5 SAFETY MYTHS

THAT CAN

SHUT DOWN

SMALL MANUFACTURERS

“Welcome everyone to this free report, which I call 5 SAFETY MYTHS THAT CAN SHUT DOWN SMALL MANUFACTURERS.

That’s right, we’re going to break down the most common safety myths, a.k.a misunderstandings/false-beliefs/bad information or whatever you want to call them, which can literally shut down your manufacturing facility if you’re not aware of them and end up falling victim.

I realize that this might sound a bit alarming, but I’ve personally seen these myths cause untold damage to manufacturers over and over throughout my career and it actually happens much more frequently that you might think.

Bottom line, I don’t want this to happen to you, so make sure to stick around because the information I’m about to share could literally save your company!"

“Let's get down to who I am and why I’m qualified to talk about this topic.

First off, I used to stand in your shoes being overwhelmed by all of these confusing safety regulations and ended up falling victim to these myths.

I was the owner of 2 small, but very dangerous companies that exposed my employees to major safety hazards every single day, when - just like many others- I miscalculated the risks. OSHA completely blindsided me with a surprise inspection, and I failed. It was one of the most frustrating and embarrassing moments of my life.

First off, I had to write a big check to OSHA, then my insurance skyrocketed, I lost business opportunities, my company reputation took a hit, all the bad stuff. At the time I was mad at OSHA... but when it comes down to it: it was all my fault.

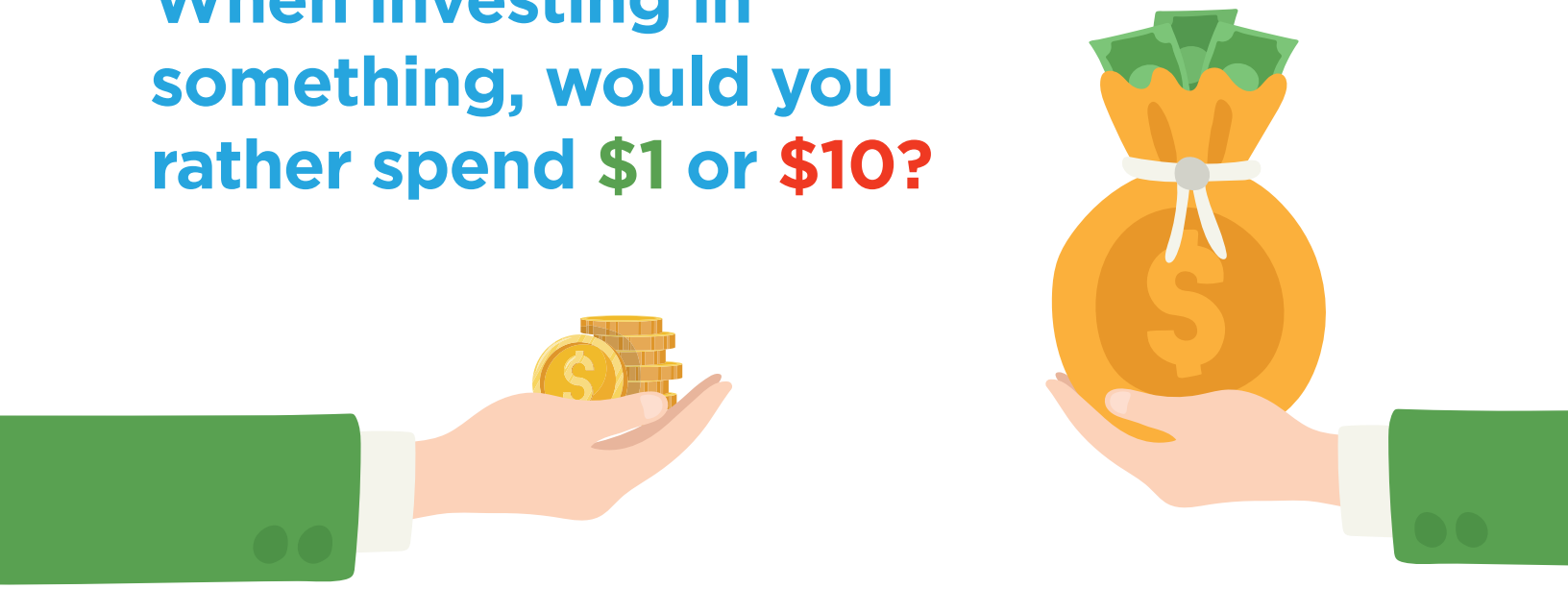
I thought I had a safety program, when I really didn’, and by the way, that’s one of the myths we’re going to cover today. In sum, I know first hand how this can happen and what it feels like, because it happened to me.

