

Those inventive Mir were granted 2,803 **ents**. Nationwide patents to U.S. res. Sources: United State

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Benefits for the long run

Lancet Software aims to be the kind of employer "no one leaves."

By Larry Werner
Star Tribune Staff Writer

Thomas Niccum and his three business partners worked for a company that wasn't well run before they decided to start Lancet Software Development seven years ago.

The company they left is no longer in business, but Niccum is determined that Lancet will be around a long time. The Eagan consulting company with only 17 employees and \$2.4 million in revenue hired a human resources manager four years ago to constantly monitor benefits to make sure "no one leaves because they're attracted by better benefits."

The company not only has a turnover rate of zero but recently won an award naming it one of the 10 best small and medium-size companies in the country in providing "employee financial security."

The company was selected from among 1,900 entrants by the Principal Financial Group, a national company that manages 401(k) plans.

Niccum, who has the title of president but focuses on software consulting when he's not signing checks, said too few companies Lancet's size consider human resources management a critical expense.

"We concentrated very hard on building a company that's going to last awhile," Niccum said. "And part of that is having a strong commitment to the HR



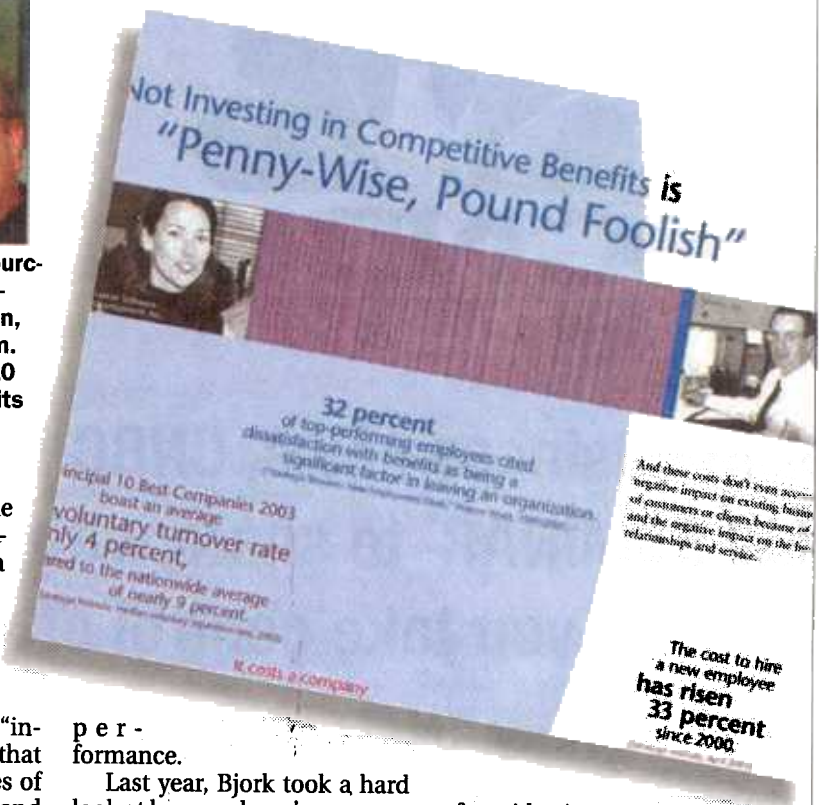
Susan Bjork is human resources manager at Lancet Software Development in Eagan, founded by Thomas Niccum. The company was one of 10 nationwide recognized for its innovative employee benefits.

side. I think a lot of people look at HR as kind of a necessary evil. We look at it as a business advantage."

Lancet, which develops e-commerce sites and other Web-based software for clients, was recognized by Principal for "innovative benefits programs that are applicable to companies of various sizes, industries and states of financial health." The person responsible for shaping those benefits and applying for the award is Susan Bjork, a 10-year veteran of human resources management. In 1999, when Lancet was just two years old, Bjork came in as a part-time consultant to help Niccum with his benefit package.

"It was a marriage made in heaven," Niccum said. "Susan's been absolutely critical to our long-term success."

Bjork is paid to constantly research benefits programs to make sure the employees and the company are getting the most for their money. Everyone cares about getting a good deal on benefits because all employees own stock in Lancet, and bonuses are based on financial



performance.

Last year, Bjork took a hard look at her employer's open-access health plan from Medica, which she called "the Cadillac of Cadillacs." She found that a Medica plan that requires employees to choose a primary physician was cheaper, and she also discovered that HealthPartners was offering plans similar to the Medica coverage, but cheaper still. She has saved the company \$50,000 by changing from Medica's open plan to a primary-physician plan offered by HealthPartners.

Then Niccum paid that \$50,000 in savings into the employees' 401(k) plans, on top of the 3 percent of salaries they already get, along with fully paid medical and dental premiums for employees and dependents, \$100,000 worth of free life insurance, four weeks

of paid time off from the first day of employment and free disability coverage.

Niccum said the award from Principal is "outside validation" of the commitment that he and his fellow founders made to do things differently from their old, defunct employer.

"We thought we were competitive, but to have someone come in and tell us, 'You guys are stellar' is a validation of what I thought we had," Niccum said. "For the last two years, through Susan's efforts, we paid an extra \$50,000 bonus we didn't expect to pay because we saved so much money on the benefits."

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