



## The Power of Risk Management: Profitability Upside, No Downside

- Session Slides and Resources: [staffingworld.net/materials2019](http://staffingworld.net/materials2019)
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American Staffing Association

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**Bill Nagel**

*Executive Director*

StaffPRO3, A Division of PMC Insurance Group



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## Speaker Introduction

3 Years with NCCI - National Work Comp Rate Making Organization

8 Years as Staffing Service Franchisee to RVP to SVP to Owner.

23 Years as Founder to Seller to Purchaser of National Risk Management Firm (RCS) for the Staffing Industry

6 Years as VP and Director of StaffPRO3/PMC Insurance Group, Wholesaler/Program Administrator of Insurance/RM Solutions



Specializing in Staffing Solutions for the Staffing Industry  
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## Power, by Definition

**noun:** 1. the ability to do something or act  
2. the capacity or ability to direct or influence the course of events

**verb:** 1. move with great force

**martial arts:** power = speed and strength/force with the correct technique



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## Goals For Today

- Establish that some risk factors related to losses/costs have changed...and many fundamental factors have not.
- Review the proven Risk Management (RM) policies, principles, procedures and processes that address what has and has not changed.
- Motivate you to act - implement and maintain Best in Class RM that will reduce costs and increase profits.
- Prepare for more changes without losing sight of what doesn't change.
- Get on track to achieving the Safety Standard of Excellence!



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## Profitability Upside, No Downside

### Critical Points

- This session promo exclaims: "No Downside," "It's Simple" and "Increases Profitability." All of this is true but...conditions apply  
***We will discuss these today***
- The single most IMPORTANT purpose of this session is  
**To Protect People!**
  - 4 in every 100,000 employees will die of worksite injuries this year
  - 10 fatalities out of every 100 serious injuries
  - For every 10 serious injuries you help prevent, you save...



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### This Is Why the Best Practices Overviewed Today Are Universally Supported by the Following:

- OSHA
- National Safety Council
- American Staffing Association and all state chapters
- The Majority of Insurance Carriers who write Staffing Services
- Thousands of your peers
- And...You



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### Proven Best in Class Risk Management

- Reduces Accidents and Saves Lives
- Improves the Quality of your Workforce
- Reduces Insurance Costs
- Increases Profits
- Gains and Retains Clients
- Differentiates your company
- Retains Employees/Workforce
- Elevates you to an Industry Leader-SSE etc



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### Best in Class RM = Reduced Losses

- If...
- Drug and Alcohol Abusers are involved in approximately 20-25% of workplace accidents. (Source: Workplace Prevention Programmes)
  - Up to 40% of industrial fatalities and 47% of industrial injuries can be linked to alcohol use and alcoholism. (Source: Business Group Health)
  - Effective RTW programs reduce indemnity claims by 80% and get workers back to work 10 times faster (Source: NCCI)
  - Comprehensive Safety Training reduces accidents/losses by 70% (Source: OSHA)

Then...



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## Best in Class RM Results = Increased Profits



Figures represent 10 staffing firms who implemented RM best practices in year 1, their growth and reduction of workers compensation loss costs. These firms were all light industrial staffing firms who did not change their basic class code mix.

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## Let's Start With a Few Polling Questions

- **How would you rate your current RM program?**
  - [1] Not working very well- We have had a lot of losses/injuries/accidents
  - [2] Fairly well as our losses/injuries/accidents have decreased- somewhat
  - [3] Excellent- We have some of the lowest losses/injuries/accidents rates in the industry
- **Why Are You Here?**
  - [1] To decrease my insurance costs, reduce my losses and increase my profits
  - [2] Learn new and improved Risk Management
  - [3] Both 1 and 2
  - [4] Was required to attend by my owner, manager, etc.

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## Many Things Have Changed, But Many Things Have Not...

- Recruiting/Hiring/Onboarding Processes?
- Candidates and Employees?
- Orientation and Training?
- Assessing Client Safety, Risks, Hazards?
- Clients?
- Accident/Injury Protocols and Claims Management?
- Caring for employees?
- Insurance Carriers who will write Staffing Services?

