

SASM

Executive Director Report

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Reporting Period: January – March 2015

Commentary:

This report continues the format of providing more detail of activities and success assessments for those activities. The Appendix Material provides background information to a person that may be reading one of SASM's reports for the first time.

There is a change in the reporting of time spent on particular activities. Member Visits has been changed to Member Development. This category now includes visits to members and non-member locations where the meeting was primarily to ensure that the member is satisfied with SASM or to develop a non-member into a member. The category also includes attendance at events such as the WCB Comp Institute, Industrial Safety Seminars and, the recent Sask. Mining Supply Chain forum and trade show. The change additionally includes the development of new courses (online training, Safety Management Administrator, etc.) that are specifically to assist members or to attract members.

Reporting of time spent or allotted to functions is sorted by SASM's primary activities. Travel time to perform the functions is included with the function. As an example a trip to Meadow Lake to perform a 3 day gap analysis will include 2 additional days for travel. The activities are defined as:

- a. Training – operator theory and practical training on items to meet regulations;
- b. Education – theory courses both required by regulations such as Supervisor, or Committee as well as best safety management practice education
- c. Gap/audit – includes report writing and meetings
- d. Occupational Hygiene Program – includes noise mapping, air quality and ergonomic assessments
- e. Member Development – inspections, on-site advising, member development, Rental Advisor, trade/safety shows, development of courses for members
- f. Prof Dev. – development courses taken by staff
- g. Admin. – all non-specific office days, report writing, issuing certificates, accounting, course re-development, procedure development, etc.
- h. Vac./Pers. – vacation, time in lieu, sick days, family days.

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Summary:

There are two primary criteria used to assess SASM. The first is the association's effectiveness in helping manufacturers become safer. This category is measured primarily by the reduction in WCB claims and somewhat by the number of members that have met a certification standard. The second manner of overall assessment is the business operation of the association.

Effectiveness:

Statistics provided by the LRWS indicate that the "focus firm" manufacturers are the fastest improving segment of Saskatchewan's workplaces. Obviously a number of these "focus firms" work closely with SASM. WCB statistics indicate that rate codes served by safety associations are improving workplace safety faster than the rate codes not served by an association. Additionally in the first one or two years following a rate code's addition to SASM the WCB claims for that rate code are reduced significantly. The 2015 first quarter WCB statistics for the M41 and M94 rate codes are a prime example of the initial improvement.

The WCB's claim statistics indicate that **SASM is highly effective when a rate code first joins SASM**. However, rate codes reach a plateau within three or four years of joining the association. The 2015 first quarter WCB statistics for the M72 and M91 rate codes are an example of this issue. While still improving slightly faster than the balance of the province, safety improvement slows considerably as the length of time the firm or rate code has been in SASM.

The M92 rate code has been improving as fast as SASM's M91 rate code. While SASM serves approximately 20% of the M92 rate code it is unlikely that our work affects the entire rate code. The **more likely cause is the combination** of SASM's activities and the requirement for many M92 firms to be certified and listed on registries such as ISNetworld before they can even bid on work.

Increasing SASM's effectiveness provincially requires **adding other rate codes**. Increasing effectiveness within our membership requires **getting more firms to become, or attempt to become, safety certified**.

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Business operations:

Member and revenue development must always be front of mind for SASM's management. Approximately 75% of SASM's annual revenues come by way of the association levy collected by the WCB from the firms within rate codes that SASM serves. The balance of the revenue comes from Direct Memberships (13%), and fee for service work (12%). The **Direct Memberships are a significant indicator of the need** for our services in rate codes not already part of SASM.

SASM will continue to struggle until our payroll base is sufficient to fully fund the association. This will leave the "earned revenues" from training, occupational hygiene services and other items to restore our reserves and fund new developments. Currently SASM's reserves are not sufficient to cover some of the risks that prudent financial management requires.

SASM serves less than 40% of the payroll base that senior WCB management personnel consider to be the minimum for long term stability. This means that our base association levy is the highest of any safety association in Saskatchewan (possibly Canada). In turn, the high association levy makes attracting new firms more difficult.

