The Connection
MAGAZINE

FALL 2016

A.I.M. Mutual

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Feature Story

Welcome to *The Connection*

We are excited to share with you our inaugural issue of *The Connection*. This magazine is intended to provide our views on current topics impacting the workers compensation industry and how we address them as a leading workers compensation insurer in the region. We believe innovation and raising the bar for ourselves and our fellow carriers help to ensure our place in the market. A.I.M. Mutual Insurance Companies was one of the first workers compensation insurers to aggressively address the issue of opioid abuse, and our opioid program has been recognized by the National Association of Mutual Insurance Companies. Laurie Parsons and Michael Shor provide insights on our groundbreaking approach in our feature article.

Similar to our being at the forefront with our opioid program, A.I.M. Mutual was one of the first workers compensation insurers in the country to offer worksite wellness services. This program has expanded from humble beginnings to where, today, we engage with policyholders on a host of issues designed to promote a healthier workforce. We have experienced great results and thank our friends at Palmer Foundry for allowing us to share their story.

Financial stability is one of the key measures when selecting an insurer. Another indicator of a company's sustainability is its ability to attract, maintain, and challenge the next generation of leaders. We are committed to this initiative, and Teri Bowman discusses new ways to attract millennials to our industry.

Finally, what's the point of publishing a magazine if we can't brag about our achievements? Our Premium Receivables team was honored by a national association of accounts receivable leaders, and Steve Privitera was recognized as Manager of the Year. Congratulations to Steve and his team!

We hope you find these articles interesting and informative. We welcome any inquiries and look forward to discussing your workers compensation needs.

Sincerely,

Michael E. Standing

Teri Bowman

Teri Bowman is Director of Human Resources at A.I.M. Mutual. Teri has 10 years of HR experience, including recruitment, employee relations, training, compensation, benefit administration, workers compensation and areas of compliance.

THE CHALLENGE OF ATTRACTING TALENT TO THE INSURANCE INDUSTRY

Catching Their Attention

IT'S possible that we're just misunderstood.

Millennials (18- to 34-year-olds) just don't view the insurance industry as innovative and exciting, according to one recent study. Even worse, one-third of respondents declared us boring.

But when you consider that over the next ten years, 50 percent of insurance industry professionals are going to retire, recruiting has to take on a whole new urgency. Not only does that mean a large chunk of the current workforce will be gone, but valuable institutional knowledge will be lost with it. With that in mind, it is clear we need to attract, foster, and mentor the next generation of insurance professionals. But it's proving more challenging than anyone thought.

While agency perpetuation is an option for some, most carriers and agencies find they need to overcome that image problem. A recent Providence College grad now working in the area of workers compensation claims admitted she'd never seriously thought about an insurance career and was genuinely surprised at the opportunities in the industry.

That thinking is really no different from how today's insurance professionals joined the business. More than 60 percent of individuals currently working in the insurance industry are over the age of 45, and they say they did not go to school with an insurance career in mind. It just happened. On a positive note, most of them also say they have no regrets.

So how do we catch the attention of new job seekers? It's all about raising awareness, and since few college programs focus on insurance, it's up to us to get the word out. Online job boards at colleges are a key recruitment tool. Students and graduates can log in with their smartphones, see a job's qualifications and requirements, and find new opportunities for themselves in our industry. Also, those with career paths in criminal justice, risk management, and safety are especially good candidates for an insurance career. Industry-specific staffing agencies are another option for filling insurance jobs, depending on the applicant pool.

Of course, that doesn't mean they're ready to hit the ground running. When new employees enter the industry, it is essential they get the training that they need to succeed. The most effective way is a "hands-on" approach with a mentor within their company. Supplement this practical training with specialized training through The Insurance Library and The Insurance Institute of America, both of which offer instruction online and in a classroom setting. Ultimately, of course, employees new to the business need to learn your core values and philosophies directly from you.

Providing the right working environment for millennials is just as critical as training. Their priorities are often dramatically different than those of their predecessors. Many will value vacation time, for instance, over salary increases. As an industry, we need to learn what's important to today's new hires and make adjustments, if possible, to attract and retain a quality staff.

**Visit us at
www.aimmutual.com**

HATS OFF TO OUR PREMIUM RECEIVABLE TEAM

Our Unsung Heroes

IN many ways, they're the unsung heroes of mutual insurance, especially in the workers compensation arena. As critical as the service is, we all understand premium is the lifeblood. And collecting it is a skill set unlike any other.

A.I.M. Mutual's Premium Receivable Team recently took home accolades from The Accounts Receivable Network, a national professional organization. What's more, the team's manager, Steven

based in Easton, Massachusetts, and Martha's Vineyard Insurance are inclined to agree. They both recently had high praise for Patty Deviller, a Premium Receivable Rep., who helped with some collection challenges. In fact, Patty has a standing invitation to visit Martha's Vineyard so that agency can thank her in person.

In selecting A.I.M. Mutual, The AR Network cited the company's success

engagement, trust and empowerment was also well received.

"I think we become operationally efficient when team members are invited to identify areas of opportunity." Steven said. "Our staff has been great. They understand the importance of their role and the impact they have within the organization."

And in 2015, it was a significant impact. Ninety day balances were down by 67%

> "I THINK WE BECOME OPERATIONALLY EFFICIENT WHEN TEAM MEMBERS ARE INVITED TO IDENTIFY AREAS OF OPPORTUNITY. OUR STAFF HAS BEEN GREAT. THEY UNDERSTAND THE IMPORTANCE OF THEIR ROLE AND THE IMPACT THEY HAVE WITHIN THE ORGANIZATION."

Privitera, was named AR Manager of the Year for 2016 by the same organization.

"Steven and the Premium Receivable team have played an important role in helping us meet our objectives," said Abi Troy, director of IT & Insurance Operations. "We're happy to congratulate them on earning these awards."

Habig & Magoon Insurance Agency

in reducing overdue balances as well as operational changes to enhance workflow. In addition to a new ACH system for online pay, the team worked with IT and other service departments to enhance reporting, develop new procedures and streamline some of the processes already in place. According to Steven, a management strategy involving

over the previous year, unapplied cash payments fell by 50% and, by year end, the team had discussed 88 new ideas for future improvements.

In addition to Steven and Patty, the award-winning Premium Receivable team includes: Kate Correnti, Kathleen Murphy, Scott Scribner, Brenda Cameron, Dawn Hurley, Jake Nelson and Sally Burke.

WOULD YOUR COMPANY BENEFIT FROM A TRAVEL AND ENTERTAINMENT EXPENSE REPORT PROCESSING TOOL?

IT is important for every business to continuously evaluate their business practices to determine if there is a more efficient way to operate. Often there are processes in place that were the latest (or the only) methods available at the time they were implemented. But new ideas and advances in technology provide opportunities for improvement.

One of the many things technology has made easier is the process by which employees can submit requests and receive reimbursements for business expenses.

Not that long ago, it was standard business expense reporting for employees to collect paper receipts, tape them to a piece of paper, fill out paperwork, and submit it all to the accounts payable department. They then had to wait while accounts payable scanned the receipts, entered the information into its accounting system, and sent it to the proper manager or supervisor for approval before payments could actually be processed and checks issued to employees.

There are a number of disadvantages with this process, including the fact that employees have no way of knowing at what stage their submissions are in or how long it will be before they actually see their reimbursements. The process could take up to a week, or even longer if it's stuck sitting on a supervisor's desk, waiting for approval until that person comes back from vacation or a business trip.

Now there are several expense report processing tools available on the market that companies can implement to enhance and speed up the process of employee reimbursement submission and payment. Using any one of these systems, employees can simply take a photo of the receipt and submit it for payment right away. It goes straight to the desktop of the appropriate person for approval, and, if a specified amount of time passes without any updates, the information will automatically go to the desktop of the next person in the queue for approval. The company defines the specified time limit, who is in the approval queue, and the hierarchy within the queue.

There are many benefits to such a system, not least of which is that employees no longer have to worry about keeping tiny paper receipts. Instead, they can just snap a photo of a receipt right there at the restaurant, gas station, or other location. It automatically gets stored in the expense reporting system's cloud and submitted for approval.

Another advantage to having a cloud-based system is that all that accounting information doesn't take up space on the employer's server. And it saves a company time and money because it doesn't have to worry about scanning and processing the receipts and all the resulting paperwork. The expense report processing tool does it all for them.

Such systems can also assist with monitoring employee business expenses. If a submission is unusually large, the system can prompt a note to the employee or flag the expense so the employee is aware that it's larger than normal. Employers can also set up the expense reporting system so that exceptionally large submissions automatically get denied for approval or require additional explanation. For further analysis of expenses, these systems provide users with the ability to run reports on an individual employee and company-wide basis.