I’ve also been working with small manufacturers for over 30 years now, and I’ve seen the exact same thing play out over and over again with companies and people I’ve known in this sector.

And it’s no wonder, because small manufacturers often lack the internal expertise, time and resources needed to keep up with these complex regulations!

These combined experiences eventually lead me to what I do now, which is educate small manufacturers about these frustrations, and more importantly about all of the major risks and liabilities that we’re going to cover today, and how to avoid them.”

When investing in something, would you rather spend $1 or $10?



Let's set the stage for this report by asking a very simple question: when investing in something, would you rather spend $1 or would you rather spend $10?

I ask it this way to get your attention, because it's very easy to understand. OF COURSE when investing in something, you would rather spend 1 dollar than 10. We can all agree on that.

Well, my point is, that when it comes to safety there are two ways to do things:

You can either pay once. Or you can pay ten times.

In other words, when it comes to safety - you pay either way.

Either you pay the hard cost of implementing a safety program once and do so at a reasonable, manageable cost (in this case, $1) OR you can end up paying 10 times as much when the first domino falls. And as we move through this report, you'll see exactly what I mean by all of this.

The 5 Safety Myths That Can DESTROY Your Business

- MYTH #1 — You have a compliant safety program
- MYTH #2 — No risk of jail-time or major lawsuits
- MYTH #3 — Your company is too small for a $300k fine
- MYTH #4 — Bouncing from safety mishaps is quick & easy
- MYTH #5 — You know the costs of failing to manage safety

An Introduction to the 5 Safety Myths That Will DESTROY Your Business

Let's introduce the 5 myths that I've been referring to, and then we'll dive deeper into each in the following pages...

1. You already have a compliant safety program

The first is the most important one, and it's also the most common one which gets companies into trouble. And that's thinking or believing that you already have a compliant safety program. In my experience, most people believe they have one, but 90% of manufacturers do NOT.

2. No risk of jail-time or major lawsuits

This second point is that you're immune from jail-time or major lawsuits. I'm not trying to scare you here but you need to know that what the real risks are. If you think your company protect you, you've got another thing coming. You'll want to hear about this one.

3. Your company is too small for a $300k fine

The third one is about the severity of the fines, believing that you're too small to get hit with a big fine. I work with so many businesses who don't quite understand the scale of the financial burden. They treat OSHA like they're slapping wrists, like they're going to hand out $200 parking tickets. Is three-hundred-thousand dollars a slap on the wrist?!

(So, these first 3 myths have to do with hard costs and legal problems, which are obviously bad enough, but the 4th and 5th really get down to all of the devastating, but often HIDDEN direct and indirect costs of not having a safety program that you've probably never thought of.)

4. Bouncing back from a safety mishap is quick and easy

The fourth myth is all about what happens after you get hit, the aftermath if you will, and how LONG and taxing that recovery process is and how disruptive and expensive it can really be for you and your business.

5. You know the costs of failing to manage safety

The fifth point is the biggest one. This whole report deals with the true costs of neglecting safety. But when we get to myth 5 - you'll see we're just scratching the surface.

Earlier I said that you might be paying for safety 10 times over?
This is where we get into that, so make sure to stick around.

MYTH #1

You already have a compliant safety program

Do you think you already have a compliant safety program?
I bet you think you do.

That's because MOST people think they do, and that's why they feel so safe and secure. You already know what's coming next don't you?

You probably don't.

You wouldn't believe the number of manufacturing leaders I've met with who failed OSHA's inspections, all because they mistakenly thought they already had a safety program in place. 90% of small manufacturers do not have one!

