

The Top 5 Most Dangerous OSHA & EPA Compliance Mistakes Made by Small Manufacturers

Discover How to Avoid Costly Mistakes and Reduce Risk, So You Can Grow a Strong & Successful Company.



—EHS Compliance For Small Business—





Is EHS Compliance Really That Important?

At Berg Compliance Solutions, we know you want to be known in your industry for building a “best in class” manufacturing company. In order to do that, you need the peace of mind knowing your company is EHS compliant.

The problem is – navigating the complex and ever-changing OSHA & EPA regulations is extremely confusing. As a small company, you and your team are already working overtime, and the thought of navigating the complicated mess of compliance standards can be flat out overwhelming.

But as you know, the cost of making mistakes with EHS compliance is even greater. Failure to keep up leaves you vulnerable to massive fines, serious employee injuries, and serious legal problems. If you find yourself confused by EHS laws or suspect that you might be doing it wrong – you are not alone.

Hi, my name is Russell Carr, President and founder of Berg Compliance Solutions. During my career as a small business owner and entrepreneur, I owned and operated 3 small contracting businesses which exposed my employees to major health and safety hazards on a regular basis. While we never experienced any serious employee injuries, I was cited by OSHA & TCEQ, & suffered other related losses and problems including skyrocketing Workers Compensation Premiums and lost business opportunities due to my own EHS program mistakes.

I don't want this to happen to you.

That's why I founded Berg Compliance Solutions, a new kind of consulting company with a mission dedicated to help small companies like yours to design OSHA & EPA programs to manage environmental, health and safety compliance and risk.

To learn how Berg Compliance Solutions can you design a custom-tailored EHS program for your manufacturing business, **schedule a free strategy call** with us now. Or, feel free to contact me directly at rcarr@bes-corp.com or at 512-923-0374.

Otherwise, continue reading to get valuable insights that will help you reduce your risk and strengthen your company!

In your corner,
Russell Carr

In this E-book, Here's What We'll Cover:

The Real Cost of Non-Compliance

Learn more about the potentially catastrophic risks you and your company can face if you make the same mistakes that I and many other businesses make when trying to manage EHS compliance.

The Top 5 EHS Compliance Mistakes

- Dual Tasking A Staff Manager with EHS Compliance Responsibilities
- Outsourcing OSHA Compliance To Your Insurance Company, PEO or OSHCON
- Buying Or Downloading A Generic Safety Manual
- Using Generic Online Training & “Tailgate” Topics to Manage Safety Training
- Failure To Conduct Routine Inspections

Your Next Steps To Success

Learn what you can do right now to eliminate these EHS compliance risks and get the peace of mind you need to grow a strong and successful company.



The Real Cost of Non-Compliance: Risks & Liabilities

Before exploring the Top 5 most dangerous EHS mistakes, let's take a quick look at six of the major risks & liabilities that small manufacturers like yours can face when failing to manage OSHA & EPA compliance.

As we've said, many small business owners feel overwhelmed by complicated regulations, and complain that they and their staff are just too busy running their business, and lack the time, resources and expertise to properly understand and manage environmental and safety.

I get it. But the truth is – EHS compliance might be challenging, but OSHA and EPA don't care nor do they give "passes," even to small manufacturers.

That's why it's so critical to take the time to understand OSHA & EPA regulations, how they apply to your business, and take the necessary steps to ensure that your company complies and maintains a safe workplace.

Here are just six major risks and liabilities that could devastate your company.

Risks & Liabilities



OSHA FINES & PENALTIES

OSHA increased civil penalties by 78% on August 1st of 2016. This means that the maximum for “Serious” citations (the most common type) increased from the original maximum of \$7,000 each to \$13,494 each. “Repeat” and “Willful” citations rose from a maximum of \$70,000 each to up to \$136,653 each. The average OSHA inspection will result in 5-10 Serious violations, costing a company between \$35,000 - \$80,000. For unprepared manufacturers, fines often exceed \$100,000. Fines will continue rising every year to account for inflation.



