



SAFETY ALERT

Safety Makes You Money

Years ago, it seemed that the safety function within a company was seen as a necessary evil, a requirement brought on by government regulation and a new agency called OSHA. While no one wanted to hurt their employees, safety was a disruption to production and a costly process. Putting up machine guards, providing hard hats, safety shoes and glasses to all employees, having to do inspections, and holding training meetings were all considered a conspiracy to drive us out of business.

Today's progressive manager/owner has come to realize that being safe in the workplace is more than a financial drain; it's a contributor to a successful business. Safety goes beyond the moral obligation to protect employees from harm. How does it do this??

Well, let's start with the cost of injuries:

- A typical hand injury, say a laceration, will directly cost you about \$200 when the employee goes to the doctor. An additional \$800 in cost has to be added to pay for supervisory time, delays in production, retraining, and associated costs that arise from that employee being away from the job.
- What about a more serious injury, such as a broken bone? The medical costs are typically at least \$8,000, with indirect costs as just described being \$30,000 or more.
- When you have a high level of injuries, your insurance premiums skyrocket, and you have little control of price beyond keeping employees safe. Premium levels are based on your injuries over a period of time, so it may take years to lower them. This does not count the reserves your insurance company will take from you in anticipation of injury costs.

These costs alone should be a motivation for us, as they can easily go over \$100,000 per year for a single plant. However, safety can pay in a more important way- Productivity.

Virtually every company that has begun a systemic safety program, has found their plant efficiency improving. Let's look at some examples.

- **Safety Training-** As our employees are trained on how to work more safely, i.e. locking out, wearing protective equipment, watching where they walk and work, they start working more efficiently and get more done during the day.
- **Job Hazard Analysis (JHA/JTAs)-** If you use JHA's as a tool to look for safety hazards, you also find out how the job is supposed to be done correctly. Problems that may affect quality and production are discovered and fixed along with safety issues. These JHA's can then be used to train and cross train employees, saving valuable time in learning how to do it right, as well as safely.
- **Personal Protective Equipment (PPE)-** By supplying the proper PPE for the job, employees are better able to do the work they need to do without extra worry about injury. One company with multiple plants was also able to reduce foot injuries by over 500% by supplying a specialized safety boot. This was worth hundreds of thousands of dollars, by keeping employees on the job and out of the medical clinic.
- **Safety Inspections-** By doing regular inspections as required by OSHA, plants have been able to become aware of equipment problems, well before they get to the repair stage. Fixing those problems have not only protected employees but have prevented costly down-time which decreases productivity. It has the added value of extending the life of expensive machinery that producers depend on.

These are just a few of the ways that having a sound and active safety program is an important part of your business "toolbox". Just like quality, production and sales, safety is an invaluable part of being successful. If you would like additional ideas on how to "make money with safety," contact the APCA Safety and Environmental Committee.