With a good expense report processing tool, employers are in complete control, from start to finish, while simultaneously gaining a significant reduction in the time and energy spent managing this time-consuming process. ◩

Paul Kehoe is A.I.M. Mutual's vice president and treasurer. He has been with the company for more than ten years and previously served as controller.

Glenn MacDonald is the director of finance at A.I.M. Mutual and has more than twenty-five years of experience in the insurance industry.

PRIORITIZING:
Why You're (Likely) Doing It Wrong

Dave Crenshaw

Dave Crenshaw is a master at helping business owners triumph over chaos. His latest book, The Focused Business: How Entrepreneurs Can Triumph over Chaos, is a small-business best seller. As an author, speaker, and business coach, Dave has transformed thousands of businesses worldwide. Visit DaveCrenshaw.com

ONLY three hours a day.

According to one study, that's how much time is actually productive in a person's average forty-five-hour workweek. This essentially means that only 33 percent of your long, challenging workweek is actually spent doing the things that fulfill your role and bring more value to your company and yourself.

Maybe that's why over one quarter of Americans work nights, and almost one third work weekends, to make up for lost time during a seemingly chaotic workweek. Or maybe that's why most of us simply feel overwhelmed with work, and we find ourselves saying, "There aren't enough hours in the day."

So what makes each day chaotic and unproductive?

Improper prioritization.

Where It Goes Wrong

Prioritizing time is one of those long-held goals that we, as professionals, struggle with daily.

Sure, it sounds simple, but putting the concept to work proves to be more challenging—and less effective—than we'd like. And more often than not, individuals with poor prioritization skills tend to waste time and lose value in their daily grind.

The biggest problem with prioritizing time is that you have to start with the most important task first. While that sounds great in theory, it doesn't help you in instances where literally everything feels like a priority. And since it seems we're constantly confronted with a pile of priorities—all equally important—efficiency becomes almost impossible.

Having worked with hundreds of business professionals, I've found that there are a few key things that prevent them from prioritizing properly. Here are three questions business managers should ask themselves to make priority a function of time and to get compound dividends on what they put into their businesses.

"Is This a Repetitive Task?"

According to a recent survey, repetitive tasks consume 520 hours of an employee's time each year. This puts a lot at stake regardless of where you fall on the organizational totem pole.

Take some time to recognize redundancies in your workday, and you'll likely find yourself swimming in inefficiencies. Absolutely anything that you do that's repetitive is fair game for delegation.

Delegate those repetitive tasks to employees. No employees? No problem. Outsource them using a resource like UpWork. Even if you're in a nonleadership role, you can unearth enormous value by having someone help you with basic administrative or clerical tasks. You could also simply hire help based on annual and predictable spikes in business or when you're overwhelmed with monster projects.

Delegating repetitive tasks isn't a luxury—it's a necessity for successful professionals.

"Am I Creating a Bottleneck?"

No one should ever look up and find out he or she is the one holding up the line. But at any point in the day, you could be the one multiplying inefficiencies for your team or department. If you're feeling the pressure of multiple priorities, there's a chance it stems back to a bottleneck you've created.

Keep an eye out for hints like unread or un-responded-to emails, contracts or invoices waiting for your approval, or slow-moving projects. If you're in a leadership role, check things like employee resource and technology needs. Employees can often be held in limbo because they are waiting for a problem to be serviced or fixed.

Take the time to acknowledge and address any part of your work flow that holds up the work of others. This awareness gives you a clear path to prioritize your own tasks, and it also gives you insight into what helps your employees stay on-schedule.

Never be the bottleneck.

"Can I Create Something That Will Work for Me When I Am Sleeping?"

Sleep is an obvious priority, but that doesn't mean you can't also work while you rest. Being productive with absolutely no effort is a dream come true, and technology is making it easier than ever.

Invest in a process or tool that allows you to create more value—and time—in your day. Think of tools like computer programs, algorithms, and automatic tools. Even self-help articles like this one help you break down the basics so you can streamline problem solving.

Anything—or anyone—that keeps you "working" 24/7/365 is an invaluable investment for doubling your free time and building your professional value.

Putting It All Together

To sum it up, there are three rules for prioritizing, creating value, and getting more free time out of each day: reject repetition, beware of bottlenecks, and invest in automation.

Asking yourself the three important questions posed in this article will make your priorities a true function of time, and give you compound dividends on the hours you put into work each.

www.DaveCrenshaw.com

4 Great Leadership Lessons from the Arts

BY: KEVIN DAUM, AUTHOR OF ROAR!

Math and science are noble endeavors, but real leadership is taught in the arts. Here are four powerful lessons taught best by artists.

AS much as people spend money for movies, television, theater and music, why do business experts continue to ignore the incredible leadership teachings that come from the arts?

Several years ago, I published a journal article called Entrepreneurs: The Artists of the Business World, after discovering through an anecdotal survey that more than 15 percent of the Entrepreneurs' Organization membership had arts backgrounds, compared to less than 5 percent who studied business. (As a member and theater arts grad I figured I couldn't be the only one.) Since this elite organization requires applicants to show $1,000,000-plus revenue, its members must be doing something right. Below are four leadership lessons taught regularly in the arts.

1. Lead a Project from Start to Finish

Many B-school programs culminate study with the writing of business plans that rarely lead to funding or success. Meanwhile, performing arts students must create a concept from scratch, refine it so they can articulate a compelling vision, recruit skilled labor, and manage everyone to completion on time and on budget, since moving opening night is never an option. They also get to sell their product and collect immediate customer response in the form of ticket sales and applause. This process is completed by millions of students several times a year, all over the world.

2. Manage Dynamic People Effectively

People like to describe artists as eccentric, and many are. And yet somehow, these people happily and consistently deliver highly creative and effective product, even with strict time and resource constraints. And the work they deliver almost always considers a powerful customer experience as the primary objective. Most artists are drilled repeatedly on how to lead their artistic colleagues in a collaborative manner to achieve an effective experience. And despite the frequent presence of professional egos that would crush a Wall Street executive, they learn how to bring all people forward together, or no art would ever be created.

3. Ensure Total Accountability

Let's say you are a stagehand in a simple community production of Hamlet. And you are given the job of placing the skull for the famous Yorick scene. The first time you forget, everyone in the production will chastise you. The second time you will be fired. And you will forever be known as the guy who screwed up the scene, or the violinist who went flat in Beethoven's Ninth, or the dancer who fell in the Nutcracker. Artists live and die by their dependability yet non-artists consider them flaky and irresponsible! Artists develop in an environment where the production is only as good as its weakest participant. Individual performers with both big and small parts are inherently motivated to bring up the entire company rather than showboating personal performance like the sports players business people love to exalt. Even most stars in the arts know they shine best against a rich and unified background.

> *"Why do business experts continue to ignore the incredible leadership teachings that come from the arts? "*

4. Implement Big Picture Thinking

From the day you take a role in a production, art project or film, you immediately understand that you are part of something much bigger than yourself. The size of your contribution only matters as far as it contributes to the quality and impact of the whole. Artists willingly accept this approach, as the entire success of output is dependent upon the merit of what they can deliver. Nepotism, longevity and cronyism may provide opportunity, but only true connection with the customer creates longevity. That forces all successful artists to submit their often-large egos to the service of the overall experience. Those who lead others collaboratively to do the same are rewarded with continued opportunity and success. Those who are selfish or stuck in their own vision are doomed to poverty and dissatisfaction.

You can gain these same lessons by engaging in the arts. Community theater, orchestras, galleries and dance companies are all amazing laboratories for creativity, communication and yes, leadership. People in the arts have these leadership concepts ingrained into them through repetitive, practical application. So if your engineers, sales people and managers are coming up short in these leadership areas, perhaps you should consider hiring a few theater, dance, art or music graduates to show them how it's done. ◢

Kevin Daum

Kevin Daum is the best selling author of Video Marketing for Dummies and ROAR! Get Heard in the Sales and Marketing Jungle; and columnist for Inc.com and Contributing Editor at Young Presidents' Organization (YPO). Mr. Daum is an Inc. 500 CEO, with more than $1 billion in sales record, who grew his online audience from 50,000 followers to more than 800,000 in less than 18 months.

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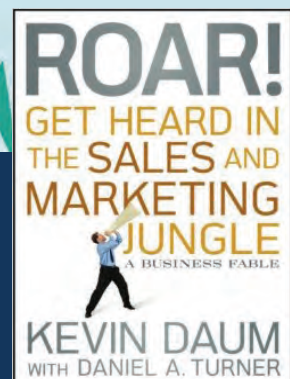
Jack Daly

Jack Daly is an expert in corporate culture that inspires audiences to take action in customer loyalty and personal motivation. He delivers explosive keynote and general session presentations. Jack brings 30+ years of field proven experience from a starting base with CPA firm Arthur Andersen to the CEO level of several national companies. Jack is a proven CEO/Entrepreneur, having built six companies into national firms, two of which he subsequently sold to the Wall Street firms of Solomon Brothers and First Boston.

