

Date: _____

Workplace: _____

Completed by: _____

Making the Business Case for Workplace Safety

CHIEF FINANCIAL OFFICER (CFO) PRIORITIES

1. Control Costs
2. Comply with regulations
3. Support business initiatives
4. Protect/enhance company reputation
5. Everything else (insurance, marketing, employees, investor interests)

PREPARE—BE STRATEGIC

- Network.** Build a relationship with business and financial managers to influence their perception of workplace safety issues. Educate them about how safety activities benefit business initiatives and operations, and let them educate you about their priorities and how they measure performance toward business goals. For example, CFOs rely on lagging indicators of safety performance (e.g., workers’ compensation claims) because they have no experience measuring other “leading” safety indicators (e.g., percentage of employee training completed). Educate them before introducing a new indicator.
- Align safety activities with the business needs of the organization.** Prepare examples of how safety activities align with the organization’s overall business strategy and how safety performance is integrated into business productivity.
- Focus on priorities.** Address the “low hanging fruit” first (e.g., eliminate the most severe hazard or dangerous activity), where the proposal will result in optimal benefits with the shortest payback period.
- Be ready with a counter-proposal.** A successful proposal may require compromise with an incremental approach, building support for the full proposal over time.
- Focus on future investments, costs, and benefits.** Be prepared to show the range of benefits of your proposal and the probability of achieving the goal at a set time in the future. Compile information about past events/actions to document and support assumptions about future investments, costs, and benefits.

MAKE THE CASE

- Speak the language of management.** Use the business and financial terminology and methods of your organization for displaying and communicating information.
- Make the pitch in 10 minutes or less.** Show the problem, solution, and plan of action quickly.



- ❑ **Address risk from management's perspective.** Show how safety can achieve business objectives in the future, such as cost containment (e.g., fewer injuries, lower workers' comp, less equipment damage, etc.) and reduced exposure to fines or citations.
- ❑ **Show payback.** Show a trend that payback will come at set time in the future, and how you will monitor financial performance toward payback. For example, measure lost workday or workers' compensation losses for the last year against investment in safety for the coming year.
- ❑ **Compare your case to doing nothing.** Project the impact on the organization's bottom line if your proposal is not implemented
- ❑ **Know your numbers.** Make sure your financials and other measurements are correct, not manipulated. If you don't know, say you don't know and ask for assistance.
- ❑ **Document your assertions and assumptions.** Document all information sources and assumptions and how you will consistently and reliably measure progress.
- ❑ **Prioritize.** Make targeted recommendations as to how company operations should act on the most important trends you are seeing.
- ❑ **Demonstrate probability of success.** Show probability on a scale familiar to your CFO that your projections will be achieved if the proposal or activity is implemented. This is not return on investment (ROI); it's the chances of achieving the anticipated ROI.