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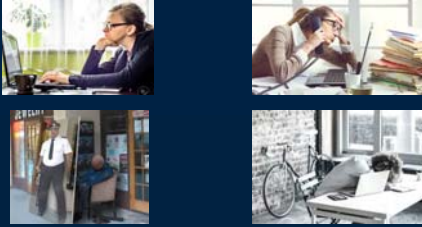
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### Have Certain Types of Workers Changed?



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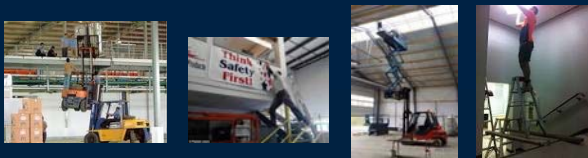
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### Have Clients Really Changed? To What Degree?



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### Sure, Automation and Robotics are Here But what is still the common denominator?



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## Effort Alone Will Not Work...



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## Effort With Proven Direction/Purpose, Knowledge, Training and Technique Does Work

- The RM best practices covered in this workshop
- The analogous best practices advocated and audited within the SSE program

This Includes:

- Screening/Hiring
- Training
- On-site Client Safety Evaluation
- Accidents and Injuries Protocols
- Return to Work Programs
- Choosing the Best Insurance Professionals
  - Agents, Carriers, etc...
  - Marketable Submissions

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## Oh Yeah, One More Important Thing...

- Gestalt theory of "the whole is greater than the sum of its parts" has not changed
  - In viewing the "whole" a cognitive process takes place- the mind makes a leap from comprehending the parts to realizing the whole



Companies which move from implementing some of the "parts" of RM to the "whole" of RM, go from just being **OK** to **Best in Class!**

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## Keep All Of These Concepts In Mind

- Some things change and some things do not
- Effort is important but not without direction, proven technique or purpose
- The whole is greater than the sum of the parts

And...

- How do I help get all of these best in class RM concepts implemented into my company?

**Power to be Profitable!**



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## Cultural Commitment at the Highest Level



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## Company Cultural Commitment at the Highest Level



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## Time for Polling Questions

- **Why do or would candidates work for your staffing firm?**
  - [1] Treated me like a valuable person
  - [2] Provided quality training and job opportunities
  - [3] Paid the most money
  - [4] Other
- **Would you hire the following just to fill a last-minute job order?**
  - [1] Applicant with a bad attitude but has the qualifications
  - [2] Applicant who meets some of the qualifications but has a good attitude
  - [3] Last person on my list because we need the hours/revenue



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## Hiring The Best Employees?



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## Quality of Workforce/Talent Matching

### What's New...

- Screening and Qualifying: On-line, Apps, Better Qualified Sources
  - Qualify with analogous experience
- Physical/Psychological Abilities, Attitude: No ABADA, Essential Functions
- Selective Hiring Tools: Gig, On-line, Social Media, Referrals
  - Integrity Testing- Apps, new and improved
  - Safety training- On-line, Staffing focused LMS
  - Drug testing- Saliva, new regulations
  - Reference checks- Better techniques
  - Background checks- More thorough or targeted jurisdictions



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## Quality of Workforce/Talent Matching

### Dan Struve, CEO, Helpmates

"You can't just send employees out willy-nilly when you get a phone call. You must inspect the work site," Struve said. "Some people think that is going to inhibit the way they do business. My comment is that you are going to pay one way or the other. You can spend the time and effort and money up front to do things the right way, or else you can take huge losses down the road."



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## Yes, It's Time for Polling Questions, Again...

### • Why Do Prospective Clients Partner with You?

- [1] You have the lowest bill rates
- [2] You have a proven track record with other similar industry clients
- [3] You have similar Safety Practices or Best in Class RM
- [4] Other

### • Why Do You Lose Clients?

- [1] You don't fill all their job orders
- [2] You provide less than qualified people, not dependable
- [3] You don't respond promptly
- [4] You raise your bill rates



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## Safe Work Environments/Client Partnerships

### What's New or Not...

- Searching for Safe Clients: Dealing with MSP and VMS- Find a way
- Assessing worksites: Proper forms...What about MSP, VMS?
- Safety Partnerships: Indemnification agreements
- Proactive Education of Clients: Value Add and Safety Partnerships
- The high cost of bad/unsafe clients
- Your reputation in the marketplace...does it matter more or less?
- Workforce Goodwill, what do your employees think?