ENERGIZE TO OPTIMIZE

Gain Peak Performance

We can't expect different behavior from others than what we ourselves offer as an example. "We are the message" in our companies today. Business leaders, no matter the sector, must develop ways to thrive during times of constant change. I offer ten specific action ideas (discussed below) to all of my clients as these ideas are designed to gain peak performance from our most important resource—our employees.

Never before have we seen companies put so much pressure on their employees to work longer and harder. John Hinrichs, president of the consulting firm Management Decision Systems, observes that "ten or fifteen years ago, we used to talk about job enrichment. Now we talk about job engorgement." There are numerous reasons for this stress-inducing tendency: corporate restructurings, which have wiped out layers of managers without reducing the amount of work to be done; new technologies (which eventually will lessen the need for supervision) that are currently causing tough transitions for managers and employees; and increased competition coming from large, efficient players and from niche opportunists.

OUR CHALLENGE AS LEADERS AND MENTORS IS TWO-FOLD. FIRST, WE MUST ENERGIZE OUR ASSOCIATES SO THEY CAN OPTIMIZE THEIR PERFORMANCE NOW. SECOND, WE NEED TO MAINTAIN BALANCE AND PERSPECTIVE IN OUR OWN LIVES IN ORDER TO HAVE A PROPER WORKING RELATIONSHIP WITH OUR ASSOCIATES.

Here are the ten things to think about and then proactively implement in your organization. And if you think some of these ten "energizers" need to come from the top of your organization to be successful, I remind you that leaders start where they are. Do these on your own, and then see what happens around you.

1. Energizers set direction for their units by writing quarterly mission statements. As part of this process, the team commits to established values. Enthusiasm is generated within departments as team members formulate their shared missions. Revising those statements quarterly rekindles that energy and commitment while also providing an opportunity for each person to develop appropriate short-term goals.

2. Energizers truly listen and, thus, are plugged in to reality. They are both open and inquisitive, and their search for ideas is never-ending and boundless. Useful suggestions can come from competitors, suppliers, customers, front-line associates, trade groups, and even mentors. Ask yourself, "How much time did I spend truly listening?" Good listeners practice "zero-based thinking," which requires that we forget the way we've always done things and allows us to look at situations in a new light.

3. Philosopher John Gardner has referred to what he terms "tough-minded optimism." Energizers possess such a spirit, which combines hope and realism as the driving forces in building a business. Focusing on customer needs helps make this happen. A leader is more interested in serving the customer than in worrying about what the board of directors will think.

4. Energizers are forever thinking about and articulating their company mission and values. At least once a year, give a speech reinforcing what you and your company stands for. Nearly every

> **THE CHARACTERISTIC OF ENERGIZERS THAT MOVES ORGANIZATIONS TO THEIR HIGHEST LEVELS OF PERFORMANCE IS THAT OF A DREAMER.**

successful leader is concerned about repeating the same message too often. Yet his or her supporting team usually feels that they cannot hear the message often enough.

5. Where procedure manuals give rules, company stories offer morals. "Storytelling's power is timeless," says author Tom Peters. "The marketplace is demanding that we burn the policy manuals and knock off the incessant memo writing; there's just no time. It also demands we empower everyone to constantly take initiatives. It turns out stories are a—if not, the—leadership answer to both issues."

6. Energizers know the value of the motto, "If it's not broke, break it." They work outside normal rules and, thus, stand out in the eyes of customers and their own associates. By unleashing your creativity, you can spark the energy within your organization. Even simple changes can mean a great deal to your unit or company.

7. Great benefits can be found in delegating without abdicating. Remain accountable for your group, but don't allow a decision to be made at a higher level in the organization than it needs to be. Your associates know the daily specifics of their jobs better than you do. Foster an environment in which they design their function in a framework consistent with the company's mission and values.

8. Energizers understand the Pygmalion effect. People usually accomplish what they believe they are expected to do. If we have high expectations as leaders and mentors, our associates probably will show excellent productivity. Your associates actually will rise to the level of your trust or fall to the level of your mistrust.

9. Energizing and leading people are more powerful tools than managing a process. By building trust with associates and customers, leaders and mentors are able to put together the team described in his or her mission statement. People care more about what's in a manager's heart than about what is in his or her head.

10. Energizers surround themselves with associates who are positive and realistic, rather than negative. A can-do attitude characterizes energized leaders and mentors. It is seen in their unwillingness to take "No" or "It's never been done before" for an answer.

The characteristic of energizers that moves organizations to their highest levels of performance is that of a dreamer. Fred Smith's college term paper was graded "impractical"—but he used it as the basis for building Federal Express. Steven Jobs acted on his dream of having personal computers in every home and classroom.

Energizers manage their dreams. Each of us has the same capacity with regard to our business. If we resist change, we will only fall further behind. If we merely go along with change, then we will just keep pace with it. But if we create change, we will be the ones who lead it. ◢

The Ideal Team Player

How to Recognize and Cultivate The Three Essential Virtues
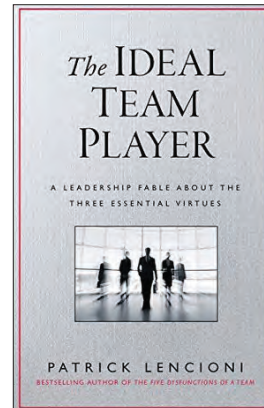
BY: PATRICK LENCIONI

The Ideal Team Player, Lencioni tells the story of Jeff Shanley, a leader desperate to save his uncle's company by restoring its cultural commitment to teamwork. Jeff must crack the code on the virtues that real team players possess, and then build a culture of hiring and development around those virtues.

Beyond the fable, Lencioni presents a practical framework and actionable tools for identifying, hiring, and developing ideal team players.

Hyper Sales Growth

Street-Proven Systems & Processes. How to Grow Quickly & Profitably.

BY: JACK DALY

Jack Daly is an international expert in sales and sales management.
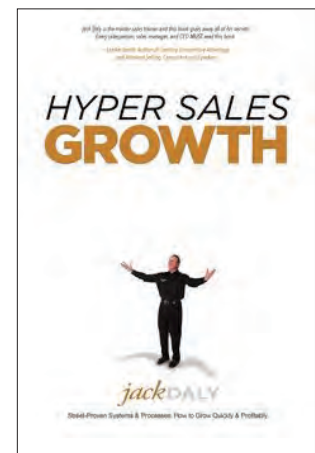
A deep dive into three critical areas includes:

1. Building a winning culture in your business.

2. Sales Management. The emphasis here is on recruiting top performers, coaching, training and building a high performance sales team

3. Sales. Here are the systems and processes that top performing sales professionals are using to separate themselves from the rest.

Verne Harnish

Verne Harnish is founder and CEO of Gazelles, a global executive education and coaching company, Verne has spent the past 30 years educating entrepreneurial teams. He's the author of Scaling Up that uses approaches honed from over three decades of advising tens of thousands of CEOs and executives.

LESS IS MORE

Both In Business & Life!

OVER the last few years a convergence of news, reading, and conversations have screamed the mantra "less is more." It first grabbed me as I was watching an interview of China's first track and field superstar Liu Xiang, who captured gold in the 110-meter hurdles over a decade ago at the 2004 Olympic Games in Athens, Greece, and set a new world record.

Unlike most athletes who train incessantly, Liu took a scientific approach and trained just three hours/day. Many athletes experience this same boost in performance after coming back from a break that has limited their practice. Less practice is sometimes more.

Just this past year, Denmark was again named the happiest place in the world by the U.N.'s World Happiness Report. Noted Adrian White, an analytical social psychologist at the University of Leicester in central England, "Smaller countries tend to be a little happier because there is a stronger sense of collectivism."

Rereading Thomas Friedman's classic *From Beirut to Jerusalem*, the world would be a lot happier if regional cultures hadn't been forced to form artificial countries. Let Iraq, Afghanistan, and Lebanon go the way of Yugoslavia, breaking up into more culturally aligned mini-countries. And I don't think it's coincidental that 34 of the U.S. states expect to run budget surpluses in 2016 while the Federal Government continues to bleed red. The less people lumped together in nation-states, the more fiscally responsible and happy.

Moving closer to the business world, Seth Godin's must-scan book is appropriately entitled *Small is the New Big*, admonishing us to act small if we want to be big. It's worth taking a couple minutes to go to www.sethgodin.com and read his overview of the book which includes a complimentary download of his title essay.

Writes Godin, "Today, little companies often make more money than big companies. Little churches grow faster than worldwide ones. Little jets are way faster (door to door) than big ones." Given the additional security obstacles to commercial air travel has made Godin's comment on air travel a reality for more and more of us. Small jets are better than big jets (and less likely to be targets of terrorism).

