

Lincoln Industries Wellness Program

Executive Summary

Lincoln Industries was founded by the LeBaron family in 1952 as Lincoln Plating. The company started as a job shop, plating for local manufacturers and providing custom work for car parts and other personal items. As the company grew, the company established a regional presence and later became a national supplier of finishing-intensive parts. Today, Lincoln Industries is a vertically integrated manufacturer of finishing-intensive products and services that serves a national customer base. Growth in sales has been accompanied with a history of strong profitability.



Setting itself apart from other manufacturing companies, Lincoln Industries has experienced success in two key areas: a strong culture of caring for its people and its wellness program. Lincoln Industries has been named one of the *50 Best Small & Medium Companies to Work for in America*. This list, now in its fourth year, ranks the top 25 small and top 25 medium-sized companies in America. Lincoln Industries has been on this list for the past four years. In 2007, the company was ranked 11th on the list.

The Lincoln Industries wellness program has also received national recognition. In November 2007, Lincoln Industries was chosen as a national Innovation in Prevention Award winner by the Department of Health and Human Services (HHS) for its efforts in promoting healthy lifestyles in its community. In addition, Lincoln Industries has been recognized by the following associations for excellence in wellness:

- US Department of Health and Human Services (HHS): “Innovation in Prevention” Award - 2007
- Great Place to Work® Institutes’: “Respect” Award for Wellness Focus - 2007
- American Heart Association: Platinum Award for “Start! Fit-Friendly Workplace” - 2007
- Partners for Prevention: “Leading by Example” Company - 2007
- Center for Disease Control: Worksite Wellness “SWAT” Project 2005-2007
- Wellness Councils of America (WELCOA): Two Time Platinum Award Winner – 2003 and 2006

Lincoln Industries continues to be a company focused on growth. In 2007, employment exceeded 500 people, revenue reached \$100 million, ground was broken for an additional 132,000 square foot expansion for future manufacturing and warehouse space, tube bending and assembly capabilities were added and the company changed its name from Lincoln Plating to Lincoln Industries. Each of these milestones continues to build a strong foundation for a manufacturing company located in the heart of America.

Lincoln Industries

Marc LeBaron

Marc LeBaron literally grew up in the metal finishing business. As a child, he and his brothers and sisters would rack parts as they watched television in their home located above the plating company his father founded in 1952.

In the 1970's when the Clean Water Act was enacted, Dale LeBaron, Marc's father, realized a major investment in the company's waste treatment operations would be needed if the company was to survive. Marc agreed to join the business after graduating from college, a loan for a new facility and new waste treatment was secured and the company moved forward. In 1982, Marc became the President. And in 2001, he was named Chairman and CEO.

Today, Lincoln Industries has grown to more than \$100 million in sales, almost 600 people and a national customer base. The company's success is a direct result of Marc's leadership excellence and vision. Recognized four straight years as one of the nation's best companies to work, Marc has crafted a culture that is nationally recognized and a major reason why the company has grown more than 15 percent per year over the last 15 years.

Outside the industry, Marc has been recognized for his contributions to his community, state and nation. For his passion for the education of economics for young people he has been honored by the University of Nebraska School of Business with its Business Excellence Award and is the only Nebraskan to receive Junior Achievement's Gold Award. Today, he continues his active role in the community by contributing his leadership skills to many nonprofit organizations.

Marc is also passionate about wellness. He initiated the company's wellness program years before wellness was a national phenomena. In addition, he is a pilot, races sports cars, is an avid runner and exercise enthusiast. He and his wife, Kathy, enjoy collecting art and traveling. They have two daughters, Katie and Kassie.



Lincoln Industries

Lincoln Industries was founded in 1952. The company currently employs almost 600 people and provides over 20 metal finishing capabilities and many other services including design and engineering support, research and development of new processes, tube fabrication, ceramic coating, polishing, assembly, packaging, painting and logistics. Other value-add offerings include warehousing, supply chain optimization, warranty management, outsource consulting and line sequencing.