CRIMINAL & CIVIL LAWSUITS

Many small business owners don’t know they can face personal criminal and civil lawsuits if an employee gets injured or killed, or if the environment is damaged as a result of negligence. Business owners can face up to 6 months in jail and up to \$250,000 in fines if an employee is killed as a result of willful neglect of OSHA standards. An injured employee or their family can team up with a personal injury lawyer to sue the employer for \$multi-million dollar damages. EPA has no cap on fines and prison time. Manufacturers without an EHS program are totally exposed with no defense.



LOST & WASTED MONEY

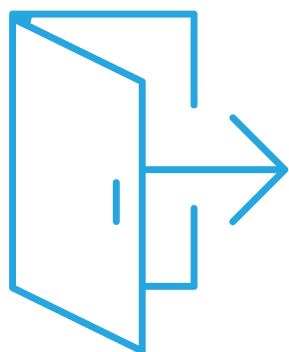
Failure to manage EHS compliance often leads to spills, injuries, accidents and sometimes worse. All of these things will cost the company significantly. Losses come in the form of medical bills, damaged equipment, fines, increased insurance costs, legal fees and more. Statistics show that each serious injury or fatality is 48 times more expensive than the cost of prevention.

More On Risks & Liabilities



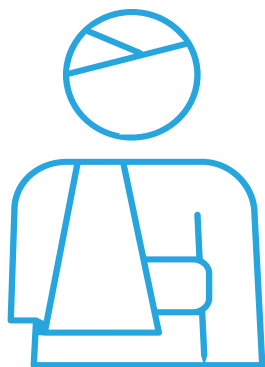
BAD PRESS & PR NIGHTMARES

Manufacturers who get in trouble with OSHA often suffer major public embarrassment and PR disasters. When OSHA issues a press release regarding a recent citation, it is then distributed to local newspapers, trade journals and online publications. It is then possible for the local community, competitors, potential employees, and worst of all, your customers to see. Bad press can be incredibly damaging to a business and almost impossible to repair.



LOST CUSTOMERS & OPPORTUNITIES

Manufacturers often lose customers and business opportunities if they don't have a solid EHS program. Not only do manufacturers need to have all of the required written programs, employee training, permits and records, but they must also manage key safety metrics such as EMR, TRIR and DART. Poor safety scores often block manufacturers from the ability to bid on large projects. To make matters worse, once these metrics are bad, it can take years to repair them. Manufacturers who want to be ready for new business opportunities and partnership must be proactive about EHS or pay the price.



WORKPLACE INJURIES & FATALITIES

Of course the biggest risk & liability of all is born by the employees of manufacturers who fail to manage health and safety. Most manufacturers and management believe "it will never happen to us," but the statistics don't lie. In the U.S., 4 million work-related injuries and illnesses and 4,600 senseless deaths occur each year.

Imagine the pain, stress, guilt and disruption that would follow if one of your employees was seriously injured or killed as a result of company negligence.

THESE RISKS CAN BE AVOIDED

Now that you have a better understanding of the catastrophic risks & liabilities manufacturers face for failing to manage EHS compliance, keep reading so you can learn more about the most common EHS compliance mistakes made by small manufacturers and how to avoid them.

It could literally end up saving you and your business from disaster.

The Top 5 Most Dangerous EHS Compliance Mistakes Made By Small Manufacturers

1

Dual-tasking a Staff Manager with EHS Compliance

This is by far the most common, and potentially damaging, mistake that a small business can make when trying to manage their EHS 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 EHS 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 This Dual-Tasking Doesn't Work:

1

OSHA, EPA, DOT and state environmental 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 EHS mistake is doomed to failure. **Yet small manufacturers across the country continue to make it over and over and over again.**

2

Trying to Outsource OSHA Compliance to PEO, Insurance / Workers Compensation Carrier or 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 health 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.



