Recession Proof Your Ergonomics Program: Create a Value Proposition

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Brief Description: Prepared wisely, an ergonomics value proposition not only supports rationale for resource support during an economic down cycle, but it sows the financial seeds for future investment. The axiom, a safe workplace is a happy workplace, is true regardless of the economic climate.

This paper explores strategies for developing a value proposition that conveys the importance of a fully functioning ergonomics program—and the benefit it drives—to both the financial and employee well-being of an organization during challenging economic times.

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Recession-Proof Your Ergonomics Program by Creating a Value Proposition

The United States is in the midst of one of the most difficult economic periods in its history. From ongoing struggles facing the banking and automotive industries, widespread layoffs to small businesses failures, investments in workforce ergonomics strategies may not be the highest priority for investment dollars or resource allotment. However, now is actually the perfect time to evaluate and reassess your organization’s ergonomics program to ensure its value proposition is optimized for longevity and the value it brings to the organization.

To begin, what is a value proposition? A value proposition is a means to enables firms to correlate that value of a particular program and related activities to the intrinsic worth it delivers to the organization. During difficult economic times, organizations may take proactive steps to identify and eliminate waste (or perceived waste) to ensure core, revenue-impacting programs are supported with the remaining or limited resources. A value proposition is a high-level, yet strategic statement that summarizes a particular program’s worth and is presented in a way that, 1) highlights its fundamental financial benefit to the organization 2) stresses its organizational sense, and 3) exhibits its fundamental contribution to driving operational well-being of the company.

An optimized ergonomics program with a clear value proposition not only makes good business sense as a platform to support enhanced worker productivity, reduced staff downtime and improved worker satisfaction, it also clearly exhibits the organization’s commitment to worker safety and welfare – and ultimately, employee morale.

As a safety or risk leader in your firm, you can help drive awareness about the value that an ergonomics program brings to the organization by preparing a well-constructed value proposition for review by senior leadership. Prepared wisely, an ergonomics value proposition not only supports rationale for resource allocation during an economic down cycle, but it sows the financial seeds for future investment. The axiom – a safe workplace is a happy workplace – is true regardless of the economic climate.

This paper presents a four step approach to developing an ergonomic program value proposition for maximum impact and results. The four steps, as illustrated below, will create a powerful approach that strategically aligns the ergonomic initiative with the present state of the organization as it navigates a difficult economic climate.
Step 1: Create or Refine Your Value Proposition

Going to management and asking for ergonomic chairs may not be the wisest approach if your company is freezing positions, laying off workers and cutting production. Instead, match your ergonomics program to the current state by developing a clear, concise plan of attack and be creative. The key is to understand the economic outlook of your company (e.g. are they acquiring businesses, closing down a line, etc) and identify specific ergonomic tactics that will compliment the company’s economic and strategic position.

What is the best way to understand your company’s outlook? Study your company’s balance sheets, quarterly reports, marketing strategies and growth initiatives. Look for ways to match your ergonomic efforts to core values, initiatives, and bottom line revenue goals. For example, if your company is freezing non-essential spending, laying off workers, or producing negative financial results, your value proposition should clearly pinpoint ways to improve efficiency and throughput given a reduced workforce.

You should use measurable performance indicators where possible to show direct correlation between strategies and outcomes (e.g., exhibit improved performance before/after a specific ergonomic tactic is implemented). For example, if the company implements an ergonomic claim management program the projected return on investment is 30% reduction in the total net incurred costs over the next two years. Concrete figures to support initiatives will go a long way to 1) obtain buy-in and 2) demonstrating value.

Another tactic is to meet with internal and external program stakeholders to develop an ergonomic program SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis (See example below). This approach will enable you to establish the program’s strengths/weaknesses and opportunities/threats from those who are impacted by the program. This SWOT analysis and candid feedback from supervisors, managers, employees, vendors, etc., will provide a firm baseline for developing your value proposition.