SASM is very customer focused and our programs have excellent content. The "customers" in this case are the actual students taking our courses. Students normally remark that they learned a considerable amount in our courses and will implement the education or training at the earliest possible moment.

High quality, customer focused services are necessary to attract new members and new rate codes. "Customers" in this sense are the decision makers that can make the judgment to purchase a membership and/or sign a Letter of Support. The issue is to "get in front of" sufficient new firms to be able to add entire rate codes.

SASM has started developing a higher profile in Saskatchewan and within the manufacturing industry. Attendance at major trade shows, consistent use of mail (email and land based), and an increase in the number of telephone and in person calls are all being used to target new members and new rate codes.

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Safety Training

2015 (to March 31) 18 days / 3% of available days.

75 operators were trained on:

Aerial lift (12)	Confined space (11)
Lock out / Tag out (11)	Overhead Crane (24)
Rigging (9)	Tele-handler (4)
Forklift (4)	

These courses are operator specific and in some cases (Confined Space, Lock Out, Fall Protection, etc.) include policy and program information. All of the courses were delivered at the firms' specific locations.

Analysis:

Comprehensive operator safety training courses are one of our best tools to attract new members and new rate codes. Currently, SASM charges members a day rate and per person fee for most operator courses. SASM's train the trainer courses are included at no extra charge with SASM membership. Charging for the operator courses but not the train the trainer courses encourages firms to have their own trainers on site which allows them to train on their schedule and reduces their costs.

However, firms also want to be able to train one person at a time rather than waiting until they have enough people to form a class. SASM's new on-line training is targeted at meeting this need. Cost to train the theory portion of any course to an operator is just \$45. But the firm must have a practical evaluator or a trainer on staff to complete the practical portion of the training.

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Safety Education

2015 (to March 31) 65 days / 13% of available days

225 persons received education on subjects including:

Adult Learning Theory (30)	Aerial Lift TTT (4)
Confined Space TTT (12)	Ergonomics (43)
Fall Protection TTT (17)	Occupational Health Committee (37)
Forklift Practical Evaluator (3)	Forklift TTT (4)
Lock out TTT (1)	Overhead Crane Practical Evaluator (1)
Overhead Crane TTT (11)	Respiratory Protection TTT (3)
Supervisor (42)	Safety Management Administrator (12)
Tele-handler TTT (5)	

Analysis:

SASM provides safety education as part of the membership (i.e. no additional charge) in the association. Past assessments of success (as measured by WCB statistics) indicated that our Supervisor, Safety Management System, Committee and Internal Auditor courses affect workplace safety more than our other courses.

Significantly more of the educational courses have been planned for 2015. The Safety Management Administrator course, which is 5 days in length, has received rave reviews. The students upon completing this course can easily perform a documentation audit of a SASM Silver level (OHSAS18001) safety management system.

It also interesting that a number of organizations outside of manufacturing (i.e. construction, agricultural machinery dealerships, unions, Crown Corps., etc.) send potential trainers and their Committee members to SASM for safety education.

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Gap / Audit

2015 (to March 31) 56 days / 11% of available days

SASM performed one gap analysis and four audit projects to date in 2015. The firms are in the M62, M72, M92 and M94 rate codes. Collectively they employ approx. 600 workers. Two of the firms are on the WCB's "Focus Firm" list. The Gap Analysis was performed with Silver audit tool. Three audits used both tools and one audit used only the Silver level audit tool.

Two of the audited firms passed the Bronze level but fell short of the Silver level. The firm audited only at the Silver level was successful. The firms that fell short are developing Action Plans to address the specific shortfalls. The firm that had a Gap Analysis performed is actively working towards a Silver certification.

Analysis:

SASM's Bronze level certification ensures that the firm is generally compliant with the applicable legislation. Many firms target the Bronze certification as their "entry" into a program to continuously improve their safety systems. SASM has 3 firms certified at the Bronze level.

SASM's Silver level certification is well beyond compliance with legislation but there are areas that may still be an issue at some locations and a safety culture hasn't truly been formed. However, the firms that achieve Silver certification are, on average, safer than the average Saskatchewan workplace. SASM currently has 5 firms certified at the Silver level.

