

FUTURE INDUSTRIAL TECHNOLOGIES



PREVENTING TOMORROW'S INJURIES TODAY

The New Breed: Changing Workers' Comp Costs To Revenue Source

In 1992, when F.I.T. (Future Industrial Technologies, Inc.) was first started, we almost had to give our injury prevention services away. It seemed as though we were too outside the box of the workers' comp status quo or as some would say "ahead of our time."

F.I.T. was established because we saw a problem with companies spending way too much on back injuries and other sprain/strain type injuries. The money and lost workdays that, as they still are today, were spent on back pain, carpal tunnel and other types of cumulative trauma disorders was staggering.

We had methodologies that changed physical behavior to prevent back injuries and surmised this would be a wonderful way to help companies, employees and to make a few bucks along the way.

What we didn't realize and soon came to know, was that preventing injuries was nobody's job, per se.

There were Workers' Comp Managers, Risk Managers, Human Resource Managers and Safety Managers. Depending on the company, injury prevention seemed to be on the fringe of these job descriptions. Workers' Comp handled existing claims; Risk Management sometimes oversaw workers' comp and other insurance related issues. Human Resources sometimes oversaw workers' comp and perhaps wellness programs and Safety was extremely busy working on compliance issues.

It seemed everyone was extremely busy working on important job duties. But what about injury prevention? I started to see something that was actually funny. Many resources were being used to handle existing claims, control risks and to comply with safety laws.

But no one had a specific duty of injury prevention, particularly the most expensive injuries - sprain/strains. In other words, rarely was anyone paying attention to preventing the expense of tomorrow's claims. What an oddity. We grow up with so many adages such as, "An ounce of prevention is worth a pound of cure"; "It is better to be safe than sorry"; I wondered why didn't this apply at work.

Well in the words of an old Chad and Jeremy song - "That was yesterday and yesterday's gone." A new breed of Risk Management is filling the hole in the organizational chart.

As injury prevention strategies have evolved and proven to generate very high returns on investment, a heightened focus is being assigned to preventing claims. Companies such as Mission Linens, United Airlines, Kendall Jackson, Sutter Health, Brinks and others are discovering that the existing workers' comp model of applying 98% of workers' comp resources to post claim strategies is not enough. Moreover, it's a fundamental flaw in the "Ground Hog Day" like world of workers' comp.

CFO's, Risk and Human Resources Managers and Safety Directors are seeing the wisdom and cost effectiveness of a balance between aggressive claims prevention (proactive) and claims management (reactive).

This new breed of management that we are so happy to work with, are not the usual roll with the punches, averse to change, type of executive. They are thinking outside the box and are being aggressive and driving change. Their attitudes are zero tolerance for injuries. They understand that healthy employees are more productive, turnover is lessened, and are aware of the significant savings potential.

I have also observed a passion with this new breed and a desire to infuse a more causative approach to employee health and morale. Imagine the feeling of accomplishment when introducing a new successful philosophy that is responsible for changing a long-standing culture to that of one that drives down claims and includes employee well-being as part of its mission. Their passion is being rewarded.

They are finding that bloated workers' comp is one of the easiest places to find new revenue for their companies. For example, "company A" is experiencing a healthy 5% profit margin. They introduce an injury prevention program that is highly embraced by employees. A few lost time back claims are prevented, saving the company \$100,000.

In order to otherwise generate \$100K in profit, the company would have to increase sales by \$2 Million (5% of \$2 Million is \$100K). Hospitals and grocery stores with profit margins of 1% would have to generate \$10 Million in new business for this same \$100K. For larger corporations, the numbers can be even more dramatic.

One hospital corporate client is establishing a whole department with a focus on claims prevention. It makes sense doesn't it? Can we expect to have adequate control over workers' comp if all the resources are on managing today's claims and not preventing tomorrow's as well?

The solution to stopping sprain/strain injuries was discovered and evolved over the last 14 years. Cultures, employee physical behavior, and employee morale can change. And now it has never been more profitable. The time has come for injury and claims prevention. It is just the smart thing to do.

*This article may be reprinted in its entirety provided that the following resource is left intact:

About Future Industrial Technologies // FIT offers workplace safety and ergonomics training programs. **Backsafe®** teaches employees how to perform their specific job tasks in a manner that is biomechanically correct. **Sittingsafe®** teaches office employees how to adapt their existing workstations so they are ergonomically correct. These injury prevention programs make your workplace safer and are proven to reduce injuries and worker compensation insurance costs.

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