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## Safe Work Environments/Client Partnerships

- OSHA had almost 30 news releases in August of 2019 dealing with unsafe work environments
- They have a section on their website dedicated to Temporary Staffing: <https://www.osha.gov/news/newsreleases>.

### Scott Bicksler, Lead Safety Manager, Aerotek

"Today's Millennial workforce has sites like Glassdoor where people can write anything they want about their employer. If you have the mark, that is going to be an indication that you as an employer truly do care, that you are looking out for workers' best interest," Bicksler said.

### Tammy R. Eakins, Specialty Underwriting Supervisor, Key Risk (a Berkley Company)

"Knowing your clients is a key element in reducing the cost of claims. Unknown client, unknown exposure"



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## Accident and Injury Management and its Impact

### New and Improved?

- Education of and relationship with Clients-Safety Partnership
- Protocols for accident and injury management
- Triage and Medical Provider Networks
- Case Management
- Return to Work programs, value and cost reduction
- Dedicated and Trained Staff-Don't rely on your insurance professional
- Workforce goodwill



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## Accident and Injury Management and Its Impact

### Adam Hatcher, General Counsel, MAU Workforce Solutions

"Safety and Accident/Injury care are the responsibilities of every employer. It's the promise the employer makes to the employee's family: That they will send that person home the same way they sent them out or give them the very best care if injured"

### Michael Gilmartin, CPCU, Asst Vice President, Specialty Claims, Key Risk

"A solid return to work program with early return to work options is critical and a proven way to lower claims costs and duration. Getting injured workers back to work earlier keeps them engaged and increases the likelihood of a favorable claim outcome."



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## Reduction of Insurance and Human Capital Costs

- Reduced accidents, claims and losses
- Reduced experience modification
- Low loss costs, loss rating
- Fewer accidents and injuries
- Marketability...There are many carriers who will and target staffing service firms. Do you know them all? Why would they all want your account?



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## Marketing of Best in Class Risk Management

### Lightning Round... (attendee participation)

- Why clients look for risk management/safety focused staffing services
- Promoting your Best In Class RM
- In the marketplace and sales presentation
- Consultative selling versus commodity or transactional



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## Marketing of Best in Class Risk Management

**Seiki (Stan) Hirota, Operating Officer**  
HC & Service Business Unit Mitsui & CO, Ltd.

"Best in Class Risk Management is very important in the Healthcare Staffing Industry. Our Marketing efforts as well as Hiring the best employees and working with the best clients, hospitals etc."



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## Marketing of Best in Class Risk Management

**Sharon Davis, Occupational Safety Manager, Elwood Staffing**

"Believe it or not Safety does sell. We have witnessed firsthand how partners really do care about safety. When you have a conversation with clients regarding their incident rates and how that can affect their business or even prevent them from getting new business they listen. They can tell you some stories as well. If safety does not matter to them keep talking and help them understand how a good program can change their business for the better. Associates stay longer, new business is attractive, profits increase.....Talk their language, convert the talk to profits, better products, savings in the long run. Safety can get you in the door by offering value added services. Safety does sell!"




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## Again, Proven Risk Management Works

- Improves the Quality of your Workforce
- Increases Profits
- Reduces Accidents and Saves Lives
- Reduces Insurance Costs
- Gains and Retains Clients
- Differentiates
- Retains Employees/Workforce
- Industry Leader-SSE etc.

Let's look at SSE more closely....




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## SSE

**SAFETY EXPERIENCE Self-Assessment Tool**

As your staffing firm needs to pursue the Safety Standard of Excellence program next? Take the next self-assessment to gauge your readiness. Answer "Yes" responses to the questions listed below in a 30-day period. After you submit your assessment score, the results will indicate what your next steps might be. Results are not intended to be an indication that your firm will earn the SSE program mark but rather a guide to help you determine where to proceed.

