



A Utility Industry **Safety Reality Check**

How a better safety culture improves
employee retention, decreases safety
incidents, and boosts your bottom line.

A Historical View of Safety

Today's utility companies have to engage employees in their own safety. Those that succeed in doing this will be able to retain top talent, decrease safety incidents, and lower operational costs.

PRECO Electronics has a long history of involvement with the utility industry. We patented the world's very first backup alarm as a result of watching workers on dam sites. Ed Peterson, PRECO's founder, noticed that accidents were happening frequently while heavy equipment was operating in reverse. The flaggers used at the time weren't working. The blind spots were too massive for flaggers to be effective on their own.

Ed knew that lives could be saved if there was a better way to warn workers of a reversing vehicle. In 1962, the first electronic backup alarm was installed. Since then, it has become a safety standard on heavy-duty vehicles and equipment worldwide.

Today, PRECO is an industry leader in heavy-duty collision avoidance solutions. We specialize in radar-based sensors that detect and warn drivers when an object or person is in their path.

1947

Dam site safety incidents witnessed by Ed Peterson



1962

First electronic back up alarm installed

TODAY

PRECO is an industry leader in heavy-duty collision avoidance technologies.

A Historical View of Safety

Protecting lives and precious company assets is what motivates the folks here at PRECO. We know the unique safety challenges that exist in the utility industry.

We wrote this book to share some of our knowledge about common safety problems within the utility industry and to educate employees on the safety concerns of utility company executives.

You can read the whole thing from start to end or you can skip to the sections that interest you by clicking on the chapter links.

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PART 2

Creating a Safety Culture

IN A GIST

A safety culture doesn't happen overnight. It is something that must be reinforced daily.

The world would come to a grinding halt without utility workers and the companies they work for. With all utilities have to worry about, safety priorities can easily get pushed down the list.

Safety is oftentimes seen as a financial drain on revenue generating activities. But it deserves to be rethought. Ignoring safety comes at a steep cost. The best way to approach creating a safe working environment for your employees is to create a strong safety culture. Creating a strong culture of safety enables employees to become a part of the safety conversation. They become a source of insight regarding safety instead of a mere liability.

We've created four best practice guidelines for creating a company culture that values safety.



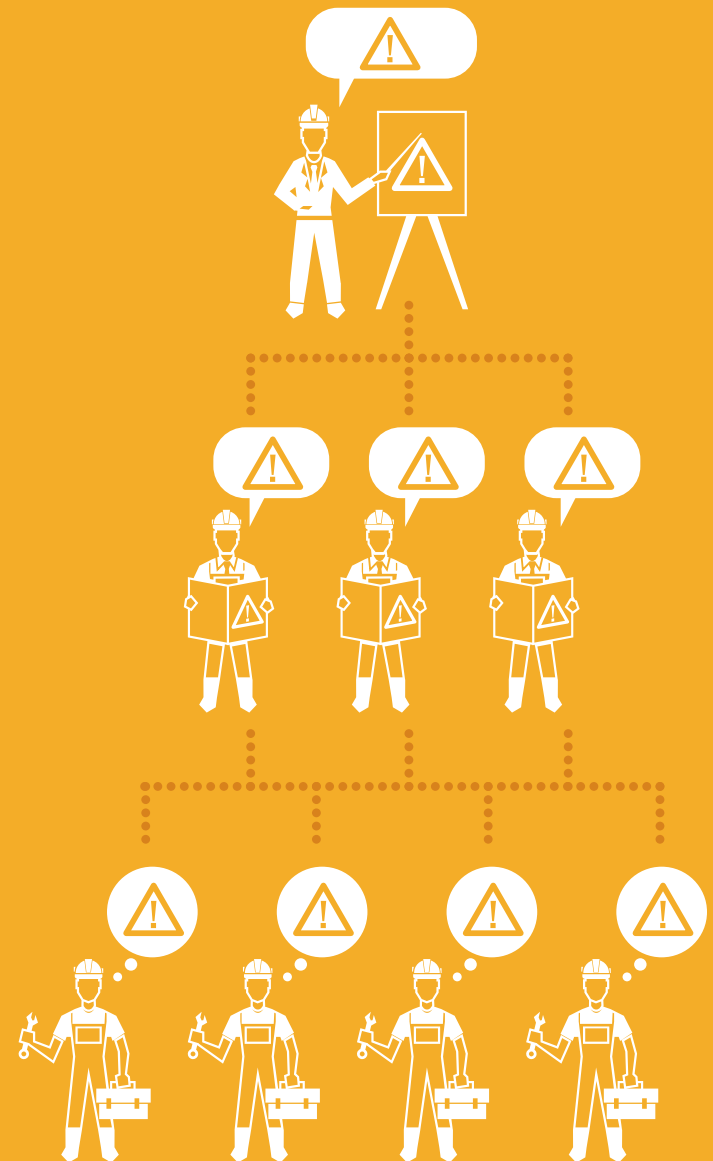
PART 2

Creating a Safety Culture

SAFETY COMES FROM THE TOP DOWN

There is a difference between safety management and safety leadership. Safety management is your foundation. The corporate rules and regulations that govern operations. Safety leadership is the step you take when your company has decided to build a culture of safety.