I've asked several loss control agents and PEO reps over the years whether or not they have, or could, manage OSHA compliance for any of their policy holders, and the answer has always been an emphatic "no." **You should ask yours, too.**

By the Way...OSHCON Can't Manage Your OSHA Compliance Either

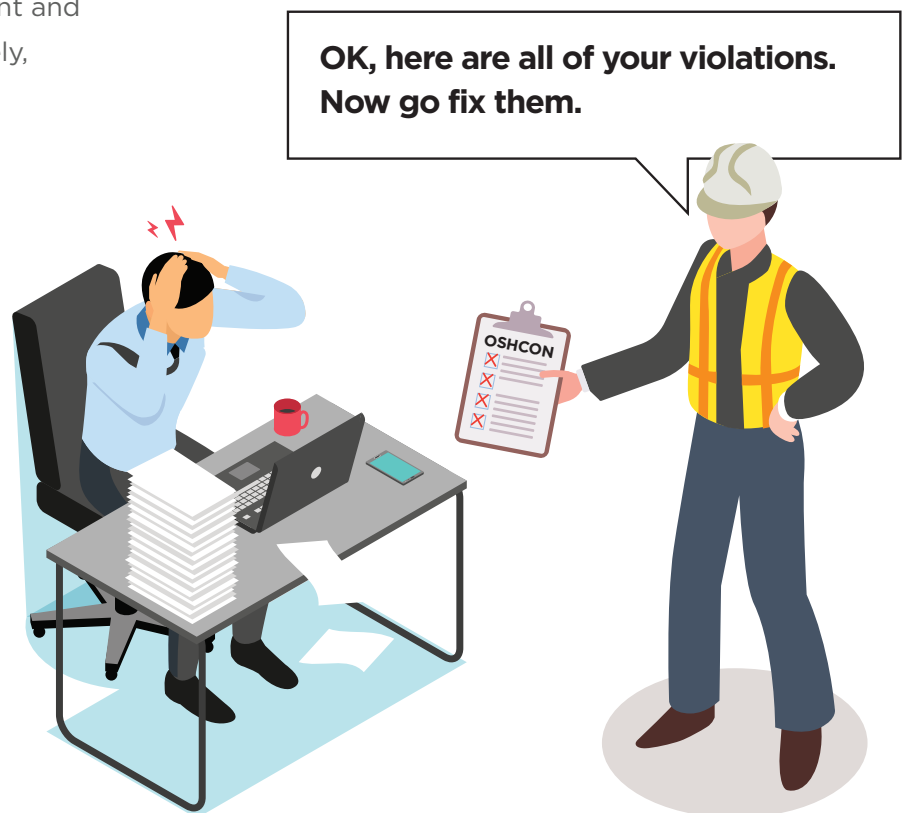
On a related note, many manufacturers make a similar mistake when working with OSHCON (OSHA's free strategy call service). These manufacturers are often lured into a similar false perception that OSHCON is able to manage their OSHA compliance.

OSHCON has similar mandates to WC carriers, including providing an annual inspection and free generic safety resources. Although OSHCON's inspections do a much better job of identifying your company's specific health and safety hazards, and making recommended corrective actions, this is actually where the problems normally begin.

Once those recommendations are made (which include many "one time" as well as ongoing programmatic corrective actions), it's now your company's responsibility to implement and manage them over time. Unfortunately, most small manufacturers really struggle to make it happen, which often results in a persistent state of non-compliance.

I actually met with an OSHCON area manager & asked if he believed if manufacturers could outsource their OSHA compliance to OSHCON and he replied "no, it's just not possible."

You should ask your OSHCON representative the same question.



3

Buying or Downloading a Generic Safety Manual or Environmental Plan

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 will 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 manufacturers 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.

Everything I just noted about OSHA requirements is the same for EPA and your state environmental agency. All of your environmental written plans (for example your Storm Water Prevention Plan or Waste procedures) must also be customized to your company specific requirements.

4

Using Generic Online Training & “Tailgate” Topics to Manage Safety Training

It's very common for small manufacturers to subscribe to an online safety training portal, where they're given access to a wide range of generic safety training modules. Some of these modules address specific OSHA standards, but many do not.