Brad Anderson, CEO of $39.5 billion electronics retailer Best Buy, used ideas from a similar marketing-focused book *Angel Customers and Demon Customers* to reduce the number of customer groups on which Best Buy is focusing its efforts. Larry Seldman's and Geoffrey Colvin's book points out that some customers may be highly unprofitable and that not all customers are valuable i.e., less customers is more.

Google has shown a similar wisdom on the employee team side. Recognizing that smaller teams are more effective, Google has organized their engineers into teams of three to drive hundreds of innovations. Simply adding a fourth person to the team would dramatically lessen their impact.

John Carney, CEO of Alexandria, Virginia-based Carney Interactive, has applied this same less-is-more philosophy to individual quarterly priorities. Once required to name five priorities each quarter, Carney's employees are now asked to outline three. Notes Carney, "inevitably either the employees, including myself, padded our lists with slam dunk priorities or found at the end of the quarter that there were two of the five we simply couldn't find time to complete." Fewer priorities means more focus.

This brings me full circle back to training and education. A while ago I had the pleasure to hear small business guru Michael Gerber, author of the huge bestseller *E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It* speak. In his speech, Gerber discussed the topic of mastery and how his saxophone teacher taught him, at the early age of eight, the importance of practicing three hours a day.

No more than a week later, I was talking with my then pre-teen son Cameron about school, who was dreading the start of a new school year. When I asked him how he would redesign school, he suggested it would start around 10am; students would focus on a subject they love for 90 minutes (his is marine biology); recess and lunch would take them to 12:45pm; then another 90 minutes of focused learning with the school day ending at 2:15pm.

His reasoned three hours of focused learning a day seems to align with both Gerber's and Liu's experience about mastery. And Bill Gates' Foundation is supporting the creation of high schools with less students which will also start later in the morning, based on years of research that support both notions. Smaller schools create better academic performance.

Where, in your business and personal life. would less give you more? Think about it and then act. ◢

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Exponential Organizations

How Technology WILL Change Your Business

Teachings from Salim Ismail, Author of The Exponential Organizations

"In business, performance is key. In performance, how you organize can be the key to growth."

SALIM Ismail, author of the book The Exponential Organization and one of the founders of Singularity University, is one of the biggest proponents of the concept of an exponential organization (ExO). He is, in fact, one of the originators of the term. He defines an ExO as an organization that performs a minimum of ten times better than their competitors in the same space by leveraging the power of information and improvements in technology. In following with that, these companies have been able to use relatively few resources to cause major changes in many industries. It can be said, perhaps, that technology is the only true driver of change in the world.

Traditional companies not only do not perform at the levels that ExOs do, but they fail to understand the consequences of not adapting to changes in both information and technology. As entrepreneur David Rose put it so eloquently, "any company designed for success in the 20th century is doomed to failure in the 21st." He isn't kidding. Over the last two decades, a number of leading companies have failed because of a lack of vision or a lack of adaptation. Kodak, once the leader in photographic technology, failed due to completely ignoring the move to digital.

The Law of Accelerating Returns

To begin determining how an ExO

becomes an ExO, one should begin by looking at the Law of Accelerating Returns, as defined by futurist, Ray Kurtzweil.

He states that the basic measure of information technology follows an exponential (and predictable) trajectory. Obviously this flies in the face of the idea that the future cannot be predicted. Many aspects of the business world (and whether a given business will fail or succeed) are still unpredictable, but through the prediction of the trajectory of information technology, a number of aspects can, in fact, be predicted.

Kurtzweil has made a name for himself as a futurist through a number of predictions he has made regarding the advancement of technology. One of these is that a computer would eventually be able to defeat a human in a game of chess. Another is that we would eventually have self-driving cars (thanks, Google). The genius of the predictions, however, are not the predictions. The genius of the predictions are the law that governs them.

His law of exponential growth in information technology is remarkably similar to Moore's Law, which states that "the number of transistors incorporated in a chip will approximately double every 24 months". The law, named for Gordon Moore, cofounder of Intel, was first stated in 1965. It remains true to this day. The law has seen computers go from the size of a room in a house down to the size of a phone that can fit into your pocket, while processing power has increased right along with the change in size.

In the context of business, you can extrapolate that once a business is able to leverage information technology in its processes and begins to acquire information, the growth pattern of that business will begin to double. Once that process starts it doesn't stop. That is the seed from which ExO's are born. According to Peter Diamondis, author of "Abundance", once we are able to harness that power, we will have abundance in everything.

Linear vs. Exponential Growth

It is important to understand the difference between linear and exponential growth as well. Linear growth, as you would expect, follows a straight line. It is a constant growth that continually increases at the same rate. $1 + 1 = 2 + 1 = 3 + 1 = 4…$ and so on. Exponential growth, on the other hand, grows at a proportion that is relative to the current value. $1 \times 2 = 2 \times 2 = 4 \times 2 = 8 \times 2 = 16 \times 2 = 32…$ and so on. The curves, as you can see below, look very different. One interesting thing to note about ExO's, in particular, is that when exponential growth is occurring in a field, the experts in that field almost universally predict linear growth.

As you can see, there is a big difference in the growth curves between linear and exponential (fig. 1). This is a key thing to understand. Once a company reaches a point of exponential growth, they are no longer going to be limited by a stagnant (yet constant) growth pattern.

The Concept of Leverage

Leverage, as a concept, is something all of us understand. What many of us, and many businesses, fail to see, however, is how to leverage situations (or technologies) to change our positions in society or the marketplace.

LEVERAGING EXISTING RESOURCES AND APPLYING INFORMATION TECHNOLOGY TO INDUSTRIES HAS LED TO MAJOR UPHEAVALS IN MANY INDUSTRIES IN THE LAST DECADE.

The classic cycle of disruption, over time, in any given industry follows a pattern: overconfidence leads to a sudden collapse, the response to which is often "too little too late" and is followed by a continual decline.

One of the most well known examples of this is, perhaps, the hotel industry. AirBnB has been able to leverage an existing resource (the homes, living spaces, and empty rooms of users) in order to provide a service to individuals looking for a quick and easy place to stay. Their overhead cost for this? Next to nothing. Whereas a hotel would require new infrastructure, years of construction,

**Figure 1
linear vs. exponential
growth curves**

and ongoing maintenance costs, AirBnB can add a new room by simply acquiring a new individual looking to rent a space out on their service.

Another example is Uber. This one is almost textbook. You have taxi companies, which have stood largely unchanged for the last hundred years on one side, and you have a (once) small company leveraging (again) an existing resource (the cars of their clients) on the other. What happens? Uber provides a higher quality services for much less overhead with an exponential rate of growth.

Perhaps the most popular example, however, is Netflix. Almost single handedly, Netflix has changed the way we look at movies and media. Through the implementation of a standard, easy to operate, streaming platform, Netflix has become a service that is in nearly every household. Their process has been highly democratic and information driven right from the very start. For one thing, they constantly analyze the viewing patterns of each individual, customizing accounts ➔

to the individuals who are watching them. They also use that data to determine what to put on their service. In the words of Jenny McCabe, their Director of Global Media Relations, they "look for those titles that deliver the biggest viewership relative to the licensing cost."

Why Traditional Companies Have Trouble Adapting

Large companies have to, by their very nature, have systems in place to resist change. After all, they became successful because of the things that they have already accomplished. Thus, when changes or disruptions are made in these companies, the changes are resisted. When something or someone begins to disrupt the way that an organization functions, the "immune system" of that organization will come in and try to stop those changes from taking place.

What Makes an Exponential Organization?

ExO's spring out of the new wave of entrepreneurs which are attacking existing industries with relative impunity. They aren't trying to figure out why things are the way that they are. They are trying to figure out why things aren't better. This leads from a situation of scarcity to a situation of abundance. Once something becomes information based, the cost goes down and the prevalent mindset becomes one of abundance. The mindset of these individuals is that nothing is impossible. When speaking with Elon Musk about issues with high-speed hyperloop bullet train, Salim found that Elon replied that (to paraphrase), "that's an issue we have to overcome". In other words, Elon did not consider the problem he was facing to be impossible; he simply considered it something that needed to be worked out.

The Internet allows us to drop the cost of demand exponentially. The issue now is finding a way to drop the cost of supply exponentially. That solution is what existing ExO's like Uber, AirBnB, Zappos, and many others have found. That is why they are having the success that they are having. Decentralization and low overhead is the key to success in the game of exponential growth.

So what is it that makes an EXO?

Three things: Massive Transformative Purpose, S.C.A.L.E. and I.D.E.A.S.