Just going by the math, 9 out of 10 people who read this report fall within this category. Unfortunately - they normally don't find out until it's too late, after a failed inspection or serious injury.

It's time for a reality check

MYTH #1

You already have a compliant safety program

Common mistakes that lead to this myth:

- Dual-tasking an unqualified, staff member with safety
- Believing insurance/Workers Comp carrier is managing safety
- Mistaking a generic safety manual for a "safety program"
- Committing "random acts of safety"

Let's talk more about why these mistakes and misunderstandings happen and how they trick manufacturers into believing they have a safety program (when they don't).

Dual-tasking an unqualified staff member with safety

This is by far the most common, and potentially damaging, mistake that a small manufacturer can make when trying to manage their safety compliance obligations.

Here's how it normally unfolds. One day the company realizes that they don't have a safety, or maybe an environmental, program and something needs to be done about it. Maybe a high value customer or insurance company asked for it, or maybe they had a near miss or a serious injury, or got inspected by OSHA. Whatever the case, the company decides it's time to build a safety program but is very quickly confronted with a big question, "who's going to do it?"

Despite all of the more viable and logical options, such as hiring a consultant or an experienced safety professional, the business owner or senior management often decides to take the path of least resistance, which is to tap one of their staff managers with the responsibility. Most often it's the Human Resources Manager, but it could be Quality, Operations or even Maintenance.

Whatever the case, that poor soul gets the nod and is now expected to magically make it all happen, on top of their long list of other responsibilities.

Here's why Dual-Tasking never works:

1

OSHA regulations are numerous, often changing, complex, difficult to understand, and even tougher to comply with – even for experts. If you don't believe me, just log onto one of their websites and start reading, and while doing so, imagine trying to apply what you've read to your own company.

Successfully implementing and managing these regulations takes many years of experience and knowledge, and therefore it's totally unrealistic to expect someone with little or no experience to get it done.

2

As if problem #1 above isn't daunting enough, a typical staff manager's primary role often contributes directly to the company's bottom-line and therefore requires the majority of their time and attention. This leaves little, if any, time for managing compliance issues. This is often compounded by the fact that the staff manager is afraid to say anything, for fear of losing their job. Then one day something bad happens, like a failed OSHA or EPA inspection, or maybe a serious injury.

Add these two problems together, and it's pretty easy to see how this safety mistake is doomed to failure.
Yet small manufacturers across the country continue to make it over and over and over again.

Believing insurance/Workers Comp carrier is managing safety (BTW, this also applies to PEO's & even OSHCON)

This is yet another mistake that I managed to make during my career, which was believing that my Workers Compensation carrier could somehow manage my safety programs, and I've seen many other small business owners do the same.

Just like me, many small manufacturers are lured into a false sense of security when their WC or PEO "loss control agent" shows up for their annual loss control inspection and then shows them their wonderful "safety resources" web-portal, loaded with all kinds of generic safety plans, resources and training videos.

If they're lucky, the agent might even offer a quick forklift training session. The experience often gives the company the false impression that this somehow adds up to managing their OSHA compliance requirements.

Unfortunately it doesn't and here's why:

Here's Why Workers Compensation Carriers & PEOs Cannot Manage Your OSHA Compliance:

1

They conduct an annual "loss control" inspection, which normally addresses safety and other non-safety related risks that could result in policy losses. The end result is a very limited overview of actual health and safety hazards. This falls well short of OSHA's mandate that employers assess and provide a workplace free of recognized heath and safety hazards.

2

They provide free, generic safety resources. Your WC carrier or PEO representative has likely shared with you their safety resources, which normally come in the form of a login web-portal. While helpful, the safety plans and training videos can't address the actual health and safety hazards that exist within your particular company. This violates OSHA's requirement that employers develop customized company-specific safety programs. Workers Compensation's generic safety resources simply can't do that.

3

The final problem is that an individual loss control agent or PEO safety rep is typically responsible for 100s of policy holders and customers spread over a wide geography. This means the WC agent literally lacks the time and bandwidth required to manage OSHA compliance for any particular policy holder.

