

SASM

Executive Director Report

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Reporting Period: 2014

Commentary:

SASM's 2014 results can best be described as "mixed". Our included rate codes improved their safety results ranging from significant to truly impressive. SASM's membership sales exceeded our expectations while our fee for service revenue was far below our goals. While SASM added one rate code, we didn't add as many rate codes as we had targeted.

This report varies only slightly from the previous report. The most significant differences are in the areas supported by data (time spent performing various functions) and the injury data. Analysis of both has also been updated.

Summary:

The major categories or criteria used when assessing a safety association are the association's effectiveness in helping members become safer including the reduction of workplace injuries, and, the business operation of the association.

Effectiveness:

Statistics provided by the WCB indicate that the rate codes served by safety associations are improving workplace safety faster than the rate codes not served by an association. Most apparent is that in the two to three years following a rate code's addition to SASM the safety improvement (as measured by the decline in WCB claims) exceeds the average Saskatchewan rate code's improvement substantially.

The WCB's claim statistics indicate that **SASM is highly effective**. However, there are some items that are worthy of note. The first is that the **M92 rate code is improving at about the same pace as the M91 rate code**. While SASM serves a number of large firms in the M92 rate it is unlikely that our work affects the entire rate code significantly. The **more likely cause is a combination** of SASM's activities **coupled with the requirement for most M92 firms to be certified** and listed on registries such as ISNetworld before they can even bid on work.

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Additionally, it must be noted that, as a group, the firms signing the Safety Charter also improved at about the same rate as SASM's long term (M91 and M72) rate codes. This **confirms that CEO commitment has the most impact** on safety improvement. The improvement among Charter signatories seems to indicate that if SASM had more Charter signatories our overall safety improvements would accelerate.

Rate codes that join SASM improve dramatically and then reach a plateau. There are two reasons for the phenomena. The first is that SASM's priority program targets the biggest and worst performing firms. The second is that the "low hanging fruit" is harvested quickly and then **real safety reform takes place at a slower rate.**

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.** SASM also needs **more peer to peer encouragement** for firms to become safer.

Business operations:

Generally, SASM is financially stable although certainly not wealthy. In 2014, 75% of SASM's annual revenues come by way of the association levy. The balance comes from Direct Memberships and fee for service work. The **Direct Memberships are a significant indicator of the need** for our services in other rate codes, and, **irrefutable proof that firms value our services.**

High quality, customer focused services are necessary **to attract new members and new rate codes.** The issue is that getting that message to new firms and rate codes takes time and money. SASM must start developing **a higher profile.** Programs over the next few **months must use client recommendations to get new members to join** us in sufficient numbers that we can add entire rate codes.

SASM must increase the revenues earned through the association levy and fee for services. Adding Direct Members will do both if the number and size of the Direct Members is **sufficient to keep adding rate codes.**

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Analysis of Functions and Activities:

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

- a. Training – operator theory and practical training on items to meet regulation
(generally fee for service course delivered at site)
- b. Education – theory courses required by regulations such as Supervisor, Committee (generally included at no additional charge with membership, delivered either regionally or at site)
- c. Gap/audit – includes report writing and meetings
(included at no additional charge with membership, at site)
- d. Occupational Hygiene Program – includes noise mapping, air quality and ergonomic assessments (a mixture of fee for service and included, always at site)
- e. Member Visits – inspections, on-site advising, member development, rental advisor
(a mixture of fee for service and included, always at site)
- f. Prof Dev. – development courses taken by staff or developed for Members
- g. Admin./Travel – all non-specific office days plus travel days
- h. Vac./Pers. – vacation, time in lieu, sick days, family days.

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Safety Training

2014 - 123 days / 11% of available days / 747 students

747 operators were trained on:

Aerial lift (39)	Confined space (116)
Lock out / Tag out (9)	Fall Protection (146)
Overhead Crane (143)	Fire Extinguisher (28)
Rigging (141)	Tele-handler (5)
Lunch N' Learn / SOP (14)	Forklift (70)
Respiratory Protection (36)	

These courses are operator specific and in some cases (Confined Space, Lock Out, Fall Protection, etc.) include policy and program information. Most of the courses were delivered at the firms' specific locations. Not all of the courses had a fee attached to them in 2014.