Question	Yes	No
1. Does your staffing firm have a commitment to the safety of employees, whether they are employees or not?	<input type="checkbox"/>	<input type="checkbox"/>
2. Does your staffing firm have an internal safety manager or someone dedicated to safety? (not a client)	<input type="checkbox"/>	<input type="checkbox"/>
3. Does your staffing firm speak language, address safety responsibilities of both the staffing firm and the employer?	<input type="checkbox"/>	<input type="checkbox"/>
4. Does your staffing firm have a dedicated staff to manage health and safety programs?	<input type="checkbox"/>	<input type="checkbox"/>
5. Does your staffing firm have a system in place to evaluate possible hazards being your employees, whether on their employer's site or not?	<input type="checkbox"/>	<input type="checkbox"/>
6. Does your staffing firm have a system in place to identify and report safety incidents and/or near-miss incidents?	<input type="checkbox"/>	<input type="checkbox"/>
7. Does your staffing firm have a system in place to define the responsibilities of employees/clients?	<input type="checkbox"/>	<input type="checkbox"/>
8. Does your staffing firm have a system in place to work that has high potential for safety incidents and training for those employees?	<input type="checkbox"/>	<input type="checkbox"/>
9. Does your staffing firm have a system in place to identify safety training for employees and/or clients?	<input type="checkbox"/>	<input type="checkbox"/>
10. Does your staffing firm provide staff assessment program results to clients? (not intended to be an indication that your firm will earn the SSE program mark but rather a guide to help you determine where to proceed.)	<input type="checkbox"/>	<input type="checkbox"/>




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## Safety Standard of Excellence

The scope of the Program is depicted in the graphic below. The best practices contained within the Program refer to

- Staffing Firm responsibilities for to temporary and contract workers placed on assignment at client locations
- Staffing Firms' ability to evaluate, communicate with, and influence clients with respect to temporary and contract worker safety



### Criteria for Assessment

1. Staffing Firm Responsibilities for Worker Selection
2. Staffing Firm Responsibilities for Worker Training and Orientation
3. Staffing Firm Verification of Client Responsibilities for Worker Training and Orientation
4. Staffing Firm Evaluation of Client Safety Culture, Safety Performance, Work Site, and Job
5. Staffing Firm Responsibilities for Incident Management
6. Staffing Firm Verification of Client Responsibilities for Incident Management
7. Contracts
8. Nurse Staffing Firms (Sector-Specific)



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## Company Cultural Commitment at the Highest Level



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## Takeaways...Please

- Regardless of Changes, Best in Class RM can address these changes and protect your workforce...reduce losses and increase profits
- Best in Class RM works and you must find a way to implement these policies, procedures or programs in your company
- All of the proven RM process must be implemented and maintained.
- Find the best insurance professionals to partner with and you can facilitate your RM goals.
- The Safety Standard of Excellence supports protecting your employees, reducing losses and increasing profits



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## Contact Information

### Bill Nagel, Executive Director, StaffPRO<sup>3</sup>

[bnagel@pmcinsurance.com](mailto:bnagel@pmcinsurance.com) - additional details, data, resources, more success stories, etc...

StaffPRO<sup>3</sup>: <https://pmcinsurance.com/workers-compensation-insurance-for-staffing-agencies/>

PMC Insurance Group: <http://www.pmcinsurance.com>

### OSHA

Bill Matarazzo, Directorate of Cooperative and State Programs, [matarazzo.william@dol.gov](mailto:matarazzo.william@dol.gov)

### National Safety Council

Amy Harper, Director of Workplace Strategy and Consulting Operations, [amy.harper@nsc.org](mailto:amy.harper@nsc.org)

### American Staffing Association

Emily Lawson, Director of Education and Certification, [elawson@americanstaffing.net](mailto:elawson@americanstaffing.net)



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Thanks for Attending!



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- 1. Log in to your profile
- 2. Click "Agenda" on the app home screen
- 3. Find the workshop
- 4. Click the "Rating" icon at bottom of screen

Set up your profile and each rating is an additional entry in a drawing for a **FREE Staffing World 2020** registration.



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