The Massive Transformative Purpose is something that is uniquely theirs. It is highly aspirational and is not narrow or specific to a given technology. This is aimed at the heart and the mind and is declared with both sincerity and confidence. In other words, it is the driving passion behind the company. Again, it's not narrow and it's not specific. It is more like the ethical and philosophical framework in which the company operates.

S.C.A.L.E. stands for staff on demand, community & crowd, algorithms, leveraging assets, and engagement. Constantly adding information and having the people on hand to leverage that information is an extremely important aspect of ExOs.

I.D.E.A.S. stand for interface processes, dashboards, experimentation, autonomy, and social technologies. This is where these companies begin to really stand out. They are constantly tweaking their systems and optimizing all aspects of what they are doing.

If a company is able to implement 4 out of the 10 topics in S.C.A.L.E. and I.D.E.A.S. then they will see their 10x improvement and will cross into exponential growth territory. An example of this would be the way Valve, a popular software company, operates. They have a very small footprint and tap into abundance through the use of technology. There is no middle management, no dedicated teams. People work on what they wish to work on and, should a problem arise, anyone who wishes to can fix it. This has resulted in a massive profit for the company over the last decade. Per worker, they have one of the highest profit margins in the world.

How Organizations Can Become Exponential

The fundamental change in an ExO model is the democratization of the business process. So how can a large existing company take advantage of this and begin to change? A few things will lead down the path to the right direction. One is to update the leadership. It is

SO WHAT IS IT THAT MAKES AN EXO?

THREE THINGS:

1. Massive Transformative Purpose
2. S.C.A.L.E.
3. I.D.E.A.S.

essential that the change starts at the top and works its way down. If people are not on board, they will have to be replaced.

Inspiring ExO changes at the very edges of the company is another key aspect. Partnering or investing with already existing ExO's can be a good way to do this. By changing some of your processes to better leverage or expose data lines, you can put yourself in a position to change the rest of them in that direction as well.

Salim suggests, also, hiring a "black ops" team, which stays both stealthy, and at the edges of the company which can then find ways to attack other industries. Apple has made good use of this. Though they were a computer company, they have snuck their way into mobile phones, tablets, and the music industry. They did not do this by accident, they did it by having a dedicated team working on their own to see what they would be able to put together for the long run.

Your business is, of course, your business. With that being said, there are always ways to improve. Reaching a state of exponential growth and creating abundance in your industry is just as far away as your imagination will allow you to go. All you need to do is have a vision of what is possible and be willing to do what it takes to get there. Just keep in mind that companies which have already stood the test of time are also the companies which will ultimately be the most resistant to change. Overcoming that resistance through inspirational leadership and vision is the key to becoming an ExO. ◢
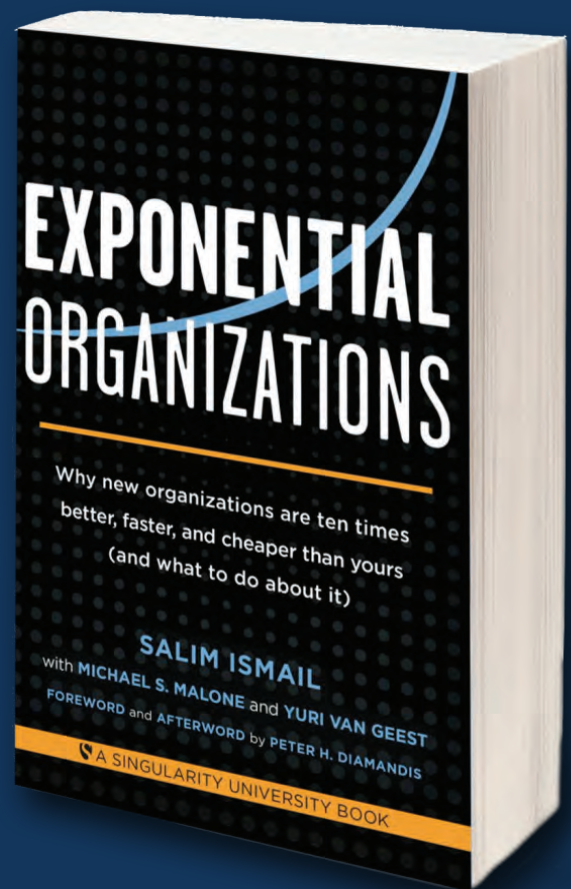
ABOUT THE AUTHOR

Salim Ismail is the best-selling author of Exponential Organizations and the Founding Executive Director of Singularity University. He is also the former Vice President and Head of Innovation at Yahoo!, where he built and ran the company's internal incubator, and he sold his last company to Google in 2010.

Salim consults with governments and the world's top fortune 500 companies on innovation and growth, and his work has been featured in premier media outlets like the New York Times, Bloomberg, BusinessWeek, Fortune, Forbes, Wired, Vogue, and BBC.

Joe Pulizzi

Joe Pulizzi is the founder of the Content Marketing Institute as well as an author (Content Inc.: How Entrepreneurs Use Content to Build Massive Audiences and Create Radically Successful Businesses), speaker, and entrepreneur.

HERE'S WHY YOUR CONTENT IS KILLING YOU

Looking At Common Mistakes

THE latest content marketing research from Content Marketing Institute and MarketingProfs found that less than 40 percent of marketers feel like their content marketing is effective. Worse yet, just two in ten are effectively measuring their content marketing programs.

Even though content marketing, as a practice, is hundreds of years old, it's a new muscle for most organizations. We've been used to communicating in one way through mass media for so many years, and now we are trying to figure out how to deliver value to our customers outside of our products and services.

Are you struggling with your content marketing program? Maybe it's because of one of these reasons:

Selfish Content Marketing.

People don't care about you; they care about themselves. Create content that solves customers' pain points. Stop talking about yourself, your products, and your services so much. If you do talk, make it about your customers.

You Stop.

The biggest reason why content marketing fails is because either it stops or it isn't consistent. Remember, the content you deliver is like a promise to your customers.

Activity Instead of Audience.

Having people share and engage with your content here and there doesn't mean much unless you are building an audience. One of the biggest mistakes companies make is not planning in advance to acquire an audience through content creation and distribution.

No Point of View.

In order to position yourself as an expert in your industry, you need a point of view. Take a stance. Sitting on the fence is boring, and more importantly, it usually doesn't work.

No Plan.

The most effective content marketers do two things that

For more Joe, go to www.JoePulizzi.com

> **ONE OF THE BIGGEST MISTAKES COMPANIES MAKE IS NOT PLANNING IN ADVANCE TO ACQUIRE AN AUDIENCE THROUGH CONTENT CREATION AND DISTRIBUTION.**

others don't: they have a documented content marketing plan, and they refer to that plan on a regular basis.

No Process.

I see it every day. Scenario: Marketing campaign…ads to be placed…then someone asks about the content plan…people scurry about…someone runs out to get the content. Plan upfront to create, repurpose, and distribute content.

Where's the Call?

Each piece of content should have a call to action or a customer behavior you'd like to see. What would happen if you asked why to each piece of content you create? I'll tell you what. You'll either know the call to action or you'll kill the content for lack of purpose.

Channel Silo.

Are you paying attention to one channel at the expense of all others? It's okay to have one main channel, like a blog, but you'll miss the true power of content marketing by not leveraging all available channels. Think like a media company. The greatest media companies focus on all three legs of the marketing stool—digital content, print content, and in-person content.

Forgetting Employees.

Employee expertise is the most underutilized content marketing asset companies have. Your employees give your brand life. Leverage them in the creation and distribution process. Start with the 5 percent that get it. Show success stories and move on to the rest of your employee base. (TIP: Don't force your employees into a process they won't do. Gather the raw content from employees however you can.)

One Word: Editing.

Editing may be the most underrated step of the content marketing process. Sometimes we don't understand that the first draft of a piece of content is just called "a good start." Enter the editor. Hire one.

Fill a Need.

Is there an informational area where you can position yourself as the leading provider in the world? Find it and fill that need for your customers on a regular basis. Don't look to fill a content niche that all your competitors are already filling.

Tell a Different Story. Not the same story, incrementally better. ◢

HOW TO RE-FOCUS

LIVING IN A WORLD DESIGNED TO DISTRACT

EVERYONE knows this whole smartphone-driven reality we're living in has gone a little crazy, but most of us aren't up for doing much about it because we like it so much that we sit down for a second and *"Wait. Oh no! Where's my phone? Hey, have you seen my phone? Hey, what the heck? Where is it?"*

It's our passion. We're devout. Think about it—we're the most conversational people in the history of the world, and it's not even close. But it also feels impossible to disconnect. Between sunrise and sunset, we individually receive and send an average of 215 emails. In the same span, we collectively post a staggering 2.5 billion pieces of content to Facebook and tweet five hundred million times, which helps explain the approximately 150 interactive sessions each of us manages to have with our phone before going to bed. Our entanglement with our electronic devices is increasing so fast, that by the time you finish reading the blurb on your phone that says Americans look at their phones once every six minutes, you've just helped push the national average down a few seconds.

