and absence policies and

processes, including the use of trigger points and alerts. The software includes functionality to ensure accountability for line manager actions (including return-to-work interview) and is designed to integrate easily with other HR/pay-roll systems.

"..significant cost savings based on an absence reduction of approximately 19% year-on-year and for the first time we have accurate, real time data" Vasant Mistry, Finance Director, FirstBus



Why AHP?

AHP introduced *Absence Management from 'Day 1'* in the UK and is the clear leader in the field. We have over 40 large clients and have recorded success stories in a number of sectors. CIPD recently chose to work with AHP given our

experience and extensive data library to develop best-practice solutions. Our philosophy is to work closely with our clients and tailor our solution based on a client's requirements. Some of our clients include:

