



Safety Pays Profits

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Presentation Objectives



- To secure an understanding the value Managed Safety can bring to your business
- To shift corporate behaviour to place additional focus on Managed Safety
- To solidify the business case for health and safety using real injury cost data





Managed Safety In An Organization Will Affect your Bottom Line – One Way or Another

 **Positively**

 **Negatively**





Remember “The Good Ol’ Days”?





When I Started in the Electrical Trade

- Very high qualification standards
- Rigorous personality screening
- Regular performance reviews





At K-Line

- Started as an apprentice-lineman in 1979
- My dad was the President of K-Line Maintenance & Construction





On a Serious Note

- In my 30 years in the business.....
 - **More than 17 people I have personally worked with are no longer with us**





The Start of the Path to Zero

- Only reasonable goal is ZERO
- E&USA Vision in the year 2000
- Zero Injuries
 - Not to be a Zero Company or Achieve Zero Profit





Our Corporate Strategy

- Sat down with our Principals
- Laid out a plan
- Not just a sales pitch





Objectives of our Managed Safety Program

- Provide a Higher Level of Service in the marketplace
- What are we promoting?
- Shifting the mindset



DRAWING A LINE IN THE SAND





Changing the Culture

- Workplace culture is key to driving and managing change
- Recognizing this early is key to strong safety performance
- Must get everyone on board





Impact on the Bottom Line

- Recognition that safety reduces the cost of Lost-time-injuries
- Leads to being better organized
- Increased effectiveness



