



Where is My Safety Program?



Reasons for a Safety Management Process

- **High Hazard Industry** (Construction #3 in Fatalities)
- **High Frequency of Accidents**
- **Government Regulations / Penalties**
- **Competitiveness** (bidding work)
- **Business Development** (marketing your MOD and OSHA Rates)
- **Employee Relations** (workers go home safe/ more productive)
- **Corporate Goals** – Continuous Improvement
- **Minimize Losses - Maximize Profits**





How are YOU doing at your Job?

- This exercise will give you a clearer picture of what you value right now.
- It will help you see whether your time and energy are being spent in proportion to your values.
- What you do during this exercise is PERSONAL and for YOUR USE ONLY.

What is the Balance Wheel

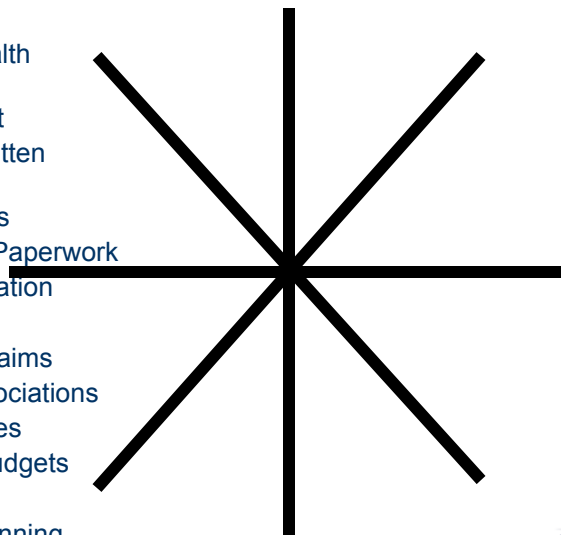
- This wheel represents various areas of your life, job, career, personal life, etc.
- Label each spoke with a word or phrase that reflects an area that has importance to you

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My Balance Wheel

- Family Time
- Physical Health
- Professional Development
- Updating Written Programs
- Auditing Sites
- Maintaining Paperwork
- Sub Coordination
- Training
- Managing Claims
- Industry Associations
- Staffing Issues
- Managing Budgets
- Purchasing
- Strategic Planning



IMPORTANCE

- o Make a Dot / Circle on the spoke that indicates the IMPORTANCE you place on that area.
- o The center of the Circle represents NO importance
- o The outermost point represents the HIGHEST degree of importance.
- o When you have finished, Connect the Dots

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TIME & ENERGY

- Now do the process again, but this time draw a box / square.
- Mark the spoke to indicate the amount of TIME AND ENERGY you are currently putting into this area.
- Once again, the center represents NO time and the outermost represents ALL of your time.

3



PERSONAL SATISFACTION

- ☆ Now do the same process, but this time place a STAR on the spoke to indicate the level of PERSONAL SATISFACTION you feel with this area.
- ☆ Again, the center represents NO satisfaction and the outermost represents 100% satisfaction.

2



Questions

- Where does your level of satisfaction closely match the value?
- Where is value high but satisfaction low?
- Where is value low but energy High?
- Where is Value High but time and energy low?
- Do time and energy have any relationship to satisfaction?

5



Questions

- Where are you Not getting the results you want?
- Are there areas where you'd like to grow more, or more quickly?
- Are there other areas that you'd like to make less important?
- Are there other areas that you'd like to make less important
- Does this give you any ideas about goals you might set for the future?

5



Goal Setting and Benchmarking

- OSHA Rates (IR, FR, LWDI, DART, etc)
 - [NAICS Published Rates](#)
 - Are you Benchmarking your performance against several Industry Codes?
 - Construction in General, Specialty Trade, etc.
 - Customer Specific or Non-Construction Industries
 - Mining: 5% lower
 - Utilities: 23% lower
 - Oil & Gas Extraction: 35% lower
 - Petroleum: 35% lower
 - Pharmaceutical: 53% lower
- **Your goals must be designed to get you to the customers you will have in the future!**



Goals and Benchmarking (cont.)

- Accident Loss Frequency and Severity
 - Cost per... manhour/contract \$\$/vehicles, etc
 - Trend by Supt, Division, General Contractor/Owner or Market Segment
 - Know what trends (short term and long term) are driving your costs to be prepared in the future.