Analysis:

The operator "Safety Training" courses are one of our best sales tools when trying to attract new members. However, our safety education courses have much more impact on worker safety. Currently, SASM charges members a small fee for some operator courses to encourage firms to take the train the trainer courses which are included at no extra charge with SASM membership. This program will be expanded in 2015.

There are two reasons for charging for these courses. First is to encourage firms to have their own trainers on site which allows them to train on their schedule; secondly if the firms are doing their own training it allows the SASM advisors to go where they can be more effective.

A number of these courses and possibly other safety information (basic orientation, etc.) **will be presented on-line beginning in 2015.** The online courses can be taken at the student's "leisure" and they can take just portions of a course each time they log in.

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Safety Education

2014 - 244 days / 20% of available days / 736 students

736 persons received education on subjects including:

Adult Learning Theory (81)	Aerial Lift Practical Evaluator (16)
Aerial Lift TTT (13)	Confined Space TTT (7)
Ergonomics (41)	Fall Protection TTT (17)
Forklift Practical Evaluator (47)	Forklift TTT (17)
Inspection Systems (9)	Internal Auditor (9)
Lock out TTT (1)	Overhead Crane Practical Evaluator (43)
Overhead Crane TTT (44)	Respiratory Protection TTT (15)
Return To Work (21)	Risk Assessment / Procedure Development (10)
Supervisor (201)	Safety Management System (10)
Telehandler TTT (4)	Telehandler Practical Evaluator (3)
WHMIS TTT (15)	OH&S Committee (112)

Analysis:

SASM provides safety education as part of membership 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 these types of courses are planned for 2015.

All courses which have a fee (i.e. operator training) will have a no additional charge train the trainer option in 2015. **SASM's goal is to have all members able to manage operator training independently of SASM.**

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Gap / Audit

2014 – 155 days / 14% of available days

SASM performed four gap analysis and nine audit projects in 2014. The firms were in the M41, M91, M92 and M94 rate codes. Collectively they employ approx. 1,900 workers. Five of the firms are on the WCB's Priority list. All "Gaps" were performed with both the Bronze and Silver audit tools. Four of the audits used both tools and two used only the Silver level audit tool.

Three of the audited firms passed the Bronze level but fell short of the Silver level. One firm that was audited only at the Silver level was not successful although they could have passed the Bronze. All of the firms that failed are developing Action Plans to address the specific shortfalls. The firms that had a Gap Analysis performed are actively working towards improving their safety management systems. Two have SASM advisors on site on a regular basis.

Analysis:

SASM's **Bronze level certification ensures that the firm is generally compliant** with legislation. Many firms target the Bronze certification as their "entry" into a program where they plan to continuously improve their safety systems.

SASM's **Silver level certification is well beyond compliance with legislation** but there are areas (i.e. machine guarding) that may still be an issue at some locations. However, the firms that achieve Silver certification are, on average, safer than the average of all Saskatchewan workplaces.

SASM will be changing the standards (i.e. continuous improvement) and the requirements of the different certification levels in the future. While we don't currently charge and quite possibly will never charge for a gap analysis or audit, it is possible that SASM will begin charging for narrow focus audits (i.e. failed elements) in late 2015.

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Occupational hygiene

2014 - 130 days / 11% of available days

Air quality testing (area and personal dosimeter)	18 locations
Noise (area and personal dosimeter)	7 locations
Ergonomic assessments	4 locations
Fit Testing	10 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:

The expansion of the occupational hygiene program in early 2014 has been well received. However, the **program did not generate the level of work** or revenue that was projected. Air quality testing is most often a “cold weather” activity. There is limited value to air quality testing when the doors of the plants are open. The purchase of the equipment and the training on it had to be delayed until the 2014 budget year. SASM effectively missed at least one month of prime testing time in 2014. However, the indications at this time (i.e. testing locations booked) is that at least 60% of one advisor’s time will be spent on this area annually.