SASM will be re-assessing the standards, the requirements of the different certification levels and the audit tools in 2015. A Committee of Review including current certificate holders, uncertified firms, and, SASM staff will be formed.

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Occupational hygiene

2015 (to March 31) 42 days / 8% of available days

Air quality testing (area and personal dosimeter)	9 locations
Noise (area and personal dosimeter)	3 locations
Ergonomic assessments	1 locations
Fit Testing	2 locations

The testing and reports are done to a scientific quality. Recommendations are made wherever the testing finds issues above 80% of the Threshold Limit Values for air quality and over 85 decibels for noise. The relative cost and effectiveness of each recommendation is discussed including the management of the suggested changes.

Analysis:

Air quality testing is a “cold weather” activity. There is limited value to air quality testing when the doors of the plants are open. The indications at this time are that at least 80% of one advisor’s time will be spent testing, report writing and travelling for air quality issues during the cold months.

Noise level testing is still not being used as much as SASM had forecast. SASM will invite the WCB to present at our Quarterly Meetings on the occupational health issues in manufacturing workplaces. The WCB will also be invited to provide materials that SASM can use in our newsletters.

Ergonomic issues are considered the primary cause of injury in manufacturing. Thus, SASM is “pushing” ergonomics and ergonomic training at our Member locations. Much of the training is based on signs and symptoms of injury. However, an equal amount is spent on designing jobs (i.e. engineering staff, supervisors, etc.) as well as training workers on how to position and re-position themselves to reduce the potential for injury and discomfort.

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Member development

2015 (to March 31) 132 days / 27% of available days

This performance area includes member development calls, Rental Advisor days, displays at public forums (Industrial Safety Seminars, Comp Institute, SIMSA forum, etc.) and the time to develop courses specifically to meet member requests such as the online training.

Analysis:

Member development calls and activities have been expanded. The member development program will be increased again in June as staff time becomes available. Concerted effort will be made in the M42, M62, M81 and M92 rate codes. Additionally, SASM has taken a more active role in seminars, meetings, etc. where we can network with non-members from those rate codes.

The Rental Advisor program is not subscribed to nearly as much as it should be. Only three firms are using a Rental Advisor. Two are using SASM's services primarily to provide continued guidance while one is using SASM to re-develop their entire safety management system

It is impossible for firms to hire safety personnel with a SASM advisor's credentials and back-up (i.e. SASM's resources) for the amount SASM charges per day. The lack of subscription to the service could be both a lack of knowledge about the program, and, where there is knowledge perhaps a misunderstanding of the program. Both issues will be addressed now that SASM will soon be able to free up resources to serve more clients.

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Professional development

2015 (to March 31) 27 days / 5% of available days

This category includes the professional development opportunities outside of SASM taken by SASM advisors (i.e. UNB, UFred, CSSE, etc.), and, the internal development of SASM's advisors.

Analysis:

All of SASM's staff have post-secondary certificates (one and two year programs) in occupational health and safety, all have subject specific certificates (i.e. OHSAS 18001 Lead Auditor, Ergonomics Specialist, etc.) issued by national and international bodies. SASM's expectation is that our staff will constantly upgrade and add to their safety knowledge.

The Manufacturing Safety Professional certification has been introduced to set a higher standard for safety personnel in the manufacturing industry. Current programs (i.e. construction's Construction Safety Officer, Alberta's Manufacturing Safety Officer) were seen to be easy to acquire and do not have an element of continuous improvement. All of SASM's advisors must qualify as a MSP, except for the hours actually working in a manufacturing environment.

All of SASM's courses meet the CSA (or higher standards) and are noted for being in-depth. However, new information, new processes and continuous improvement demand that the courses be re-evaluated and upgraded regularly. SASM must also add more courses to ensure that we are meeting the complete needs of the manufacturers.

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Administration

2015 (to March 31) 106 days / 21% of available days

The time indicated above includes everyone including our administration staff.

Analysis:

New systems are being developed to cut down on the “admin” time. Reporting is becoming easier for the advisors.

Vacation / Time in Lieu / Personal

2015 (to March 31) 66 days / 13% of available days

Analysis:

SASM has offices in Regina and Saskatoon but member locations stretching to the four corners of Saskatchewan. Driving time adds considerably to the “time in lieu” that we must use as vacation time.