Financial Business Impact of Accidents

$$\frac{\text{LOSSES}}{\% \text{ PROFIT}} = \text{VOLUME}$$

Example

$$\frac{\$6,147.50}{.02} = \$307,375$$

At a 2% profit margin, you need to complete an ADDITIONAL \$307,375 of work to RECOVER financially from this single accident.



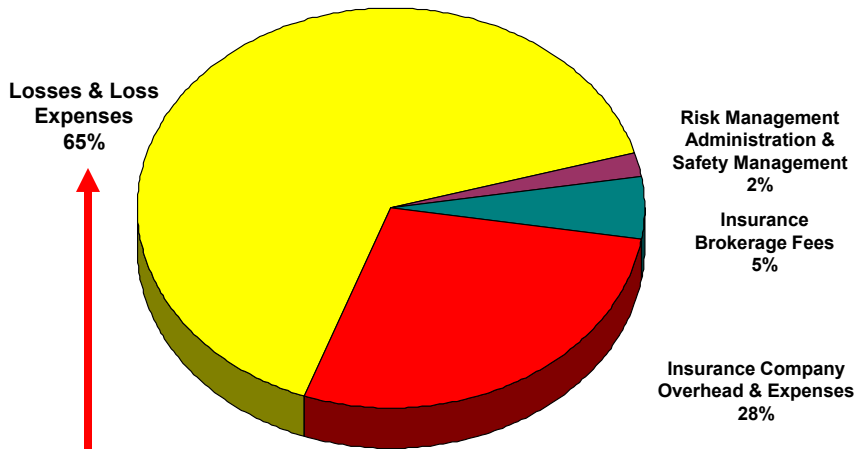
CURRENT MARGINS

Accident Costs	Profit Margin			
	2%	5%	10%	13%
\$5000	\$250,000	\$100,000	\$50,000	\$38,460
\$10,000	\$500,000	\$200,000	\$100,000	\$76,920
\$25,000	\$1,250,000	\$500,000	\$250,000	\$192,300
\$50,000	\$2,500,000	\$1,000,000	\$500,000	\$384,615
\$100,000	\$5,000,000	\$2,000,000	\$1,000,000	\$769,230
\$150,000	\$7,500,000	\$3,000,000	\$1,500,000	\$1,153,840
\$200,000	\$10,000,000	\$4,000,000	\$2,000,000	\$1,538,460
\$250,000	\$12,500,000	\$5,000,000	\$2,500,000	\$1,923,080
\$450,000	\$37,052,900	\$9,000,000	\$4,500,000	\$3,461,538

B



Insurance Program



Largest Portion of your Insurance Costs are within your Control!

This can be accomplished by establishing the Best Claims Management Process that starts the Moment a Loss Occurs!

B



Insurance Rating and Benchmarks

- Loss Ratio:
 - Loss Reserves divided Premium Collected
 - 65% is the Magic Number to keep Underwriters Happy
 - Exceptional Performers maintain loss ratios of 25% or less.
- Insurance Rates – WC, Auto, GL, etc
 - Your Broker should be a good resource for forecasting and trending against your industry



Experience MOD - Simplified

$$\frac{\text{ACTUAL WC LOSSES}}{\text{EXPECTED WC LOSSES}}$$

* Previous 3 years of experience not including most recent year

Example:

$$\frac{\$80,000 \text{ Actual Losses}}{\$100,000 \text{ Expected Losses}} = \mathbf{0.80} \text{ Experience MOD}$$