Noise level testing has not been subscribed to at the rate that was anticipated. The projections were based on the similar program SASM formerly managed in Manitoba. The only real difference between the two areas is that the WCB in Manitoba has been more aggressive with messages regarding Noise Induced Hearing Loss claims. 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.

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Member visits

2014 - 80 days / 7% of available days

This performance area includes both member development calls and Rental Advisor days. Three firms are now 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.

Analysis:

Member development calls were curtailed this year due to a staffing shortage. The member development calls will be increased early in 2015 as new hires become able to provide training independently. Concerted effort will be made in the M92 and M62 rate codes. Additionally, SASM will be taking a more active role in seminars, meetings, advertising, 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. 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. Additionally, creative means of developing part-time SASM advisors are being investigated.

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Professional development

2014 - 75 days / 6% of available days

This category includes both the professional development opportunities taken by SASM advisors, and, the development of programs for SASM's Members. Most learning opportunities were through distance education although 14 days were for specific programs presented in Saskatchewan and Alberta. Programs developed or re-developed include the Supervisor, Committee, and Internal Auditor courses. Additionally, SASM's Manufacturing Safety Professional certification was introduced in late September, and, SASM's new Safety Management System Administrator course will be delivered in mid-January.

Analysis:

All of SASM's staff have post-secondary certificates (one and two year programs) in occupational health and safety, and most 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 and our members 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. A number of safety personnel in Saskatchewan are already enrolled in the program. The Safety Management Administrator program will equip even non-safety personnel with the tools to develop and maintain the documents and records necessary to manage a Silver level certified safety management system.

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 meet the needs of the new members.

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Administration / Travel

2014 - 195 days / 17% of available days

The time indicated above includes only the safety staff. If the full and part time administration staff are included, the total number of days dedicated to administration becomes well over 500 days.

Vacation / Time in Lieu / Personal

2014 - 156 days / 14% of available days

Analysis:

SASM has offices in Regina and Saskatoon but member locations stretching to the four corners of Saskatchewan including Creighton, Frontier, Bienfait and Meadow Lake. Driving, based on the over 100,000 kilometers driven each year takes well over 140 days all by itself. Printing and binding manuals, some with over 300 pages, additionally contributes the equivalent of many days.

Much has been done in the past two years to reduce both travel and printing. The opening of an office/classroom in Saskatoon reduced much of the travel as did developing more train the trainer courses. The printing has also been reduced through the train the trainer courses in that firms print their own operator training manuals after having taken a “Train the Trainer” course.

SASM’s staff have historically (since at least 2005) worked 37.5 hours per week. This year with the amount of travel involved and being short staffed some workers accrued a significant amount of time in lieu.

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Results – WCB Statistics

M41 – 19 active firms / approx. 850 workers (up 15% over 2013)

4 surcharged firms / 10 discounted firms

	2014 Annual	2013 Annual
Time lost Claims	34 (down 30%)	48
Total Claims	90 (down 19%)	111
Days Lost	470	1,822
Premium / cost ratio	47%	64%

M72 – 33 active firms / approx. 1,200 workers (down 5% from 2013)

7 surcharged firms / 22 discounted firms

	2014 Annual	2013 Annual
Time lost Claims	77 (down 21%)	98
Total Claims	212 (down 21%)	236
Days Lost	1,400	3,379
Premium / cost ratio	57%	65%

M91 – 69 active firms / approx. 4,850 workers (up 6.5% over 2013)

25 surcharged firms / 46 discounted firms

	2014 Annual	2013 Annual
Time lost Claims	200 (down 11%)	226
Total Claims	596 (down 8%)	642
Days Lost	3,845	3,834
Premium / cost ratio	39%	30%

M94 – 99 active firms / approx. 2,160 workers (up 2% over 2013)

14 surcharged firms / 42 discounted firms

	2014 Annual	2013 Annual
Time lost Claims	89 (down 16%)	106
Total Claims	255 (down 24%)	329
Days Lost	1,600	3,173
Premium / cost ratio	38%	24%

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Analysis:

The statistics presented in the previous page paint some interesting pictures. Although the claim reductions should be either added to (or reduced in the case of M72) by the growth (or loss) in the number of workers, the reductions in claims are with one exception in double digits. These improvements are significant and surpass the average improvements in Saskatchewan.