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Results – WCB Statistics

M41 rate code – 16 firms / reported 2015 salaries of \$ 29,000,000.00

	Time lost	Total Claims	Days (per claim)
2013	64	112	1,877 (29.3)
2014	36	99	623 (17.3 days)
2015 1 st Quarter	7	15	34 (6 days)
2015 (projected)	28	60	168

M72 – 26 active firms / reported 2015 salaries of \$ 65,000,000.00

	Time lost	Total Claims	Days (per claim)
2013	98	226	3,525 (37)
2014	84	241	1,766 (21)
2015 1 st Quarter	12	38	66 (5.5)
2015 (projected)	48	144	264

M91 – 67 active firms / reported 2015 salaries of \$ 210,000,000.00

	Time lost	Total Claims	Days (per claim)
2013	226	643	3,861 (17)
2014	213	662	4,484 (21)
2015 1 st Quarter	37	115	291 (7.9)
2015 (projected)	148	460	1,169

M94 – 81 active firms / reported 2015 salaries of \$ 99,000,000.00

	Time lost	Total Claims	Days (per claim)
2013	106	328	3,286 (31)
2014	92	275	1,926 (21)
2015 1 st Quarter	7	42	33 (4.7)
2015 (projected)	28	168	132

Direct Members – 15 active firms / reported 2015 salaries of approx. \$ 77,000,000.00

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Results – WCB Statistics

Analysis:

There are 190 active firms in the rate codes that SASM serves with a total of approximately 7,750 workers. SASM additionally serves 15 Direct Member firms employing 1,500 workers. The Full Time Equivalent workers (FTE) are calculated using an average annual salary of \$52,000 and the salaries reported by the firms. Some large firms report their payroll quarterly which makes year over year comparisons only accurate when the entire year's statistics have been accumulated.

The statistics indicate that SASM is most effective in the first two to three years after a Rate Code becomes involved with the safety association. In the case of M41 and M94, the largest firms in those rate codes joined SASM at least one year prior to the rate code being added to SASM. A similar situation has taken place with M72. While the M72 rate code had a safety association for years before joining SASM, their safety association was not very active.

The improvements in M41, M72 and M94 have been significant. This is due primarily to the biggest firms with some of the worst injury records working very closely with SASM and affecting the rate code's statistics in a positive fashion.

The plateau effect emerges as big, high loss firms become safer and the "low hanging fruit" has been picked. However, WorkSafe Saskatchewan's "focus firm" initiative may spur firms to become more safety oriented which could lessen the plateau effect. The "focus firm" initiative will truly have widespread effect once the initial threshold for inclusion (15 claims & above rate code average) becomes more stringent.

Certification at the Bronze level will only have a limited effect on injury claims in that the Bronze level is not much more than legislative compliance. Significant improvements will require more and more firms to become capable of being certified at SASM's Silver level.

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Growth activities

Manufacturing firms in most “M” rate codes are contacted on a continual basis with the premise of adding the M42, M62, M81 and M92 rate codes over the next two to three years. It can be noted that membership revenue (i.e. direct members) has surpassed our target in 2014 and is likely to do the same in 2015. Historically, direct members are more inclined to purchase their first membership in SASM in the last half of the year. This allows them to “sample” the product at a lower cost if the membership is pro-rated.

Analysis:

SASM serves less than 40% of the payroll base that senior WCB management personnel consider to be the minimum for long term stability. This means that our base association levy is the highest of any safety association in Saskatchewan and possibly Canada. In turn, the high association levy makes attracting new firms more difficult.

The WCB has assisted SASM somewhat by providing data regarding the targeted rate codes. However, support and commitment to improving safety in the manufacturing sector could be much more complete at the WCB Executive and Board level. A good case can be made for the rate codes that have an average premium higher than the Saskatchewan average premium being required to be part of SASM.

The primary reason firms join SASM is that we provide excellent training. However, the firms want to get their dollars’ worth as soon as possible after joining. Thus, adding member firms can add considerably to our workload, while not adding sufficient revenue to support additional full time staff. To this end, SASM has developed part time safety staff as well as increasing the number of “multi-firm” courses that we present.