Thanks to our constant connectivity, *the world has never been noisier*. There's too much coming at us, interfering with our tasks and relationships. It's made it harder, quite frankly, to do anything and everything well. But what it has undoubtedly impacted most is our capacity to focus on our most important work in the quiet of our offices.

Studies reveal that we are interrupted every three minutes during work, and it takes us twenty-three minutes on average to get back to our original task. More than half of our distractions are completely self-inflicted. The good news is that, by reading this article, you actually are making great use of your time. We could all use a little help making our way through this noisy world more strategically.

Attention is one of your most valuable resources, and you can learn to take that resource back. By intentionally implementing a few strategies, you can separate yourself from your competition and enrich your life along the way. You can reclaim your time, energy, and focus and put them towards the things that matter most.

More Trees. Less Brick.

You know those moments when you are completely unable to concentrate due to mental fatigue? Psychologists studied people like you just at that very moment and divided them into two groups and gave them separate tasks immediately after those moments. Those people in Group A took a short walk through a busy downtown. Those in Group B walked through various natural environments (parks, etc). What happened? The walks Group A took did not help them at all upon returning to work, but Group B received significantly better results in their ability to focus on key tasks after their walks. According to the Attention Restoration Theory, even simply reviewing photos of nature can have the same effect. If your mind is in a constant state of chaos, review photos of nature, or take a walk through the local park. Your work will benefit.

Prioritize Prioritization

Your prefrontal cortex is, in large part, the area of your brain responsible for focus. It's an amazing organ, but it's an organ that tires easily. Every time you actively push away a distraction, you are sapping resources that will reduce your ability to do it effectively the next time. The solution? Start your day by setting your priorities, from the most mentally draining to the least, rather than on the basis of who wants a response fastest. Schedule the most mentally draining work at the early part of your day (assuming you don't have a hangover!). Fight to keep the first two hours of work sacred. Ask for meetings to be later in the day so you don't have your most precious mental resource robbed by a boss or colleague droning on about a subject that means nothing to you (probably using PowerPoint in a way that would make you want to rip the computer's power plug out of the wall).

Move the Calendar Front and Center

While prioritized task lists are a huge step up from the let-my-newest-email-tell-me-what's-important strategy, it's not enough. Take your priorities and assign time chunks to cover each one. Your calendar, rather than your inbox or task list, should now be the primary "screen" on your computer.

As I use Google Calendar, I literally watch as the red line slides down my screen, reminding me that I am running out of time on a task before I must move on to the next one. For example, I have seventeen more minutes to finish this article.

This causes my brain to release the right concoction of chemicals and neurotransmitters to allow me to work like I'm up against a tight deadline. Plus, I am leveraging what Jonah Berger calls game mechanics (or "Why I can't quit you, Candy Crush!").

Utilize Zenware

Can't resist the quick peek at Facebook when you are on a tight deadline? It's time to use technology to protect you *from* technology. Zenware is a category of programs and apps available on your smartphone, tablet, and laptop that will help you focus. My favorite is Freedom. It costs $10, but it will save you thousands. A few others I recommend:

- Write Room—If you write often, this is a simplified word processing program that eliminates all of the amazing features and distractions of modern word processing programs.
- Forest—This is a fun app that makes a game out of staying off your smartphone.
- Strict Workflow—For Google Chrome users, this is an extension that turns off the internet for you for twenty-five minutes at a time .
- Headspace—This company provides audio-guided, ten-minute mindfulness sessions. Mindfulness is the fastest route to restoring your ability to focus, and this app is the easiest on-ramp to it.

Curt Steinhorst
Curt Steinhorst is on a mission to help today's workforce win the battle against digital distractions. Having fought ADD his entire life and spent years studying the impact of tech on human behavior, he now equips professionals across the world to work smarter and stronger in this constantly-connected age.

Linda Kaplan Thaler

Advertising Hall-of-Famer Linda Kaplan Thaler is responsible for creating some of the most well-known ad campaigns in America, including the AFLAC duck and Kodak moments. She also composed "I Don't Wanna Grow Up, I'm a Toys 'R Us Kid," the longest running jingle in United States history.

She is also a best-selling co-author, along with Robin Koval, and their most recent book, Grit to Great, was rated as one of the top business books for 2015. Today, Linda is a renowned motivational speaker across the country and throughout Europe.

HOW TO KEEP YOUR NEW YEAR'S RESOLUTIONS

12 Building Tips to Make 2017 Your Most Successful Year

AS we progress through the fall season and start to approach the end of the year, many of us start to formulate plans for how we're going to make 2017 our most successful year ever! Planning for success is key if you want to maximize your potential. To help ensure success, I have laid out 12 tips to help you achieve your own new year's resolutions.

1. Be Bold:
Talk to one new stranger each day. For example, strike up a conversation with the person standing next to you in the elevator. Taking a small risk helps empower you to be more courageous in taking on new goals.

2. Chew On It:
Next time you're stymied to come up with a creative idea, stick a wad of gum in your mouth. The chewing motion increases blood flow to your head, giving your brain a boost.

3. Stand Tall:
Do a power pose (wide stance or hands in the air-think Superman!) the next time you feel nervous - it will give you the extra confidence you need.

4. Get Uncomfortable:
Brush your teeth or eat your breakfast with your non-dominant hand. Doing things in a novel way will give your brain, and your creativity, a boost.

5. Get Rejected:
Once or twice a week, ask for something that you think might be impossible. It will help you develop a thicker skin as you try to reach your more ambitious goals.

6. Embrace Boredom:
Instead of running to answer those emails, spend a few minutes just daydreaming- that's when we often have our most brilliant ideas.

7. Make It Your Password:
Make your new goal your computer password- you'll be reminded/motivated every time you log in.

8. Make Your Bed:
Start the morning with an accomplishment, it will increase your endorphin level and help you take on the bigger tasks of the day.

9. Hit the Sack:
Go to bed 1 minute earlier each day for a month. It may not seem like much, but by the end of the month you'll be getting an extra half an hour of sleep per night!

10. The Nose Knows:
The brain connects memories with smells- so next time you're trying to remember something try focusing on it while peeling an orange.

11. Drink Up:
Have an extra 2 or 3 glasses of liquid a day. If you're not a water fan, don't worry. All liquids help to keep us hydrated. Whether it's a smoothie, coconut water, sports drink, (or even coffee!), it'll make you feel sharper, healthier, and happier.

12. Do Good:
Give one stranger a compliment every day- making someone else feel better increases your own happiness and positivity.

Good luck in your pursuits, and make next year your most successful year ever!

www.GritToGreat.com

IS WELLNESS WORKING?

Palmer Foundry Says Yes!

SINCE A.I.M. Mutual Insurance Companies launched its wellness initiative in 2013, a number of policyholders have built wellness into their workers' compensation management programs. One such policyholder is Palmer Foundry in Palmer, Massachusetts, which is participating in A.I.M. Works: The Wellness Advantage. This program is designed to help employers establish, sustain, and expand wellness programs at the workplace. Here's what Palmer Foundry has to report so far.

Background

Palmer Foundry had some experience with wellness prior to signing up for A.I.M. Works. But after hearing directly from 69 percent of its employees via the A.I.M. Works: Wellbeing Assessment, the Palmer Foundry Wellness Committee worked in conjunction with A.I.M. Mutual to identify three areas where wellness interventions were both needed and wanted. In addition, A.I.M. Mutual provided support to ensure that Palmer Foundry successfully qualified for the Massachusetts Wellness Tax Credit.

Goals and Results

At the outset, 44 percent of Palmer Foundry employees reported they were smokers, 27 percent higher than the state average. The company introduced tobacco cessation guidance and programming along with incentives which led to a 14 percent decrease in tobacco use among employees.

Financial education and stress management were other areas of concern for employees. In 2015, 22 percent of the company's respondents to the wellbeing assessment had low confidence in managing their finances, and nearly half felt they didn't have enough money to do what they wanted to do in life. Palmer Foundry began to offer on-site financial management budgeting classes during work hours, which are being well received. A follow-up assessment showed improvement in both areas.

Finally, the company was looking to promote a culture of wellness. When 81 percent of their employees reported that they got fewer than seven hours of sleep per night, 46 percent higher than the US national average, Palmer Foundry adjusted hours for employee shifts. Wellness programs were offered during work hours, and healthy food options were introduced at the work site on a regular basis. Initial results are promising, with a 4 percent decrease in the number of employees reporting sleep deprivation.