Discover how BERG can help your small manufacturing facility get fully OSHA & EPA compliant

BOOK YOUR SAFETY STRATEGY CALL NOW

Mistaking a generic safety manual for a "safety program"

I'll never forget trying to build a safety program for my first company. I started researching all of the requirements, was quickly overwhelmed and confused, and then soon came to the conclusion that the best way to proceed was to order a safety manual online.

Why re-invent the wheel, I thought to myself? I'll just order a pre-built OSHA compliance manual and we'll be "all set!"

To be perfectly honest, It didn't take long before I put it on the shelf and forgot about it. I can't tell you how many times I've seen other manufacturers do the same thing.

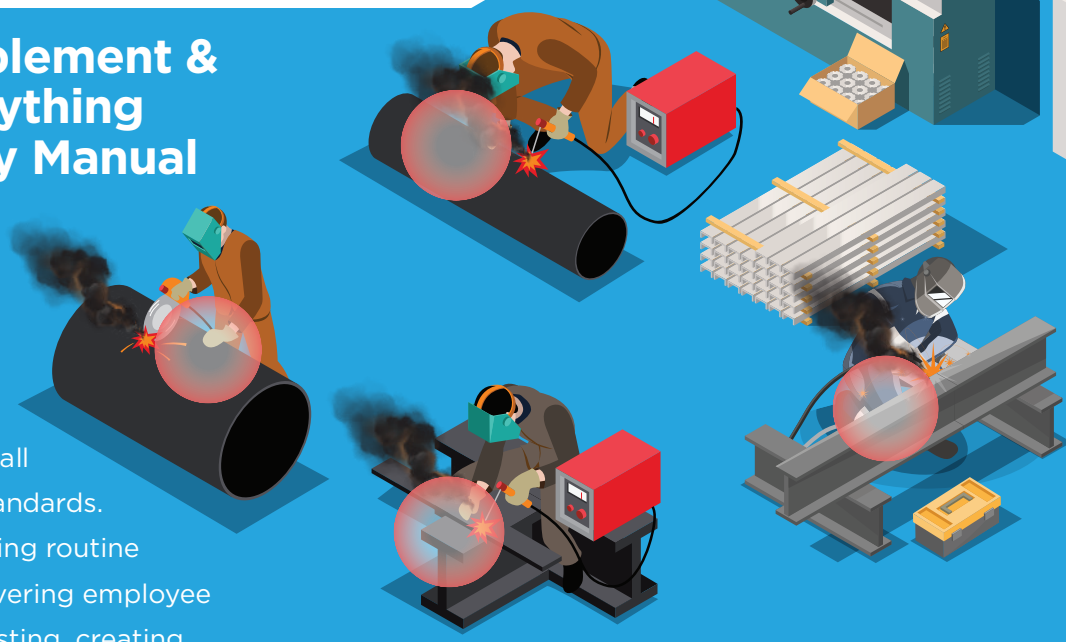
What most manufacturers don't realize is that merely having a safety manual on the shelf doesn't equal compliance.

There's actually much more to be done, and here's a brief summary of those requirements:

1 Your Safety Manual Must Be Customized to Address Your Company Specific Hazards

OSHA mandates that impacted employers assess their operations to identify all of the health and safety hazards that exist in their work environment, and then develop a company specific (ie: customized) health and safety manual to include all applicable OSHA standards to address and control each of the identified health and safety hazards. Generic safety manuals almost always contain standards that have no applicability to any given company. This not only means that they can't meet the "customized" requirement described above, but also means that the company is agreeing to manage all of the additional standards that don't even apply to the company.

2 You Must Implement & Manage Everything in Your Safety Manual



Just having a health and safety manual doesn't meet OSHA standards. OSHA mandates that employers actually implement and manage all of the aspects included in the standards. This includes things like conducting routine inspections, developing and delivering employee training, conducting exposure testing, creating company specific procedures, etc. Rather than meeting all of these requirements, many fabricators make the mistake of buying a generic safety manual and then putting it "on the shelf," never getting around to actually implementing and managing these extensive compliance components.

Confusing “random acts of safety” with having a compliant safety program.

Since many small manufacturers don’t fully understand what’s required by OSHA, they end up making their best effort by, for example, periodically conducting forklift training, providing random PPE to employees, subscribing to a free or paid online safety training videos, or maybe conducting occasional 10 minute “safety talks.”