Employees need leadership that will encourage, recognize, and support them. Failing to do so produces a workforce that follows safety procedures only because they fear getting in trouble. A safety leadership approach will empower employees to choose safety because they know it is the right thing to do.



Creating a Safety Culture

ENGAGE YOUR EMPLOYEES IN THEIR OWN SAFETY

For years, Toyota dominated the market through their lean production system. It was a system that not only increased productivity by cutting waste, it also emphasized teamwork and placed value on stopping production to fix a problem. Meanwhile, other car manufacturers were producing sub-par vehicles and costs due to re-work were going through the roof. This was because they encouraged speed and strongly urged employees to refrain from stopping the production line except in extreme cases.

The moral of the story is that if you engage your employees in the production of a product or creation of safety procedures, you will be surprised by the positive side effects. Safety and productivity are not mutually exclusive.



PART 2

Creating a Safety Culture

BUILD TRUST AND RELATIONSHIPS

Think about your favorite boss. What made them your favorite? Were they relentless taskmasters or apathetic loafers? They probably weren't either. Chances are, your favorite boss knew who you were, knew the names of your spouse and kids, and had an interest in helping you succeed professionally.

In order for any culture change to occur, managers must develop trust and a solid relationship with their workers. If your workers don't trust you, they won't report safety infractions or voice their concerns about safety issues. Remember, safety requires the cooperation and buy-in of all your employees. Good intentions are meaningless if your employees don't trust you.