Many also utilize weekly, monthly, or less frequent “tailgate” training topics, often downloaded from the internet, which normally last 5-15 minutes and are delivered by a supervisor or manager (who themselves often don't really understand OSHA standards). **Here's why this training strategy doesn't work:**

1

Training Must Be Customized for Your Company

Similar to OSHA's requirement for customized health and safety manuals described above, OSHA also mandates that employers develop and deliver customized training programs to address the specific health and safety hazards that exist at the company. Generic safety training, such as the ones found online, can only cover the technical basics of each OSHA standard, but fail to address the company specific aspects. In other words, generic training really only meets about 1/2 of OSHA's requirements.



2

Only Train the Required Topics

Related to the above requirement, employers should only develop and deliver the OSHA training standards which apply to their company specific hazards. Manufacturers who subscribe to generic training resources, rarely, if ever assess this requirement, and make the additional mistake of offering non-applicable training and/or fail to deliver training which is actually required.

Training Must Meet OSHA's Comprehension Standard

3

OSHA laws include a requirement that employees are able to fully comprehend the health and safety training that a company delivers. This means, for example, that the training must be delivered in the native language of the audience, that employees are able to ask questions and get the correct answers. Generic online safety training normally can't meet these requirements.



Tailgate Training Doesn't Meet OSHA Standards

4

"Tailgate" training is a great tool for "keeping safety top of mind", but fails to meet OSHA's requirement that training includes all technical standard content.

Another related mistake I made, and routinely see, is delivering training by having employees read safety procedures on their own, and then having them sign off on the document.

This "training" method often violates OSHA standards because the employees often aren't given the opportunity to ask questions, and the training content often doesn't meet all other requirements.

5

Failure to Conduct Routine Inspections

OSHA has a very clear mandate that employers conduct routine workplace inspections to identify health and safety hazards, and then immediately correct them.

EPA and state environmental laws also require routine inspections and corrective actions to manage programs such as Storm Water ("SWPPP"), Hazardous Waste, and Spill Prevention Control and Countermeasure ("SPCC").

Most small manufacturers fail to meet this requirement for the following reasons: 1) they aren't aware of the requirement 2) don't understand how to identify violations 3) don't understand how to correct violations and 4) lack the needed time & resources to manage everything.

Never forget that these "physical" safety and environmental violations are the "low hanging fruit" for OSHA and EPA inspectors, and result in the most costly fines and penalties for small manufacturers.

The only way to prevent these citations is to conduct routine inspections and to immediately correct any violations!

Physical health & safety hazards are also the #1 cause of serious injuries and fatalities, which is why it's so important to find and correct them on a routine basis!



Where do we go from here?

You Don't Have to Remain Vulnerable to These EHS Mistakes

Most small manufacturers fall prey to these same mistakes for the simple reason that they're often so busy and focused on keeping their business running and profitable, that they're never able to give their EHS compliance & risk obligations the time and attention they require.

The bottom line is - becoming EHS compliant and creating a safe work environment shouldn't be so difficult. That's why at Berg Compliance Solutions, we guide manufacturers like yours through the process of creating a fully custom-tailored EHS program.

With our new Guided Compliance virtual training, OSHA & EPA compliance is both easy and cost effective. Not only is it the best way to avoid costly mistakes, but it's a fraction of what it costs to have a full time employee or consultant come in and design a program for you.

To get started, all you have to do is schedule a free strategy call.

Imagine being a respected frontrunner in your industry - having created a safe workplace for your employees, local community and the environment. You don't have to lose anymore sleep wondering if failed inspections and massive fines are around the corner. Enroll in our Guided Compliance program and get the peace of mind you need to continue growing a great manufacturing business.

Schedule a Strategy Call



Berg Compliance Solutions, LLC

**EHS COMPLIANCE FOR
SMALL BUSINESS**

Most small businesses lack the expertise and time needed to navigate the complicated mess of OSHA/EPA regulations, leaving them vulnerable to costly injuries, fines, and lawsuits. Berg Compliance Solutions offers turnkey programs to help businesses get peace of mind knowing they are fully compliant and positioned for success.

Russell Carr
President & Founder

Schedule a Strategy Call

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