The improvements in M41, M72 and M94 have been most notable. This is due in a major part to **large firms with high injury records in those rate codes working very closely with SASM.** The improvements in M91 while still improving have become less dramatic. This trend will likely remain and the other rate codes may begin to plateau also. Dramatic improvements for a rate code are primarily a result of “priority firm” initiatives. The plateau effect emerges as big, high loss firms become safer and the “low hanging fruit” has been picked. **Continued dramatic improvements will require more and more firms to become capable of being certified at SASM’s Silver level.**

The “days lost” statistics on the previous page can be misleading. Days lost due to injuries sustained in 2014 will continue to accumulate if the workers are not back at work. The days lost indicated for 2014 were the days lost in 2014 due to injuries sustained in 2014. There may continue to be days lost in 2015 due to injuries sustained in 2014.

The M92 rate code has improved as fast as the M91 even though that rate code has few firms served by SASM. However, most of the M92 rate code’s firms must be certified to bid on work. **The results indicate that, in the absence of other issues such as claim suppression, a requirement by outside agencies or clients that a firm have a certified safety management system generally improves workplace safety.** If the certification standard is higher than “compliance” the improvements are more substantial.

Few of SASM’s stellar safety performers became “safety oriented” until they were under the spotlight of local public opinion or placed on the WCB and Labour Relations Workplace Safety (LRWS) Priority 50 Firm list. That WCB and LRWS have expanded their Focus Firm list to well over 100 firms (over 10% of them SASM members) can only help improve safety in our workplaces.

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Growth activities

Manufacturing firms in most “M” rate codes are contacted on a continual basis with the premise of adding rate codes to SASM. It can be noted that membership revenue (i.e. direct members) surpassed our target for 2014 by 15%.

SASM advertised in the newspapers in conjunction with the NAOSH events and we have presented training or safety awareness courses (fire extinguisher, etc.) at two learning institutions. These activities will be expanded upon in 2015

Analysis:

Growth prior to the point of adding an entire rate code is an activity that must be carefully managed. Firms that join SASM usually ensure that they “get their dollars’ worth” as soon as possible. Thus, adding member firms that can’t be serviced in our regular regional courses adds considerably to our workload, while at the same time possibly not adding enough revenue to support additional full time staff.

SASM has developed means of employing part time safety staff and is increasing the number of “multi-firm” courses that we present. Increasing fee for service revenues in 2015 will also assist us in adding safety staff in those interim periods between adding complete rate codes.

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Financial information

Financial

A copy of the 2014 Audited Financial Statement has been submitted. The most notable variance for the year was the “Fee for Service” amount. Expenses and programming were reduced to meet this revenue shortfall. Cost cutting measures were taken in staffing, professional development, advertising, and equipment purchasing.

Analysis:

The safety associations that amalgamated to form SASM were established in the 1990’s. At the amalgamation the M72 rate code was paying almost \$.30/\$100 of salary and the M91 rate code was paying almost \$.20/\$100. The association levy for 2014 was at \$.163/\$100.

The only manner in SASM will become more financially viable is to add rate codes, continue to target revenue opportunities where possible, and, make better use of part time safety personnel. The key component will be managing the quality of the work provided by the part time safety personnel.

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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 2013 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 required by regulations such as Supervisor,
Committee
- c. Gap/audit – includes report writing and meetings
- d. Occupational Hygiene Program – includes noise mapping, air quality and ergonomic
Assessments and ergonomic training
- e. Member Visits – inspections, on-site advising, member development, rental advisor
- f. Prof Dev. – development courses taken
- g. Admin./Travel – all non-specific office days plus travel days
- h. Vac./Pers. – vacation, time in lieu, sick days, family days.

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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.