I call these efforts, “Random acts of safety.”

Although these efforts are commendable, they do not equate to having a safety program and do not come close to meeting OSHA laws. Yet many small manufacturers make the mistake of believing that they do.

MYTH #2

You don’t risk jail time or major lawsuits

The Second Myth is that you don’t risk jail time or major lawsuits.

Some people believe that they are protected. They think that their company will absorb the blow and they have no personal risk, but that’s not how it works in certain circumstances and let me explain what I mean by that.

In certain circumstances, there can be civil and criminal liability for business owners

You can actually face both criminal and civil liability if an employee gets injured or killed on the job and it can be proven that you were negligent about safety.

Criminal liability for employee fatality:

- Jail time
- $250k – $500k fine

In these cases OSHA can actually press criminal charges against a business owner if an employee gets killed as a result of your negligence over safety.

You can go to jail and be fined up to 250k-500k.

Civil Liability:

Settlements can exceed $1million - $2million

On the civil side, an injured employee or their family can team up with a personal injury lawyer. They can sue you for settlements that often exceed $1 or $2million or more depending on the circumstances.

If it happens to your company and you don't have a compliant safety program, then that means you are totally exposed without a defense. And that's when these multi-million$ settlements happen. So these civil liabilities are very real and more common than you might think.

And this doesn't take into account the $400 per hour legal fees you'll be paying to your lawyer.

MYTH #3

Your company is too small for a $300k fine

Myth #3 is that you're not going to get slammed with an incredibly expensive fine.

It doesn't matter if you're a small company, and it doesn't matter if you only have one location and less than 20 employees. OSHA will fine you just as severely as a much larger manufacturer. Bottom line, they don't care what size your company is, the only thing they care about is whether or not you take safety seriously and can prove it.

So let's talk about what can happen if you get inspected by OSHA.

OSHA can inspect your company at any time & without warning

First off, an OSHA inspector can literally show up at your front door at any time and without warning to inspect your company.

Just completely out of nowhere. If that happens and you're not prepared, some really bad things can happen.

For example, did you know that the average comprehensive OSHA inspection of a small manufacturer will result in anywhere between $45,000 to $90,000 in fines?

When you hear these big numbers, think about how much cheaper it would be to prevent all of these risks by creating a compliant safety program from the start, and avoid all of these risks. Because this is real information and I'm telling you the truth about how bad it can actually get.

Many fines exceed $100,000 - $300,000 or more!

In many cases, fines can actually exceed $100,000, $300,000 or more if they can prove that you were negligent. When that happens, they can issue what are called “Willful” citations that carry a maximum of $162,000 each!

Recently we were hired by 2 small manufacturing companies with less than 50 employees, and both had been issued fines exceeding $400,000.

I’ve seen this happen over and over throughout my career.

And you have to ask your self this question: could your company really afford this?

Again, it’s so much cheaper to be proactive about safety to prevent this from ever happening to begin with.

MYTH #4

Bouncing back from a safety mishap is quick and easy

As I mentioned before, the first 3 myths cover the hard costs of failed inspections and legal risks, which are bad enough, but now we'll get into the other, far more devastating and often hidden costs of failing to manage safety.

And that begins with Myth #4, which is the idea that "Bouncing back is quick and easy."That couldn't be further from the truth and let me explain why. At the heart of it all is major business disruption which means that all of the time, attention and resources that you would have been using to run and grow your business, is instead diverted towards cleaning up the safety mess.

Major Business Disruption:

- The OSHA clock starts ticking once the citations arrive
- Fixing citations isn't easy & takes lots of time
- Financing the fine payment
- Accident investigations
- And the list goes on....

Let's talk about how these business disruption costs can be devastating

The OSHA clock starts ticking once the citations arrive

First off, once the citations are issued, OSHA gives you a hard 2 week deadline to either contest the citations or fix all of the problems, or face even more fines and penalties. So in other words, the clock is ticking and you have to focus on getting it done which is not easy.