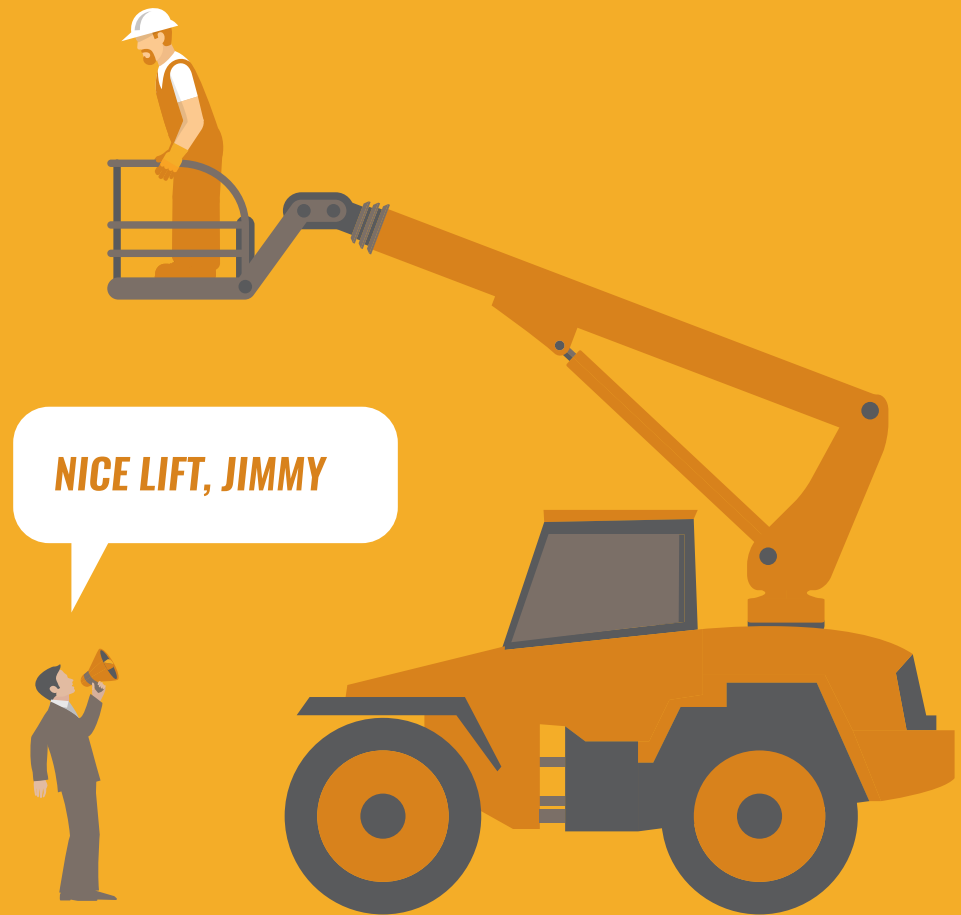
PART 2

Creating a Safety Culture

CELEBRATE SUCCESS

There are a lot of ideas out there about employee recognition and many of them are hogwash. Employee recognition is really pretty simple. If you want your employees to work safely, you reward them when you see them doing just that. And you don't have to reward your employee with a circus or a plaque on the wall. When you see Jimmy lifting with his legs instead of his back a simple, "Good lift, Jimmy" is sufficient. This simple act of recognition and gratitude helps to bolster the production of dopamine in the brain. Increased dopamine levels makes a person more likely to repeat the action that caused the dopamine rush because it feels good.

The important part of a recognition system is that you must reward them when they exhibit the desired behavior. This means being an interactive leader. Walking the floor, talking to your employees, being receptive to their ideas, and rewarding them when they deserve it.



PART 3

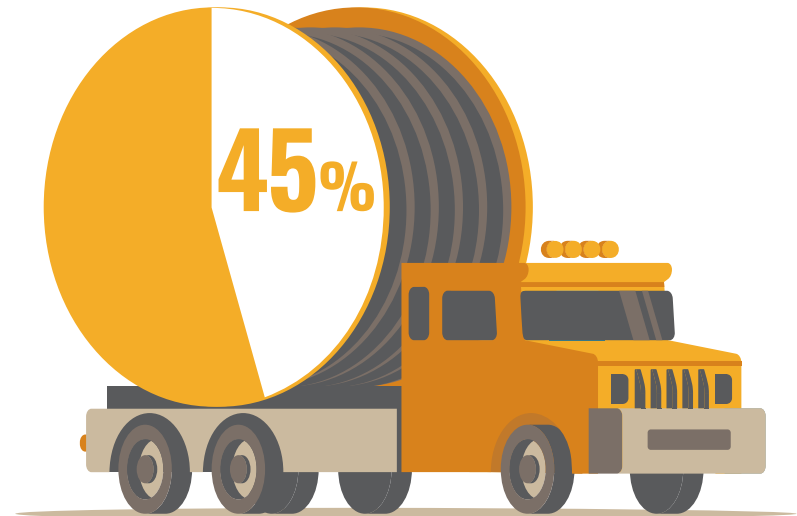
True Cost of Accidents

If there is one thing all utility professionals can agree on it is that blind spot accidents are expensive. **Forty-five percent of PRECO utility survey respondents said that they have had six or more blind spot accidents in the past year alone.**

When you are talking about the cost of a vehicle-involved accident you have to recognize that there are different costs involved. There are **DIRECT COSTS**, which are sometimes referred to as insured costs. These are the observable costs that are covered by your company's insurance policies. Examples include:

- Workers compensation
- Property damage
- Injuries
- Legal fees

Direct costs can be extremely expensive. In fact, 57% of utility professionals say that the direct costs of a vehicle-involved accident total \$25,000 or more.



Percentage of PRECO utility survey respondents who said that they have had 6 or more blind spot accidents in the past year.



Potential direct cost of a vehicle-involved accident.

