

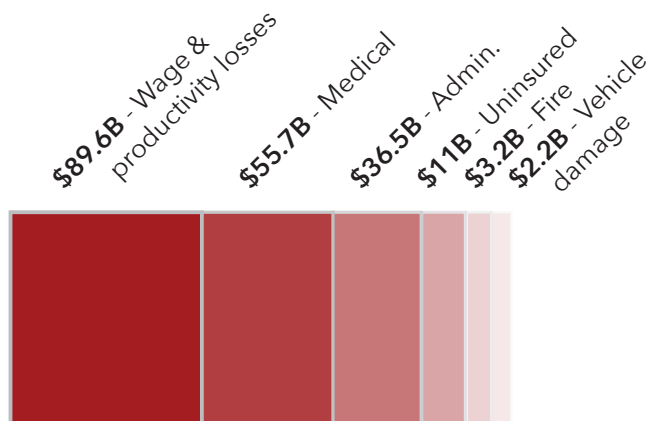
The ROI of SAFETY

HAZARDSCOUT

Cost of occupational injuries and deaths



Total annual cost to society
\$198.2 billion



\$39,000
per medically consulted injury

Cost per medically consulted injury includes an estimate of wage losses, medical expenses, administrative expenses and employer costs.

To cover the cost of an average work related injury, an employer would have to:

- Bottle and sell 61,000 cans of soda
- Bake and sell 235,000 donuts
- Deliver 20 truckloads of concrete

12 workers die on the job EACH DAY

Cost per death

\$1.42 million

Source: National Safety Council, "Injury Facts", 2014

It is estimated that **\$1 invested** in injury prevention can **return** between **\$2 and \$6**

The use of HazardScout is highly scalable, but when used by a company of 100 users, they could experience any of the following in any given year:

- \$1 invested equals \$2 returned if the software absorbs 25 employee work hours/week.
- \$1 invested equals \$4 returned if one medically consulted injury is avoided.
- \$1 invested equals \$5 returned if the system can replace the workload of 1 employee.
- \$1 invested equals a priceless return if a workplace death is avoided.

Realize Your Return on Your Safety Investment

Other Case Study Summaries

On August 29, 2001, Liberty Mutual Insurance Company released a report titled "A Majority of U.S. Businesses Report Workplace Safety Delivers a Return on Investment". The Liberty Mutual survey shows 61 percent of executives say \$3 or more is saved for each \$1 invested in workplace safety.

A SH&E Director for an environmental services company in Massachusetts reported that its tracking data indicated \$8 saved for each dollar spent on a quality SH&E program.

A coal mining company in Charleston, West Virginia has attained a competitive advantage through investment in SH&E programs. The company claims its worker compensation rate is \$1.28 per \$100 in payroll as opposed to its competitor's rate of \$13.78.

Implementation of an improved safety and health program reduced ServiceMaster's worker's compensation costs by \$2.4 million over a two-year period.

OSHA's Office of Regulatory Analysis has stated "...our evidence suggests that companies that implement effective safety and health programs can expect reductions of 20% or greater in their injury and illness rates and a return of \$4 to \$6 for every \$1 invested."

In their 9/2001 article titled "Measuring Safety's Return on Investment", Susan Jervis and Terry R. Collins make the argument that there is a direct correlation between a company's performance in safety and its subsequent performance in productivity and financial results. They pointed out that in the Forbes 1999 Financial Rankings, among those listed ten of the most-successful U.S. businesses were participants in the OSHA VPP program.

A 2001 research study on the financial impact of safety interviewed 231 corporate financial officers at medium and large companies. On average, participants said that for every dollar spent on improving workplace safety, their organizations saved \$4.41. Among those savings: lower insurance premiums, improved productivity, reduced costs of training new employees and less workplace disruption and downtime.

That same group was asked to name the top benefits of an effective workplace safety program. Their answers:

- Increased productivity: 42.5%
- Reduced costs: 28.3%
- Improved employee retention: 7.1%
- Better employee morale and job satisfaction: 5.8%

Source: Measuring Safety's Return on Investment, Susan Jervis and Terry R. Collins, ASSE Professional Safety Journal, September 2001.