Fixing citations isn't easy & takes lots of time

If you get a bunch of citations, especially if they're "programmatic", meaning developing written programs, procedures and employee training, it's going to take a lot of time and effort to fix everything. This is often when companies end up calling us because they have no idea what to do. And even if they hire us or another consultant, it's going to take a lot of time to get everything fixed and we often have to request extensions for the 2 week deadline.

Financing the fine payment

Then if all of that wasn't bad enough, there's a major fine attached that you're going to have to figure out how to pay it. You can enter into a payment plan, but either way, you still have to pay and they don't stretch it out for years so each payment is big and painful.

Accident investigations

If there was an injury, you'll have to conduct accident investigations and root cause analysis to help ensure that it never happens again by implementing corrective actions.

Bottom line, it's not as easy as writing a check and moving on.

MYTH #5

You think you know the costs of failing to manage safety

With Myth 5, we now get into the true costs of failing to manage safety. Remember at the beginning, we talked about how this can cost you 10x?

Here's where we begin to talk about how all of this can happen.

US Companies Lose $140 Billion every year due to workplace injuries & accidents

Let me start by saying that US companies lose an average of $140 billion every year due to workplace injuries and accidents.

Yes, that's a "B" for billions, which is a lot of money, and it includes all of the direct and indirect costs that are often hidden because most are not so obvious. Here are some devastating examples.

Opportunity Costs

Imagine being in the position to spend $300k on a robotic assembly line. You spend the $300k and you walk away with the assembler which earns you money. You get a benefit from that investment for years.

But instead, because you failed an OSHA inspection, you blow that $300k on fines... but you DIDN'T get the boost to your business. You're NOT making a return on your investment. AND you're out the $300k on top of it.

That's a devastating loss for any business.

Then comes the public relations nightmare, when OSHA issues press-releases about your failed inspection...

OSHA doesn't JUST fine you.

They also release a press release, which always includes very harsh and critical statements about the violating company's ownership and leadership and their lack of care about safety and employee well being. And that's just the start because this starts yet another chain reaction.

Next, I want you to imagine the thousands of reporters and bloggers out there working for trade journals and local papers. They have automated alerts pointed right at OSHA's PR feed.

2 hours after OSHA issues a press release, you can bet a reporter has already started writing an article for the local paper or in your industry journal. All at your expense.

So now whenever somebody Google's your company,
they find dozens of results dragging you through the mud.

And you can't just make that go away, it lives on the internet FOREVER.

These public relations problems often trigger a cascading nightmare of costly problems.

- Clients leave
- Business opportunities disappear
- Employees quit
- New employees won't sign on

Once word spreads, there's a cascading effect.

Sometimes you'll lose major clients.

Aside from operational concerns, they see your PR issues and don't want to deal with being associated at all. Old clients stop working with you and new clients won't even sign on. It's a double blow to your business.

And it's not just about clients, the same thing happens with your workers. Who wants to work at an unsafe company and for management who doesn't care?

An unsafe workplace leads to stressed workers and more added cost

- Low Satisfaction = Low Morale
- Reduced Employee Productivity
- Increased Absenteeism
- Increased Healthcare Costs
- Higher Employee Turnover

Here’s how workers stressed about safety cost you significantly

While we’re on the topic of unseen costs let me call another thing to your attention:

That’s employee stress, which can lead to major costs that are hard to quantify.

Low Satisfaction = Low Morale

The first thing we need to talk about is low employee satisfaction, which leads to low morale. If you don’t have a safe place to work, the workers on the floor are complaining about it, guaranteed. They’re making jokes about falling and suing the company. They’re complaining about stuff they’re too scared to bring up.

Reduced Employee Productivity

That low morale leads to low productivity. Stress isn't just about feeling overwhelmed; it directly impacts focus, performance, quality, and speed. Right now you’re probably seeing more delays and quality problems than you should and you don’t realize it’s caused by stress.

Increased Absenteeism

And that brings us to our next point, the workers of an unsafe site call in sick more often. Day after day they’re pushing through background stress and they burn out quicker, they need more breaks just to function. They call out because they’re stressed.

Increased Healthcare Costs

Next thing is one you might not realize. - stressed out employees actually have worse health problems! If everybody gets hit with the same cold, the stressed employees will be sick for longer.

This is documented - this might be having a measurable effect on the cost of insurance plans.