Going Forward

Improving employee well-being doesn't happen overnight, as A.I.M. Works participants understand. Palmer Foundry's results addressed health behaviors identified through the A.I.M. Works Wellbeing Assessment, and measuring the efficacy of these initiatives and others are ongoing.

For more information on the program, contact Martha Gagnon, Employee Benefit & Wellness Specialist, at mgagnon@aimmutual.com.

OPENING THE DOOR

TO INNOVATION IN WORKERS' COMPENSATION

BY: LAURIE PARSONS & MICHAEL J. SHOR

AT A.I.M. Mutual Insurance Companies, our claim management team partners with Best Doctors Occupational Health Institute (BDOHI) and Express Scripts, both of whom share our commitment to providing a comprehensive, effective workers' compensation insurance program. Our efforts on behalf of injured workers at-risk for opioid dependency were recognized by the National Association of Mutual Insurance Companies (NAMIC), who honored us in June with an Innovation Award for Impact. Laurie Parsons, Director of Claims, A.I.M. Mutual Insurance Companies, and Michael J. Shor, Managing Director, BDOHI, recently discussed our proactive approach.

We hear a lot about opioids being prescribed post-surgery and for chronic pain. Is this always a bad thing?

No and yes. Most patients have no problem with a short course of opiates for immediate post-surgical pain. However, issues can arise when physicians are not attentive to preinjury risk factors for dependency or when physicians overprescribe. What's more, there is very limited medical evidence indicating that opiates are effective for chronic pain. This leads to a terrible cycle of increased dosages, the development of tolerance, and all the unpleasant, accompanying side effects. These powerful medications also affect cognitive function, which further complicates efforts to try other therapeutic approaches. It's devastating, and the Centers for Disease Control and Prevention (CDC) is calling it epidemic in the United States.

What has been the effect of long-term opioid use among workers injured on the job?

There is a definite impact on the individual's quality of life. Opioids are often prescribed to help an individual improve function when, in fact, they have the opposite effect. The prescription and sale of opioids have quadrupled since 1999, according to the CDC, while the rate of overdose deaths involving opioids has increased by 200 percent.

What led A.I.M. Mutual to see the trend so early?

Our focus on this issue started approximately twelve years ago when we saw more and more injured workers being prescribed increasing dosages of Oxycontin accompanied by very long durations of disability and poor recoveries. What got our attention was that these were injured workers with fairly minor injuries at the outset.

What is a Predictive Index?

The Predictive Index is a proprietary software tool developed by A.I.M. Mutual and BDOHI. It helps us identify, at the time of injury, the employees who have certain risk factors that put them at a much higher risk for delayed and compromised recovery. It's critical to help these injured workers right from the beginning.

Once you identify an injured worker at risk, what happens next?

Typically, a patient advocate begins working with both the injured worker and the claims professional to facilitate appropriate care. It is up to the injured worker whether or not these services are used. As an organization, we do everything we can to help injured workers get access to the best care. We also work very closely with the employer

> ## "As an organization, we do everything we can to help injured workers get access to the best care."

on these complex situations so we can foster a successful return to work for the employee whenever possible.

What therapeutic alternatives are there? Do they really work?

There are a number of options available to treat chronic pain. Multi-disciplinary programs that include functional reconditioning, cognitive restructuring, and the prudent use of pharmaceuticals can be effective. In addition, we have found that innovative therapies such as acupuncture, Scrambler therapy, and some "wearable" devices have provided relief to patients. Most important is that patients need to play an active role in their recovery process because what works for one patient may not necessarily work for another. Treating-physicians have begun to think outside their specialty boxes and recommend clinical practices that provide a truly integrative clinical approach.

What results have you seen?

Our findings have driven a fundamental change in the management and ongoing treatment of chronic pain cases. A.I.M. Mutual is now earning a reputation as

the carrier that does the right thing, evidenced by the correspondence we receive from injured workers expressing their appreciation for our help and guidance as they navigate through their injuries and subsequent recoveries. We are also receiving positive feedback from the employers we insure, acknowledging our role in assisting their workers during this difficult process.

Since 2005, we have seen a 63 percent reduction in the number of injured workers receiving extended-release opiates. Also, over a three-year period (2013–2015), we've seen a 24 percent reduction in the number of injured workers with a Morphine Equivalent Dose (MED) of 120 or greater. There is consensus agreement that a dosage over 120 puts patients at significantly higher risk for an adverse event.

The success of the program is further evidenced by these results:

1. Fewer injured workers receiving extended-release opiates
2. Significant decrease in the number of opiates being prescribed
3. Reductions in MEDs within our work-injured population

4. A decline in monthly and calendar year pharmaceutical costs

These results are significant because they indicate doctors and injured workers are now open to different treatment options. Our goal, ultimately, is to save the at-risk injured worker from a potentially life-threatening addiction. At the same time, everyone benefits by the simple fact that the injured worker is able to return to work and enjoy a healthy, productive life.

We are making real progress. Early intervention with injured workers and collaboration with their doctors have led us to achieve breakthrough results in our efforts to improve clinical outcomes and reduce opiate use. Opiates have increasingly been an area of concern, and with the rate of addiction and overdoses so prevalent in our region, we believe that we have positioned ourselves to be a leading voice in the solution to reduce dependency and death from opiate abuse. ◢

Laurie Parsons

Laurie Parsons, WCLA, FCLA, is Director of Claim for A.I.M. Mutual. She has specialized in workers compensation for 20 years and is licensed to handle claims in Massachusetts, New Hampshire, and Connecticut.
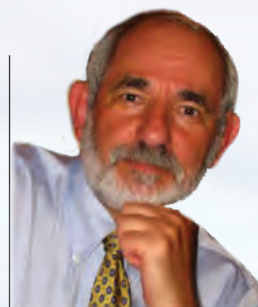
Michael J. Shor

Michael J. Shor, M.P.H., is the Managing Director of Best Doctors Occupational Health Institute. He currently chairs the Massachusetts Bar Association Workplace Safety Taskforce Sub-committee on Opiate Use in Work-Related Injury.

Michael Stango

Michael Stango is the Information Technology Supervisor for A.I.M. Mutual Insurance Companies. He has a background in database programming, information systems analysis, and project management, and leads A.I.M. Mutual's Cyber Awareness Training program. He is also the current chair of the company's Massachusetts Data Security Committee.

DATA SECURITY:
Protecting the Home Front

AS information about cyber security becomes more and more available, the business community of the twenty-first century may be misplacing resources in the fight against cyber crime. It seems industry experts, research firms, and the media alike emphasize protection against "malicious attacks," but network security infrastructure and software can be extremely expensive. Perhaps there is a more cost effective way for businesses, especially small ones, to shield themselves from a data security breach.

It's abundantly clear why the experts give extra attention to malicious attacks that may involve hackers, viruses, or internal cyber criminals. According to Ponemon Institute's *2016 Cost of Data Breach Study*, 50 percent of reported breaches by US organizations in the study were the result of malicious or criminal attacks. The cost of these types of attacks was approximately $236 per record breached. However, system glitches accounted for another 27 percent and human error accounted for another 23 percent, costing the surveyed companies $213 and $197, respectively, per record breached. [1]

Though malicious attacks were the most costly for the surveyed companies, they are also expensive to defend against. Network security infrastructure can cost companies thousands, and once purchased, an expert must undertake the grueling task of configuring the gear. Network security software can also be costly, but may provide an easier solution for smaller businesses, as most of this software is easy to install and configure. Overall, the best protection against malicious attacks is a combination of security infrastructure and software. Of course, that is, if your business can afford it.

Mitigating the risk of malicious attacks can be expensive, but protecting your company from system glitches and negligent employees may be more cost effective if budgets are tight. In fact, most operating systems will proactively attempt to fix system glitches; they simply require your blessing as an end user. Take Adobe Reader, for example. The average user has likely been asked by this software to allow "required updates." Admittedly, between Adobe, Java, and Microsoft, the update requests can be fairly annoying. Still, these updates tend to contain key security patches that will keep your network and data safe from loopholes that have been exploited by hackers and cyber criminals. It is strongly recommended that all software is kept up-to-date to help reduce the risk of system glitches.