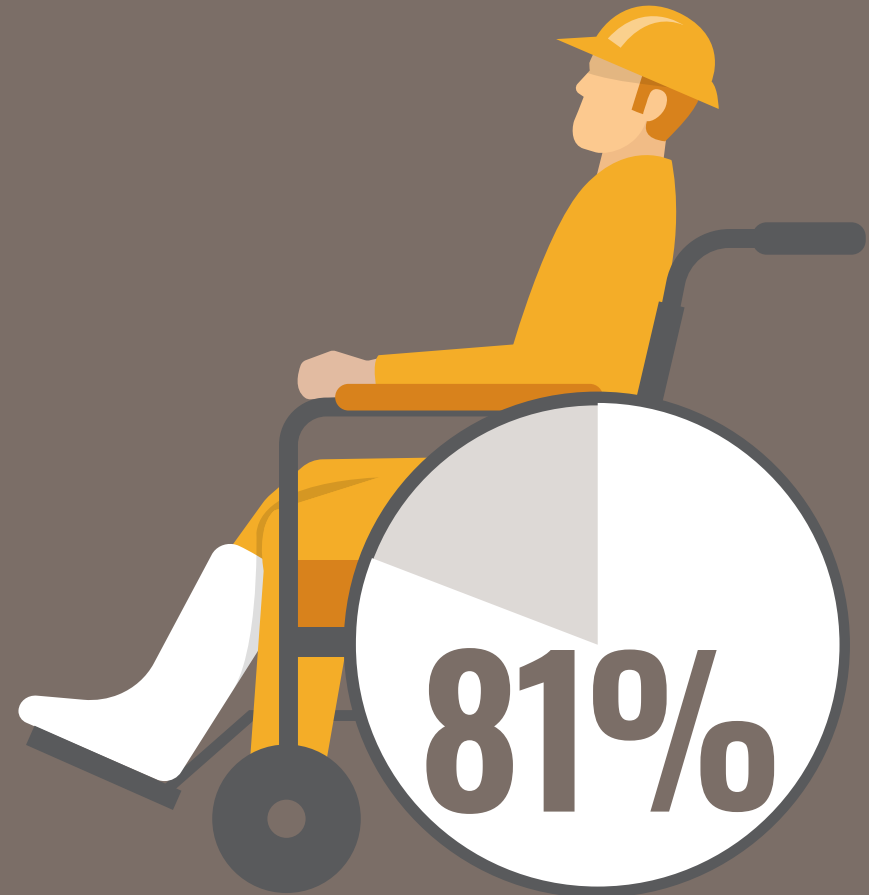
PART 3

True Cost of Accidents

The second type of cost is called an **INDIRECT OR UNINSURED COST**. These costs can be 2-10 times as expensive as direct costs. Indirect costs are those costs that come directly out of your company's bottom line because they are not covered by any kind of insurance. These costs include:

- Lost production time
- Time lost due to hire or train a worker to replace an injured one
- Reduced morale
- OSHA penalties
- Cost of completing paperwork produced by the accident

Utility company executives say that lost production time is the most significant indirect cost. ***Eighty-one percent of utility professionals say*** that employee downtime due to injury significantly affects productivity.



Percentage of utility professionals who say that employee downtime due to injury significantly affects productivity.

PART 3

True Cost of Accidents

There are also **INTANGIBLE COSTS** that come into play during the aftermath of an accident. Intangible costs are usually very hard to measure but that should not keep you from taking them seriously. Examples of intangible costs are:

- Company goodwill
- Company reputation
- Employee morale

Utility providers already have their plates full dealing with skyrocketing costs, the effect of regulations, and skilled labor shortages. Taking safety off the list of “things that keep me up at night” should be a priority.



Safety ROI

Workplace safety is one area where it is never a good idea to cut corners. Particularly in utility industries. Investing in the right safety protocol and technology is a must for two reasons:

- When you purchase safety solutions tailored to fit the needs of your fleet and workforce, you save lives.
- Second, when you equip your fleet and employees with safety technology and training, you save money.

We're talking a lot of money.

The return on investment (ROI) for safety technology is high. When you add up the direct, indirect, and intangible costs that are incurred when a collision avoidance safety system is not in place it's easy to see why it costs less to invest in long term safety technology.

It may help you to think of safety technology like insurance. Sure, you can risk going without, but at what cost? Think of the last time you or a loved one was involved in an accident. Imagine how much it would have cost without the help of your car and health insurance!