Quality and continuous improvement are key to the success of Lincoln Industries. We are proud to hold the following certifications: TS 16949:2002, ISO 9001:2000 and ISO 14001:2004. In addition to these certifications, we have a lab that can quickly provide root-cause analysis for our customers and salt-spray and CASS chambers that play an important role in researching new processes.

Lincoln Industries has a continuous improvement department whose objective is to make us a highly efficient and effective manufacturing company. For fiscal year 2007, 30 Kaizen events were scheduled and over 150 people were trained in lean.

Lincoln Industries is supported by six vice presidents: human resources, finance and information technology, operations, technical services, integrated finishing services and sales and marketing. Within the human resources department, Lincoln Industries has a fully-staffed wellness department and people development department called Vision College. Quality and continuous improvement departments report through operations. The integrated finishing services (IFS) department manages customers and new project integration.

Culture

At the foundation of Lincoln Industries are the company's Beliefs & Drivers. These values aren't just words displayed on the wall never to be lived by our people; our Beliefs & Drivers are alive throughout our culture. Everyone in the company is measured against the Beliefs & Drivers. They are part of the development plans for every person. They guide how we interact with our suppliers and customers. They truly run through every aspect of our business.

Lincoln Industries Beliefs

- Our people and their unique individual talents are valued.
- Appropriate recognition motivates our people to be successful.
- Leaders create value.
- Innovation creates continuous improvement.
- Profitability ensures the survival of our company.
- Positive relationships build loyalty.
- Honesty is essential in all transactions.
- We create value for our customers.
- Wellness and healthy lifestyles are important to our success.



Lincoln Industries Success Drivers

- Quality in everything we do.
- Productivity improvement is a continuous process.
- On-time delivery because our customers depend on us.
- A safe working environment is our commitment to each other.
- Environmental responsibility is our commitment to our communities.
- People development because our people create our success.
- Company growth is the result of providing a superior service.
- Value-added service means doing more for our customers.

Wellness program

Overview

Wellness has been a part of Lincoln Industries' history for the last 20 years. Marc's passion for physical fitness and his understanding of the importance of the health of the people of Lincoln Industries has propelled Lincoln Industries' wellness program into the national limelight.



His investment in Wellness has resulted in lower turnover, lower absenteeism, higher quality, lower healthcare costs and people who have learned to better care for themselves and their families.

Wellness Vision Statement

"Lincoln Industries Wellness encompasses the body, mind and spirit. We support our people in making smarter, healthier lifestyle choices. We encourage balance between work, home and personal goals. We believe that supporting our people's health and wellness interests is a sound investment in our company and the most important asset of the company is the people."

The Program

Lincoln Industries' wellness program is called "go! Platinum." Every Lincoln Industries person participates in one of the four levels: Bronze, Silver, Gold and Platinum. Each level is based on the following seven criteria: tobacco use, quarterly checks (blood pressure, flexibility, body fat), participation in wellness events, health information update, health risk appraisal, blood profile, behavior based safety participation and work behavior. Those who make the platinum status are eligible for a company-paid trip to Colorado to climb a 14,000' mountain. Last year, 77 people made the climb.



The wellness program recognizes that "health" includes many aspects including: weight management, tobacco usage, hypertension, preventative health, cholesterol checks, injury prevention, exercise and stress reduction. To support all of these, Lincoln Industries provides the following wellness tools.

Supporting Wellness tools:

- Quarterly checks. A mini-physical conducted every quarter for all people. It includes blood pressure screening, flexibility testing, body weight and body fat composition and one-on-one health consultations. We have 100 percent participation.
- Mark Your Miles. Participants are given free pedometers to track their daily steps and physical activities that are logged each month and reported to the Wellness Department.
- Health Risk Appraisals. This is a tool for assessing health risks among Lincoln Industries people.
- Wellbucks. A cash incentive that Lincoln Industries people can earn when they participate in selected activities.
- Tobacco free campus.
- Tobacco cessation program. Onsite classes are provided at no cost to Lincoln Industries people and their family members. Classes are taken while the participant is on the clock.
- Health Education Seminars. Focus on stress management, lifestyle behaviors, work-life balance, etc.
- Blood Drive. On-site blood drive making it more convenient for Lincoln Industries people to give.
- Wellness Reimbursements. Lincoln Industries people are reimbursed a portion of their gym membership, home exercise equipment, or other accepted wellness/fitness activities.
- Local Race Sponsorships. Lincoln Industries sponsors people in select running races and a team triathlon.
- Consumer Driven Healthcare. Over 85% of Lincoln Industries people participate in "The Fund" where Lincoln Industries pays for the first half of a person's deductible.
- Vending machines support healthy choices.