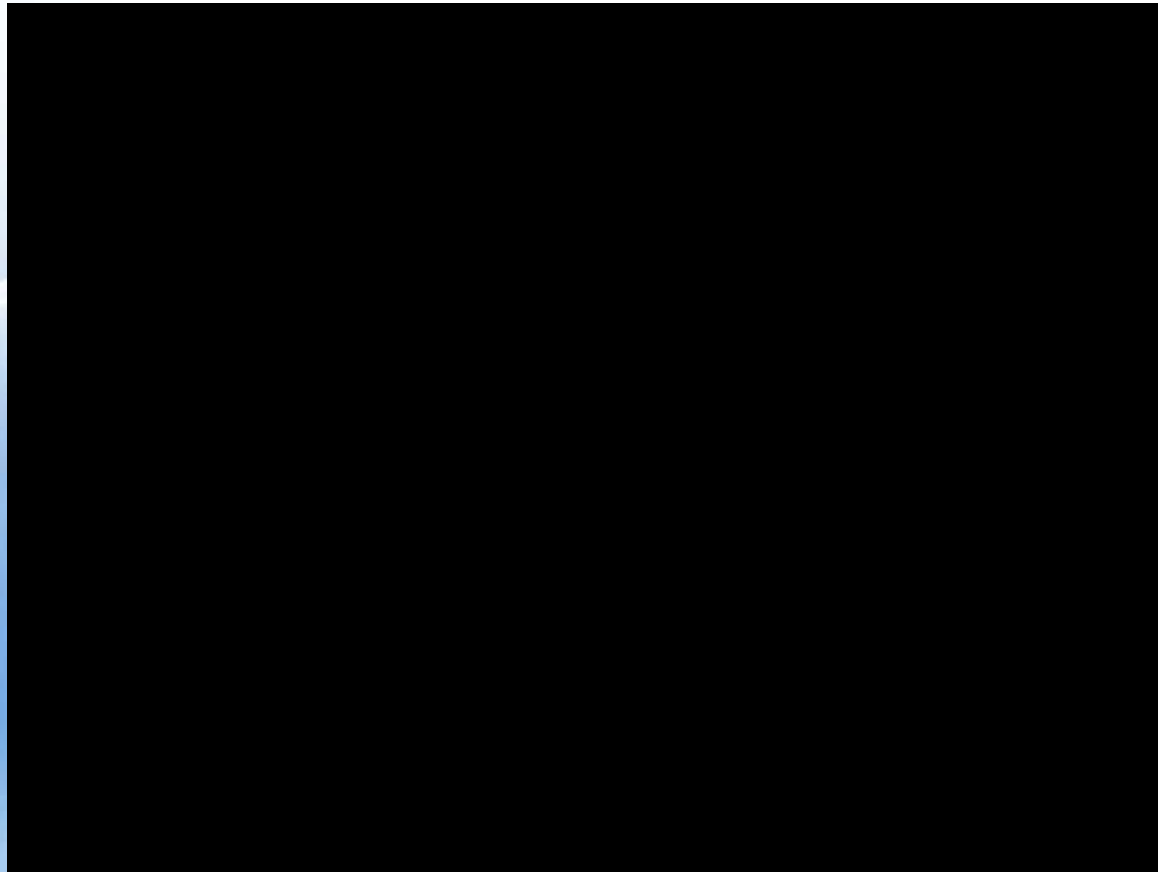


Increased Efficiencies

- **Job Planning**
- **Use of Time & Resources**
- **Productivity**



Building Culture – Going that Extra Mile





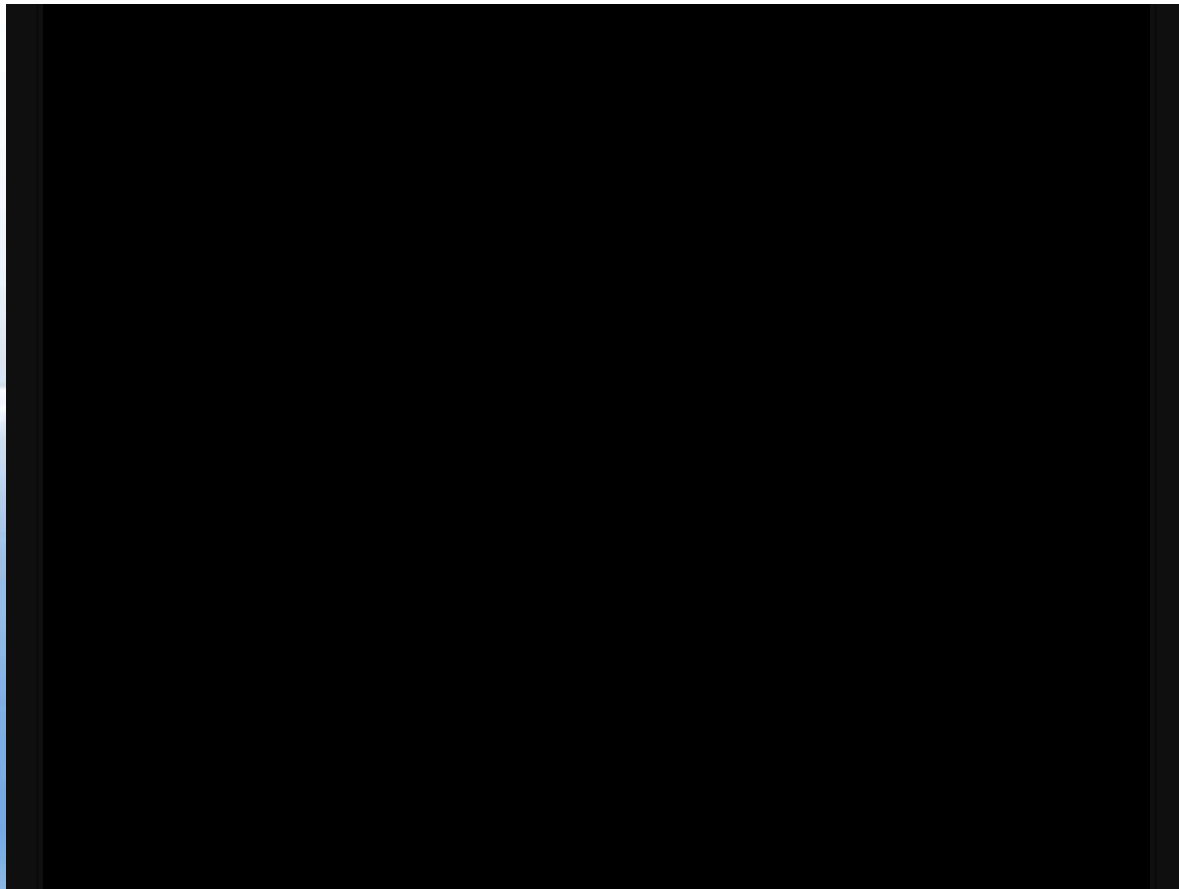
How long does it take to build culture?

- Adopting “No-Blame”
- Getting Buy-In
- Commitment
- Using Communication Forums





Good Communication





The Dollars and Cents

- In 2003 – then E&USA compiled injury data on three injuries varying in severity
- Purpose was to illustrate total direct and indirect costs of injuries
- Astonishing results from real-life industry events



WHAT DID HAPPEN

	Total Direct Injury Costs	Total Indirect Injury Costs	Total Direct and Indirect Injury Costs	Number of Days Lost
Injury # 1 Bee Sting (Health Care only)	\$195.51 Limited Claim costs + wages, union dues	\$1,000.00 Non-pension and WSIB Overhead factor	\$1,195.51	1
Injury #2 Critical Injury <i>K-Line Maintenance & Construction Ltd.</i>	\$262,500 Direct injury, investigation, and legal costs	\$2,270,500 Loss of business, impact to reputation	\$2,533,000 Impact on NEER and lost revenue	180
Injury #3 Electrical Contact	\$839,775 Lost production	\$727,954 Client lost revenue also – was charged and fined	\$1,567,729 Lost production costs for both companies	323

Source: Electrical & Utilities Safety Association



WHAT COULD HAVE HAPPENED

<i>Alternate Scenarios</i>	Total Direct Injury Costs	Total Indirect Injury Costs	Total Direct and Indirect Injury Costs	△
Injury # 1 Bee Sting <i>With complications</i> <i>(5 days lost time)</i>	\$2,764.75 Admin., replacement worker, crew down time	\$4,155.50 WSIB Costs	\$6,920.25	\$5,724.74 More than if no lost time
Injury #2 Critical Injury <i>With conviction of charges</i>	\$262,500 Direct injury, investigation, and legal costs	\$7,000,000 Jeopardize partnership relationships	\$7,262,000 Impact on NEER and lost revenue	\$4,279,000 More than when there are no convictions



Source: Electrical & Utilities Safety Association



**May be true for a
“contractor”/service
provider.....**

But what about a utility?





The Utility *is* a Business

- A well-planned safe work environment is a productive environment
- Unsafe work environment = higher costs = higher operational costs = higher rates
- Service Levels and Customer Satisfaction





Just Makes Good Business Sense.....

How do I know?

I've Done it!



Need to trim costs in your business?



- Start looking at the types of injuries you are having
 - How much are they costing you? Direct and Indirect costs.
- Put Safety as a Line Item
- Place Safety as a pre-qualification condition





Measurement and Analysis

- Shift your paradigms as leaders
- View your programs
- Measure your return on investment





**If you always do what
you have always done,
You will always have
what you always had.**

– Familiar Proverb





**Good Planning and
Good Communication.**

**Inspect what you
expect.**





**Your Road to Zero can
Start Today.**

Safety Does Pay.





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