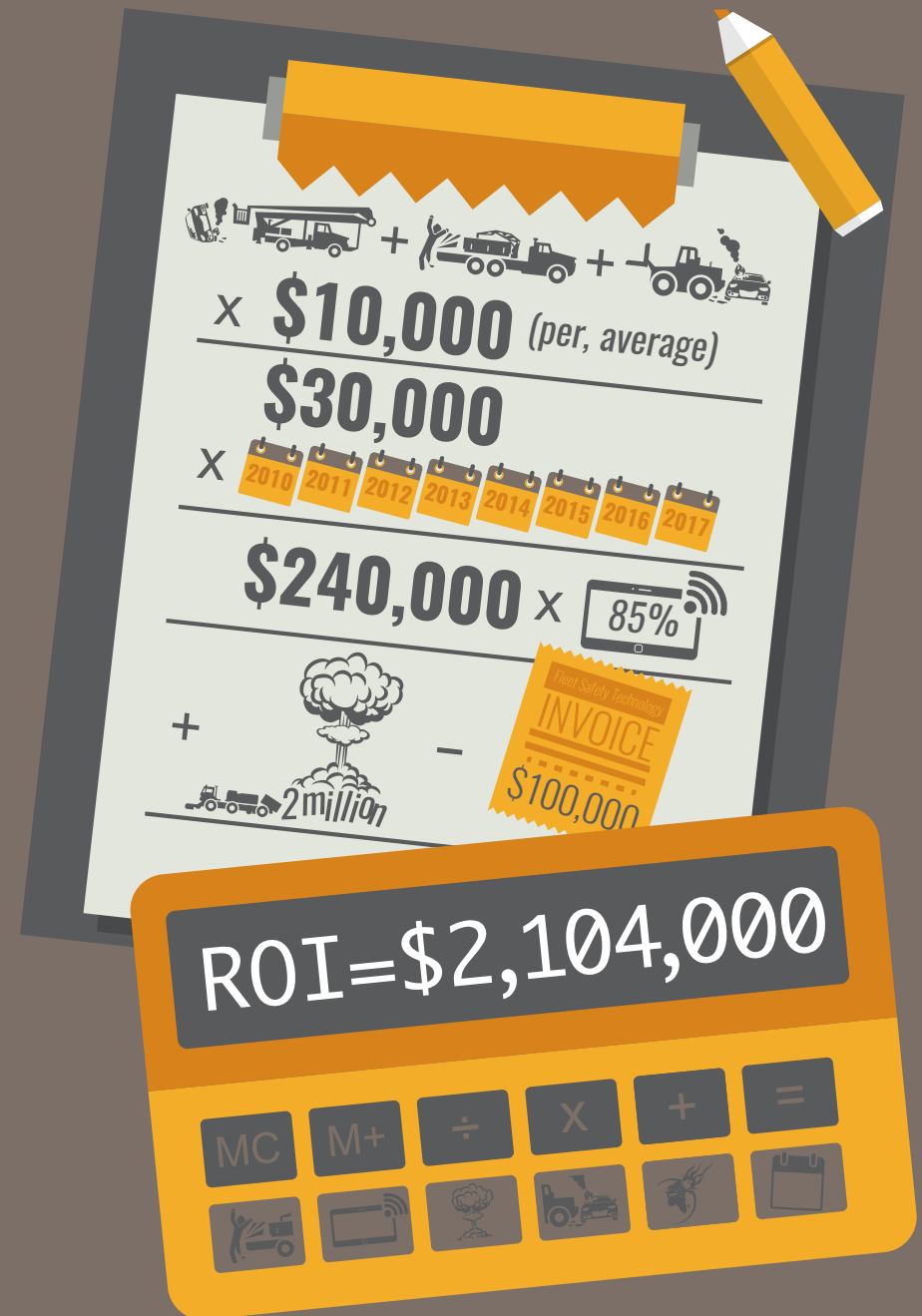


Safety ROI

Still wondering if loosening the purse strings on safety in a tight economy is worth it? Here's a real-world ROI example: Say you average three workplace accidents per year at a cost of \$10,000 per accident. When you multiply that by the number of years your vehicles are in service—say eight—you have direct costs of \$240,000. Put safety technology in place, like a collision avoidance system, and you get an 85% reduction in accidents, just like that. That brings us to a reduced direct cost of \$204,000. You also get a catastrophic accident cost avoidance savings of \$2-4 million (when you calculate at least one catastrophic accident over 10,000,000 hours of vehicle service).

When you add those numbers together, accidents can add a minimum of \$2,204,000 to your liabilities. Subtract the investment (say, \$100,000) for a very large fleet in fleet safety technology, and you get an ROI of \$2,104,000.

That's a serious return.



PART 5

PRECO Proven Safety

We've been making the utility industry safer for over 70 years. We know that while our technology goes a long way in helping to eliminate vehicle-involved accidents, it is just one part of the safety pie. Creating a strong safety culture and using personal protective equipment (PPE) is crucial to ensuring that every one of your employees returns safe to their families at the end of every work day. PRECO will continue to focus on supplying utility industries with advanced safety technology to help make worksites and roadways safer.

Installing collision avoidance solutions on vehicles helps to significantly reduce struck-by accidents and fatalities. PRECO's PreView® Radar Object Detection Systems improve driver engagement and situational awareness in real time. Our systems are designed to work with any vehicle or equipment type and the blind zones that come with them. We understand that the mix of oversized equipment, service trucks, environmental conditions, and people on a worksite can create dangerous conditions. This is why our systems actively warn of potential collisions with both moving and stationary objects.



PreView Plus



PreView Sentry®



PreView Wireless



PreView Side Defender®

ABOUT PRECO

PRECO's mission is to ensure the safety of the world's workforce by designing, manufacturing, and engineering rugged and reliable collision avoidance technology for heavy duty industries.

We are located in Boise, Idaho and we have a global presence with over thirty dealers world-wide.

**This is our website**

PRECO.com

**This is our blog**

<http://blog.preco.com/>

**Here are some inspiring case studies**

<http://preco.com/vehicle-safety-case-studies/>

**Tweet at us here**

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