Once the SWOT analysis and employee feedback is gathered, collate the data into critical variances or gaps that need to be addressed in order to improve the program. Write a brief
strategic plan (e.g. 1-3 pages) that includes a mission statement that acknowledges the current organizational climate, including stakeholder perceptions. Be realistic about your access to resources, current market share/share price and the financial well-being of the company. When you clearly understand the current conditions of the organization – and its strategies for weathering the recession – you then have the means to develop a successful strategic plan that supports your value proposition. Now, you have a well-constructed springboard from which to engage senior leadership.

Step 2: Secure Executive Sponsorship

In this challenging economy, networking is in, silos are out. After preparing the strategic plan, meet with a high-level executive for feedback and sponsorship. Seek out an executive that is not in your line of reporting for a balance and fresh perspective. If comfortable, secure a mentor and obtain presentation input; even solicit advice from cross-functional risk areas within the organization.

Develop a brief executive summary that “sells” the merits of your plan. If your plan is sound and matches the current direction and economic dynamics of your organization, you will have a fundamental argument to sway favor and sponsorship from top executives. The resulting sponsorship will create instant credibility for your ergonomics program and senior leadership may even opt to embed it as a vital, value-added operation, which again will help further secure its future.
Step 3: Execute!

In a healthy economy, close examination of the success of a new loss control program by senior management may not be as rigorous in the euphoria of growth and excellent sales. But in a recession, every investment, every employee, and their productivity, is under scrutiny. It’s critical to the overall success of the plan to demonstrate superior execution skills.

If you hit any roadblocks, check in with your executive sponsor and let them help you clear the way. Use project plans and/or six sigma tools and techniques to keep you on time and on track. An example of the Six Sigma DMAIC process is shown below and is a standard tool for measuring the effectiveness your implementation. The precision in which you produce results will elevate your value proposition in the company. Develop a reputation as a “Waste Eliminator” and “Efficiency Generator.”

DMAIC Flowchart
Step 4: Showcase the Results

Convey your results clearly and professionally to ensure that the return-on-investment (ROI) conclusions you propose are supportable, whether they be through time-motion savings, new efficiencies, and/or reduced exposures. Become conversant and comfortable when speaking the “ROI language” and understand the key nomenclature of executives. If “cost per full time employee” is a key metric, then base your results on this metric and be ready to support your findings. Present your results to the executive sponsor and solicit feedback on how best to get the message out to the organization. Use 5S (Sorting, Straightening, Systematic cleaning, Standardizing, and Sustaining) message boards to show before and after images to clearly demonstrate the ergonomic program in action. Leave no doubt in the minds of leaders and employees of the powerful and positive impact ergonomics can have on the organization.

Value Analysis Calculator (Sample)

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<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
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<td>Quarterly total</td>
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<tr>
<td>Cumulative value</td>
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<td>Ongoing investment</td>
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1st year net return $991,000
Break-even point 4th Quarter
ROI (1st year) 90.17%
Conclusions

Difficult times call for smarter strategies. How you market, present and stress the value of your ergonomic program could mean the difference between a fully sustained program and one that founders due to diminished resources and support. “Business as usual” is not the credo to follow in this economy.

Stating your value proposition and executing cost-effective solutions tied to return-on-investment is essential to successfully navigating your ergonomics program through this recession. A well-constructed value proposition can convey the value and vitality of the program to the benefit of both short and long-term success of the company.

Below is a checklist for recession-proofing your ergonomics program:

- Establish a scorecard for your program
- Sharpen your ROI metrics
- Promote effective programs/Cut ineffective programs
- Publicize ergonomic success stories
- Recognize ergonomic champions
- Intensify collaboration with operations
- Deliver more than you promise to internal/external customers
- Network with key internal/external stakeholders
- Manage resources effectively
- Be more visible with management
- Look for vendor discounts/re-negotiate contracts
- Partner with risk management

And remember, the four step process to creating a value proposition, will secure your program and enable exciting things to flourish even during difficult economic conditions.

Contact Aon

Contact Aon’s Ergonomics Group for help in developing value propositions, success/ROI metrics or lean strategies for your ergonomics program.

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