Higher Employee Turnover

Finally - Employee turnover. I don’t need to explain this one. The stress and safety issues mean they’re already applying for other jobs. When they leave that means more recruiting, hiring, and training, not to mention the loss of experienced workers.

These employee related stresses and costs are huge and hard to recover from.

Stressed, unhappy employees can also file a complaint with OSHA!

And to make matters worse, workers who are stressed about safety are 10x more likely to file a complaint with OSHA, which is the #1 trigger for OSHA inspections.

While your competition takes off, you dig your hole deeper and deeper.

What do you think your competition is doing while you've been dealing with all of this?

They're not just twiddling their thumbs.

They're attracting your clients, your employees, and securing the contracts you're missing out on.

While you're facing downtime and PR damage, they're fulfilling orders and meeting deadlines.

They're actively growing while you dig yourself a hole.

Up until now you've seen safety compliance as some form of disaster mitigation.

In reality, you SHOULD be looking at it as an investment that gives you a competitive advantage for when your competitors fail.

Other hidden costs:

- Insurance premiums
- Damaged equipment
- Poor quality performance

And there are other costs we haven't even talked about.

Increased insurance premiums go up, and they may never come down again.

Damaged equipment often go hand in hand with accidents. Poor quality performance. It's a proven fact that quality performance and safety performance go hand in hand.

Destroy the 5 Myths Before They DESTROY Your Business!

- You aren't as compliant as you think
- You can face jail time and civil suits
- Fines can easily reach $300k+
- The setback can last years
- You risk losing 10x as much as it appears

You're More Stressed Than You Realize

Let me now say something else thats really important which is the fact that you're probably more stressed about all of this than you realize. There's a burden, a dark cloud, that you are carrying around with you. Just like your workers - this safety stuff is stressing you out.... but the stress you feel is ten fold. Because you're the one with the final responsibility.

Deep down you already knew about all of these risks and liabilities & you certainly don't want any of your employees getting injured or killed, so you're subconsciously spending a LOT of effort to push those thoughts to the side. But in reality, it's crushing you.

Or maybe you're like I was, constantly and actively worried about safety, but not exactly sure what to do about it. Again, I've been there and done that, feeling that weight of responsibility, always worrying about getting the call that someone got hurt, or that OSHA was in the lobby. I lost so much sleep and wasted energy and it absolutely drove me crazy!

And I always hear it from our clients when they work with us; they're not actually wanting or buying a safety program. No, what they're actually wanting and buying is PEACE OF MIND knowing they have a safety program to keep themselves out of trouble and to protect their employees and company from harm. That's their dream outcome, that's what they're looking for and I'll bet that applies to you to!

Let’s talk.

It’s Free

There’s No-Obligation

It’s always 100% Confidential

So let’s stop all of this safety madness and hop on the phone!

I’m here and always available to talk with you. Tell me about your company, your needs, plans, goals, setbacks around safety. Let’s schedule a free, no obligation, 100% confidential Safety Strategy Call today by clicking on the button below.

Remember we can offer guaranteed compliance - we remove the burden completely so you can stop thinking, stressing and worrying about it, and focus on growing your business.

We’ve helped many other small manufacturers build compliant safety programs for peace of mind, and we can help yours too!

Schedule your free Safety Strategy Call today

"We have had a really great experience with Berg thus far! Our consultant has been very accessible, consistent, and professional. Our experience with Russell, the company president, has been consistently positive as well. He is easy to reach - which makes me feel more confident that if we ever needed anything out of normal circumstances, Berg Compliance would make sure we are covered. I look forward to continuing our work with this company!"

Ally Chisenhall, Vintage

"Hiring Berg to help with our Safety Program and Environmental compliance was definitely a smart move. Since bringing Berg on board our OSHA DART score has dropped significantly. It is also good to know that when an inspector does show up you are prepared and can also count on support from Berg."

Mark Cravens, Highland Lakes Quality Castings

EHS Compliance For Small Business

Berg Compliance Solutions, LLC

EHS COMPLIANCE FOR SMALL BUSINESS

Guaranteed EHS compliance solutions designed for small manufacturers.

Russell Carr

President & Founder

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