

Building a Business Case for Ergonomics

The First Steps

- Understand the business (from senior management's perspective)
- How is financial information presented at your institution?

The Next Steps

Identify information and resources for a program that will demonstrate value and improve health, wellness, and/or productivity at your facility.

- Are there federal mandates that can be positively impacted?
- How does your proposed program help solve the company's problems?

Websites – Injury Cost Calculators

- OSHA Safety & Health Management E-Tool:
http://www.osha.gov/SLTC/etools/safetyhealth/mod1_estimating_costs.html
- Puget Sound Human Factors and Ergonomics Society:
<http://www.pshfes.org/cba.htm>
- Canada: http://www.osach.ca/misc_pdf/InjuryCostCalculator.pdf
- New Zealand: <http://www.acc.co.nz/injury-prevention/work-safety/ip-cost-calculator/index.htm>

Data needed:

- # of injuries
- # of time loss days
- Total cost of injuries
- Disability costs
- Cost of ADA accommodations
- Profit margin of institution

Other valuable info

- Impact to patients – safe patient handling, patient satisfaction
- Regulatory compliance impact
- Impact to insurance costs
- HR – retirements, turnover, etc. related to on the job injuries
- Cost of replacement staffing during time loss
- Errors/incidents related to temporary or agency staffing or shortage of staff



Business Case for Ergonomic Calculations

Position: _____

of employees in this job/dept/org: _____

of WRMSD claims for this position per year: _____

Direct costs of injuries					E. Indirect costs= 3-5 times direct costs = _____	Claims	Note: Does not include costs for replacement staff and/or loss of revenue	
A. Time loss cost =hrs x wage	OR	Worker's Comp time loss wages (if self insured)	B. Medical Bills	C. ADA accommodation	D. Total Direct costs (A+B+C)	F. Total cost of single injury=D+E Enter value below	G. = # of injuries for this position	H. Total Cost of Injuries (F x G)

Total cost of injury (H. from above table)	I. Cost of Prevention	J. Equals Potential Savings (H-I)	K. Divide by % Profit Margin for Organization	L. Equals increase (\$) in revenue to produce same effect

This is a simplified version of a complex process designed to give you a point of reference to work from. Recognizing that each organization has unique circumstances, no liability is accepted for any loss or damage resulting from the use of this content. Additional information on understanding the impact of injury on your financial bottom line can be found at www.essentialworkwellness.com as well as the websites listed on the reverse side of this page.

