



ACCIDENT PREVENTION- PAINLESS & PROFITABLE!

EMPIRE
PACIFIC

Risk Management, Inc.

Company Name _____

Date _____

Why are you working? The most obvious answer is that you need to earn money. Your employer is in business for the very same reason--to make money. If the people you work for don't operate at a profit, they may not be able to keep you on the job. It may be surprising to hear that most companies do not make money hand over fist. Expenses take a big chunk of the income, and competition limits how much your firm can charge for the goods or services it provides. What's more, competition is no longer just local--it is often worldwide.

Most large US companies operate at a small profit margin--some as small as 1/2%. This means they earn only 1/2 cent for every dollar taken in. Profit margins of 1% to 5% are more common but this is still not a lot of "extra" money. Each time an accident occurs, the cost of the injury must be subtracted from profits. So, how much do these incidents *really* impact *your* company in terms of direct and indirect costs? Take a look at how many additional sales are required to pay for industrial injuries:

ACCIDENT COSTS	1% profit margin	5% profit margin	10% profit margin
	Additional Sales	Additional Sales	Additional Sales
\$1,000	\$100,000	\$20,000	\$10,000
\$5,000	\$500,000	\$100,000	\$50,000
\$25,000	\$2,500,000	\$500,000	\$250,000
\$50,000	\$5,000,000	\$1,000,000	\$500,000
\$100,000	\$10,000,000	\$2,000,000	\$1,000,000
\$250,000	\$25,000,000	\$5,000,000	\$2,500,000

5300 SW Meadows - Suite 220 - Lake Oswego, Oregon 97035
Phone 503 968-6300 www.empirepac.com Fax 503 968-6305

What does this chart tell us? If the company is operating at a profit margin of 5%, then \$20,000 in new sales will be needed to compensate for a \$1,000 injury. If the profit margin is nearer 1%, an additional \$100,000 worth of goods or services are necessary to keep that profit level. A lot of "widgets" must be manufactured to compensate for those losses! Since industrial back injuries average about \$5,000 in expenses, every time a worker strains his back, other employees must work longer and harder to achieve necessary production levels.

Whatever you do in production, sales or service, think about the extra hours you must work to help pay for the average jobsite injury. Why should you care about this? Simple. Safe work behavior can contribute directly to the bottom line as well as to your own job security. The more profitable your company, the more likely there will be funds available for better equipment, improvements in the work environment and, hopefully, wage increases.

Though money is an important factor both to you and your employer, personal wellness is also important. It is *always* wiser to spend a bit more time doing the job safely than to recover from an injury. This is why you are asked to avoid taking dangerous shortcuts, to wear your personal protective gear, to do the job as instructed, and to support your company's safety efforts.

Think of safety as both pain free and profitable. Accident prevention is a win-win proposition!

Safety Recommendations: _____

Job Specific Topics: _____

M.S.D.S Reviewed: _____

List of Attendees

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____