As for negligent employees, a
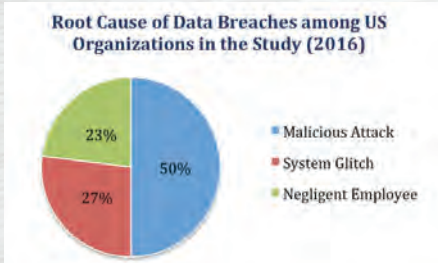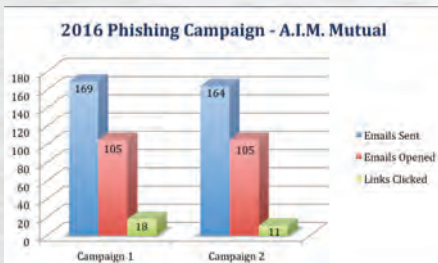
Figure 1
Root Cause of Data Breaches
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Root Cause of Data Breaches among US Organizations in the Study (2016)

- 23% ■ Malicious Attack
- 50%
- 27% ■ System Glitch
- ■ Negligent Employee

Figure 2
2016 Phishing Campaign
↓

2016 Phishing Campaign - A.I.M. Mutual

- ■ Emails Sent
- ■ Emails Opened
- ■ Links Clicked

Campaign 1 — 169, 105, 18
Campaign 2 — 164, 105, 11

great course of action is to address carelessness and lack of knowledge with what A.I.M. Mutual Insurance Companies likes to call "Cyber Awareness Training." This training should not only inform employees on how a data security breach could impact the company but also explain how employees could be impacted on a personal level. At A.I.M. Mutual, we like to focus on topics such as password best practices, identifying phishing emails, and recognizing suspicious behavior at the workplace. We use a more focused approach when training employees who work off-property, as there tends to be more exposure associated with carrying around a company cell phone or laptop.

One primary area of focus for A.I.M. Mutual's 2016 Cyber Awareness Training was identifying and reporting phishing emails sent to company email addresses. According to Verizon's *2015 Data Breach Investigations Report,* up to 70 percent of cyber attacks in 2015 targeted a secondary victim after compromising a primary victim.[2] Employees should be considered a primary conduit between the company network and the increasingly dangerous World Wide Web, and it's important to train them accordingly. We discovered that a combination of training and real-life testing was the most effective way to teach employees how to identify scam emails.

In order to test an employee's likelihood of clicking on malicious email links and attachments, we initiated a quarterly "phishing campaign" with the help of an industry-known security organization. We sent quarterly emails to all employees containing phony links and attachments. The phishing software logged all emails sent, emails opened, and links clicked. In Figure 2, compare the results of our first and second phishing campaigns, which helped us gauge how "phish prone" our employees were at the time.

Though the percentage of emails opened increased slightly from 62.1 percent to 64 percent, the percentage of links clicked dropped considerably from 10.7 percent to 6.7 percent. Fortunately, the initial campaign provided the information needed to focus the Cyber Awareness Training on certain areas of the company, likely resulting in improved results after the second campaign. Considering the 12 percent click rate reported by Verizon's *2016 Data Breach Investigations Report,*[3] the phishing campaigns were deemed to be so effective that we intend to continue them for the foreseeable future.

Overall, A.I.M. Mutual has taken a holistic approach to cyber security. Between robust network infrastructure, security software, patch schedules, and end-user

training, we believe we have considered all the angles necessary to protect ourselves from a data security breach. What's most important is to identify the exposure that your business may have and build a budget based on the potential cost associated with a breach of all sensitive records. Regardless of industry, this is an area that every business owner should be willing to cut a check for. I can assure you of this: It will be less expensive to take the appropriate preemptive measures than to recover from a large-scale data security breach. ◪

1. Ponemon Institute, LLC, 2016 Cost of Data Breach Student: Global Analysis, sponsored by IBM, retrieved from https://public.dhe.ibm.com/common/ssi/ecm/se/en/sel03094wwen/SEL03094WWEN.pdf

2. Verizon, 2015 Data Breach Investigations Report, retrieved from http://www.verizonenterprise.com/resources/reports/rp_data-breach-investigation-report_2015_en_xg.pdf

3. Verizon, 2016 Data Breach Investigations Report, retrieved from http://www.verizonenterprise.com/Verizon-insights-lab/dbir/2016/

ARC FLASH
What Employers Need to Know

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An electrician was removing wiring from a fan motor in an overhead crane at a steel manufacturer, a fairly routine procedure. But when an ungrounded electrical conductor touched a grounded surface, it sparked an arc flash. The technician suffered third-degree burns on her hand and first-degree burns on her face.

That incident, detailed in an OSHA release last year, highlighted the dangers of arc flash and the importance of having safety protocols in place.

According to the Workplace Safety Awareness Council, an arc flash happens when a flashover of electrical current leaves its intended path and travels ("arcs") through the air to the ground or to another conductor. When that happens, the results can be devastating, even deadly. Even the most experienced worker or workers and business owners do not fully understand the event and its potential consequences. Arc flash is often preventable, or, at the very least, its impact can be minimized. At A.I.M. Mutual Insurance Companies, we encourage employers to conduct a hazard analysis and implement safe work practices at each job site. While quality safety gear is always recommended, it is no guarantee of worker safety. And for some employers, it isn't always practical, either from an economics standpoint (due to the high cost of protective equipment) or an efficiency standpoint (due to the difficulty of working with equipment while wearing layers of thick protective gear.)

For maximum protection, a combination of safety measures works best. They include de-energizing the circuit whenever

> "ANNUAL TRAINING, WHILE NOT REQUIRED, SHOULD BE CONSIDERED A "BEST PRACTICE" FOR A SAFER WORKPLACE. A COMPREHENSIVE ARC FLASH PROGRAM CAN REDUCE THE LIKELIHOOD AND SEVERITY OF AN ARC FLASH INCIDENT AT YOUR WORKPLACE."

electrician is at risk. The US Bureau of Labor Statistics reported that nearly six thousand US workers died due to an arc flash incident between 1992 and 2013.

So what causes an arc flash? There are a number of triggers, ranging from dust and particulates in the air to dropped tools, material failure, and condensation or humidity. Accidental touching of conductors, faulty installations, and corrosion can also lead to an arc flash. The consequences can be violent as flying molten metal, blast pressure, sound blasts, extreme heat, burns, and fire may result.

Though arc flash is a pervasive topic in the industry, many possible and ensuring proper training and protective equipment for all personnel. At a minimum, employees need the skills to distinguish exposed live parts, determine nominal voltage of live parts, and understand clearance distances. Finally, equipment protections should be in place, including insulation, barricades, guarding, secondary protection through grounding, and ground fault circuit interrupters.

Annual training, while not required, should be considered a "best practice" for a safer workplace. A comprehensive arc flash program can reduce the likelihood and severity of an arc flash incident at your workplace.

Bob Cella

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THE CASE OF THE AGGRAVATED INEQUITY

What You Need to Know

IT'S not that it's a mystery, at least not in the cloak-and-dagger sense. Rather, it's elusive. It's not always easy to find, and wait too long and you might miss it.

But identifying an aggravated inequity situation is definitely worthwhile. It results in a reduction of the experience modification as of the next rating effective date for your clients. And depending on the premium, an employer could see a drop of one to three percentage points between the experience modification and All Risk Adjustment Program (ARAP), if applicable.

Most requests for revisions under the Aggravated Inequity Rule are made by the employers and their agents. However, A.I.M. Mutual provides the service on behalf of our policyholders and broker partners whenever claims qualify for a revision. (Carriers that reserve, close, and report the claims that qualify for a revision under the Aggravated Inequity Rule are allowed to initiate the request.)

How Aggravated Inequity Works

In Massachusetts, insurance carriers annually report statistical data to the Workers' Compensation Rating and Inspection Bureau of Massachusetts (WCRIBMA), including workers' compensation classifications, audited payrolls, and claim valuations (both paid and reserves) for each of their policyholders. The unit statistical reports (USRs) are valued as of a specific date—six months after the expiration of the insured's policy.

An aggravated inequity results from a claim that closes between the valuation date of the USRs and the next experience rating effective date. The claim has to be for an amount less than the amount previously reported on the USRs.

Certain conditions must be met, as outlined in the MA Experience Rating Plan Manual published by the National Council on Compensation Insurance (NCCI) on behalf of the WCRIBMA:

- One or more claims reflected in an issued experience modification must be an open claim, and the valuation reflected in the experience modification must include reserves;
- The employer has learned that such claims have since closed; and
- Such claims closed for amounts less than the reserved amounts.

When all these conditions have been satisfied, the WCRIBMA must be notified and asked to revise the experience modification already issued. The revised modification will then reflect the closed value of the claim rather than the previously reported incurred value (including reserves).

And yes, it's all time sensitive. Requests for revisions "must be received by the Bureau within 30 days of the rating effective date or the rating issue date (whichever is later), or within a reasonable time thereafter with good cause shown" according to the NCCI manual.

The Aggravated Inequity Rule as spelled out in Massachusetts is rather unusual. Only Florida has a similar rule. Typically, in most states, revisions to previously reported USRs are only allowed in cases of clerical error and in third-party recoveries. The Massachusetts Aggravated Inequity Rule allows for a more accurate experience modification as a result of a change in claim valuation due entirely to the timing of the data reporting.

Aggravated Inequity is a tool that works best when the employer, agent, and insurance carrier work together to close claims as quickly as possible and return injured employees back to productive work. ◢