Lincoln Industries supports its people for participating in the programs and embracing a healthy lifestyle by offering the following cost savings:

- Free tobacco cessation classes save people an estimated \$130.
- Tobacco free insurance resulting in \$300/year in individual savings.
- Gym reimbursement saves people \$270/year.
- Wellbucks gives back \$160/year.

While Marc has never asked for a return on investment for the wellness program, the company has seen significant cost savings:

- Since 2000, tobacco use has gone from 77% to 23%.

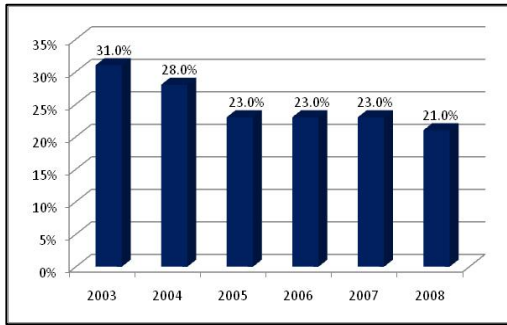


Chart: Lincoln Industries Tobacco Usage

- In 2003, workers compensation costs were over \$500,000. In 2006, these costs were less than \$50,000.

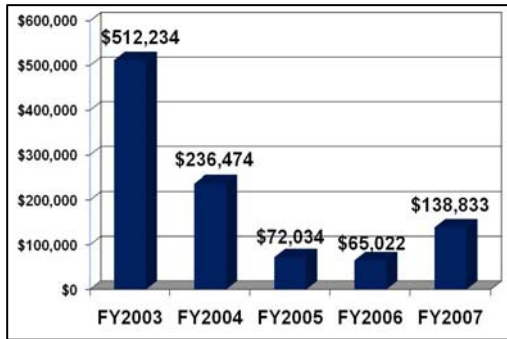


Chart: Worker's Compensation, Incurred Medical/Indemnity

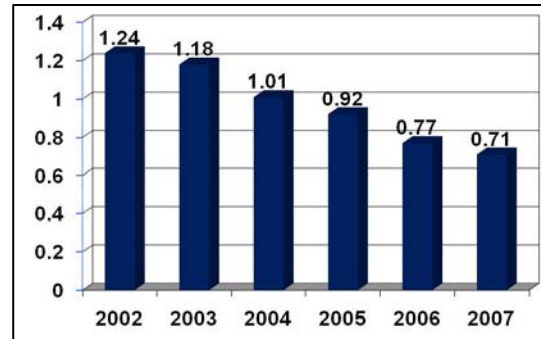


Chart: Worker's Compensation, Experience Modification Rate

- The industry average of health care costs per person is almost \$10,000. For Lincoln Industries, it is just over \$3,500 per person.

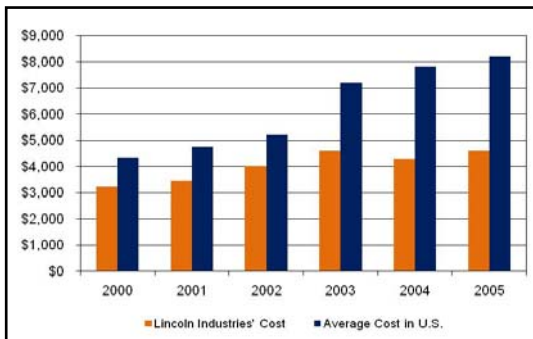


Chart: Average Health Care Cost in United States

And there are other significant benefits of our wellness program. There are over 60 people who are certified in first aid with CPR certifications. In 2006, there was an increase of over 25% of people who received flu shots. And over 35% of our people increased their flexibility by over one inch from 2005 to 2006. All of these improvements reduce absenteeism by having healthier people and increase manufacturing uptime.