SASM will need to continue and even increase activities that improve the awareness amongst manufacturers. SASM has entered into various activities with the Canadian Manufacturers and Exporters as well as increasing our public profile through advertising and appearances at safety trade shows.

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Financial information

Financial

A copy of the 2015 Comparative Financial Statement to March 31st has been submitted with this report.

Analysis:

SASM will continue to struggle until our payroll base is sufficient to fully fund the association. This will leave the “earned revenues” from training, occupational hygiene services and other items to restore our reserves and fund new developments. Currently SASM’s reserves are not sufficient to cover some of the risks that prudent financial management requires.

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Appendix

SASM Philosophy

SASM is first and foremost predicated toward reducing injuries in our Member firms' workplaces. However, SASM is also a pragmatic safety association that knows production and quality are important to the long term success of the Member firms and their employees. Thus, we view safety, production and quality as equals. Continued focus on any one of the "equals" will undoubtedly mean that the others will begin to fail. Short term focus on any one of the "equals" must not affect the others unduly. The goal is to get firms firmly committed to safely manufacturer quality products in a profitable manner.

SASM History

SASM is an amalgamation of two safety associations that began in the 1990s. One targeted the agricultural machinery manufacturers (M91 rate code) while the other targeted the meat processors (M72 rate code). Both associations had successes and failures but neither could reach out past their specific rate code. After the associations amalgamated and "opened the doors" to other manufacturers one rate code was added in each of 2013 and 2014, and many individual "Direct Members" have been added.

Initially the easily identified specific training requirements (i.e. WHMIS, forklift operator, overhead crane operator, etc.) were being met for the member firms. However, much of the "success" for the original associations was in the area of premium reduction through training the member firms on better claims management and return to work programs. Reductions in the total claim rate lagged (and still lag) behind the reductions in the time lost claim rate.

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SASM Current (Why we do what we do)

The entire cost of membership is dedicated to providing educational courses, services, auditing and analysis that will reduce workplace injury. SASM still meets the members' specific training (i.e. WHMIS, forklift operator, overhead crane operator, etc.) and testing (i.e. air quality, noise level, etc.) needs but we charge a recovery fee for these services.

SASM targets our activities based on a firm's total injury rate, size and the owner's commitment to become a safer workplace. Targeting our resources in this manner can affect more of the "high risk" workers and workplaces. However, firms are not compelled to use any of SASM's courses, services or consulting. Therefore most of our time and resources are actually subscribed to by firms that invite SASM into their workplace.

Time Management Reporting

Reporting of time spent on functions is sorted by SASM's primary activities. The activities are defined as:

- a. Training – operator theory and practical training on items to meet regulations;
- b. Education – theory courses both required by regulations such as Supervisor, or Committee as well as best safety management practice education
- c. Gap/audit – includes report writing and meetings
- d. Occupational Hygiene Program – includes noise mapping, air quality and ergonomic assessments
- e. Member Development – inspections, on-site advising, member development, Rental Advisor, trade/safety shows, development of courses for members
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Training and Education – Course Categories

Operator training is defined as specific to a legislated requirement. It is how to do a specific task such as operate a piece of powered mobile equipment or an overhead crane, rigging, confined space, or, WHMIS. SASM charges a small fee for any operator training on any subject where we have a Train the Trainer course. Generally these courses take place at the member firm's location. The fee is charged as an incentive for the members to have their own trainers on site.

Lunch and Learns are short duration (typically less than 1 hour) narrow focus courses. They are delivered at the member firm's site on a day when the SASM employee is providing other services at the firm.

Train the Trainer courses are designed to allow member firms to have their own trainer on a subject so that they can train at any time. There is never an additional charge to a member firm for Train the Trainer or Practical Evaluator courses. These courses may take place at either of SASM's classrooms or at the member firm's location.

Safety education courses include the broader subjects such as hazard identification, risk analysis, safe work procedure development, inspection systems, Occupational Health Committee, Supervisor, Internal Auditor, and the like. These courses normally take place at SASM's classrooms but can take place at the member firm's location also. There is never an additional charge for a member to take these courses.