INDUSTRY Average = 1.00

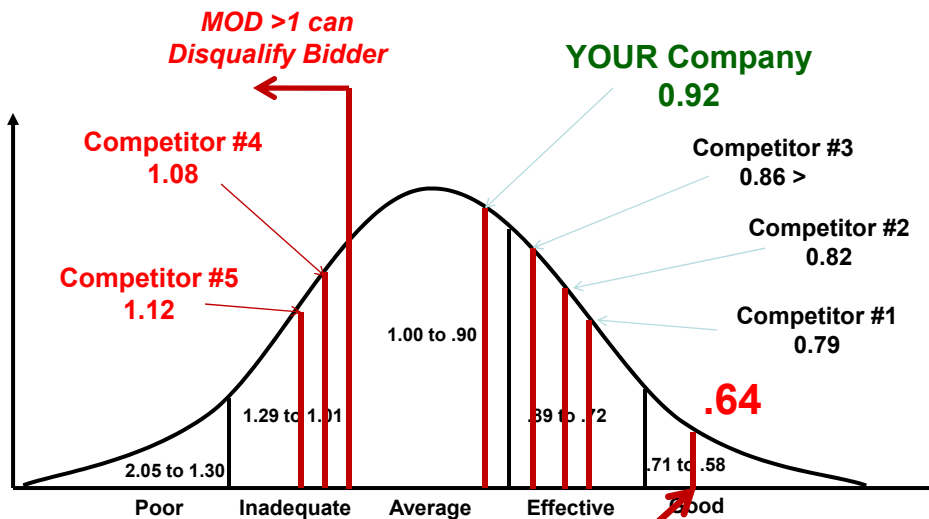


Experience MOD

- Excellent Long Term Planning Benchmark
- Identify where your Safety and Risk Management Processes are having the biggest impact on your MOD
 - Division, Type of Work, Market Segment, GC or Owner
- Incorporate your companies business strategies into your MOD Analysis for forecasting future MOD Rates
 - i.e. Acquisitions, expansion into different states, reduction of work, etc
- Base your Safety Program Strategic Planning to get the MOD results needed to remain competitive



Your Competitors - Pre-BID Qualification



Know What YOUR Minimum MOD is!



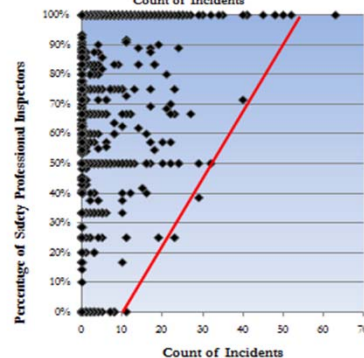
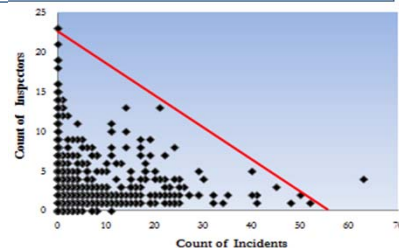
Staff / Personnel Evaluations

- Balance Wheel Assessment
- Safety Awareness / Attitude Surveys
- Safety Performance Reviews (HR)
 - Personal Stats, Involvement, Attitude
- Behavior Based Observation Processes
- Benchmarking Classes of Employees
 - Edwards Deming Model



Safety Audits

- Who's Doing Your Safety Audits
 - Safety Department
 - Supervisors
 - Superintendents
 - Project Managers
 - Middle Management
 - Sr. Management
 - Is the Safety Inspection / Audit processes adjusted to suit the Class of Employee as well as the Technical Understanding of your Safety Policies and Requirements
 - 250 Item Checklist versus 20 Categories
 - Set Realistic Frequencies
 - Track Performance
- **Widespread and diverse teams perform best**



What Types of Inspections

- Safety Compliance Checklist
- Narrative Audit Findings
- Supervisor “Log” Book
- Behavior / Observation Based
 - Dupont STOP
- Technology Driven Systems
 - Predictive Solutions (formerly dbo2)
 - Vella Systems (www.velasystems.com)
 - Field iD (www.fieldid.com)



What Do You Do With The Data?

- Find and Fix the Problem (site level)
- Close out Documentation Trail (liability)
- Trending Leading Indicators
 - By Exposure Types or Operation
 - By Superintendent / Supervisor
 - By Contractor
 - By Business Unit / Market
- Focused training where its needed
- Pre-Exposure Analysis to prepare for the “Expected”
- Pre-Qualification of Internal Staff and Subcontractors
- Safety Manager versus a Cop



Program Evaluations

- Insurance Carrier – Loss Control
 - Risk Based Evaluations
 - Can Provide deeper insight into how well your company manages its risk based upon the types of exposures you have
- Annual Written Program Compliance Audits
 - Focus on Safety Policies directly associated to the types of accidents that have occurred (high frequency and high severity)
- Safety Program Implementation Evaluations
 - Higher Level Management Team Assessments of how well project teams actually “Implement” the safety processes in the field.



Safety Culture Assessments

- Cultural Safety Assessments
 - Surveys designed to identify “Personal” experiences and understanding of Key elements of the Safety Culture
 - Measure the Gaps in Perception between Mgt and Employees
 - Very Effective tools for navigating through specific areas of your safety process and culture to identify areas for improvement
- Applications
 - Overall Poor safety performance (High MOD, IR, LT Rates, etc)
 - Organizations with different types of operations (not trade specific)
 - New Acquisitions or expansion into new market areas and Joint Ventures
 - Identifying specific “Layers” of an organization where the safety process is breaking down
 - When you get to “Good”, but can’t figure out how to get to “GREAT”





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