Ensuring Success

How does a company keep people engaged in a wellness program? First it is supported from the top down. The leaders of Lincoln Industries embrace wellness. It is part of individual development plans from the vice president level to the team leaders working on the line. It is part of our celebrations and it is part of our meetings. At the bi-annual “One Company, One Voice” meeting, there is a stretch break half way through the meeting. Each shift begins with group stretching. Many departments will challenge each other in wellness events.

Second, there is something for everyone. Not everyone may be an athlete, but there is enough diversity in the program that everyone can participate. For Wellness Wednesday events, gardening, yoga and walking the dog count towards participation. There are classes on women’s health, men’s health, nutrition and mental health available. There are free smoking cessation classes for the Lincoln Industries person and their family because it’s proven that having total family support increases the success of quitting.

Lastly, the program evolves. New for fiscal year 2007-2008 is “Wellness for the Whole Person.” The Wellness Wheel offers an integrated overview of human life. The harmonious balance of these life functions result in good health and well-being. These six elements are physical wellness, emotional wellness, social wellness, intellectual wellness, spiritual wellness and occupational wellness. While physical wellness will still be a part of our overall wellness program, it will also now focus on the entire person.



Resources

Lincoln Industries has four dedicated wellness resources: a director of wellness and life enhancement, a full time wellness specialist, a full time occupational health nurse, and a wellness intern. In 1999, Lincoln Industries selected Tonya Vyhlidal (see bio to the right) to lead the wellness initiative. While fitness and healthy lifestyles have always been a part of Lincoln Industries, Tonya brought a focus to the wellness culture and implemented a strong program. Her background in physical education, sport psychology, coaching, and her passion for people and wellness has been key to the success of the program.

In addition to the dedicated resources, there are many others involved in wellness. There is a wellness committee that has input on the program, organizes company events and encourages others to participate. There are wellness mentors who work with people wanting to reach the next level of fitness. These mentors work with a person throughout the year. They meet as frequently as needed to workout together, talk about challenges and set individual goals.

There are also company events which are both on and off the clock. There is an annual poker walk where participants try to get the best poker hand from cards they receive at different stops throughout a mile-long walk. In 2007, we had the first annual "Brain 'n' Pain Challenge" where teams participated in mental and physical challenges. The company also sponsors many walks for National Health Associations such as the American Heart Association, March of Dimes and the Juvenile Diabetes Association.

Summary

While a SIC code may tell someone what type of business Lincoln Industries is, it doesn't tell the whole story. Lincoln Industries is a company rich in culture. It's a business that has been profitable every year of its 55-year history. It's a company that believes in its people. It's a company that stands above others because of the decision it has made to invest in the company and its people. While some may see these investments as added expenses, Lincoln Industries believes it adds to the bottom line by investing in what matters most in any company: the people.

For more information, please visit the Lincoln Industries website at www.lincolnindustries.com or call (402) 475-3671.

Tonya Vyhlidal, M. Ed., CHPD

As wellness/life enhancement director for Lincoln Industries, Tonya is responsible for occupational health and health promotion programs. Under her leadership, Lincoln Industries' wellness program is a two-time recipient of the WELCOA platinum award, a featured company in the 2007 Leading by Example via the Partnership for Prevention, selected as one of nine companies by the Centers for Disease Control for their SWAT project and is the recent recipient of the Innovation in Prevention Award from the U.S. Department of Health

Tonya is on the Lincoln Lancaster County WorkWell board of directors (Chair Elect – 09), CDC Worksite Obesity Prevention and Control panel, and WELCOA Medical Advisory Council, Lincoln in Motion Board.

Tonya received her master's and bachelor's degrees from the University of Nebraska – Lincoln.

