

# Workers' Comp

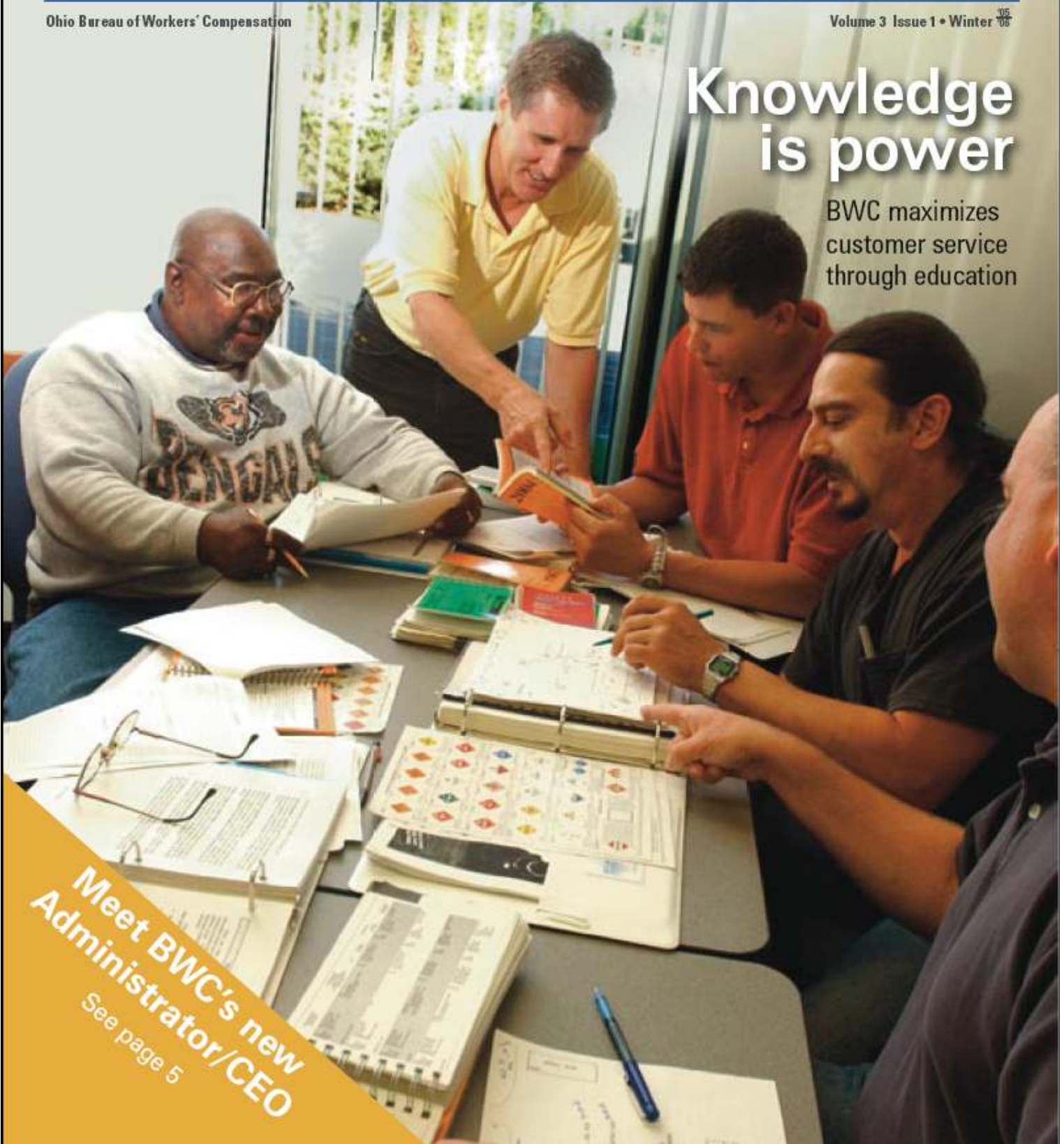
Q U A R T E R L Y

Ohio Bureau of Workers' Compensation

Volume 3 Issue 1 • Winter <sup>05</sup>/<sub>06</sub>

## Knowledge is power

BWC maximizes  
customer service  
through education



Meet BWC's new  
Administrator/CEO  
See page 5



## Cleaning company gains tidy edge on competition



Company photos courtesy of Scioto Corp.

**Polished pride:** Employees at each Scioto Corp. job site take pride in setting their own safety goals, which managers compile into companywide goals.

Roundtable features BWC customers and partners sharing their views on workers' compensation issues and events.

Here we highlight Scioto Corp., a commercial and industrial cleaning and supply company that services several million square feet of facility space daily. With clients like The Ohio State University, Nestlé and several school districts, the company claims to set "the new standard in cleaning."

However, it has been by setting new standards in workplace safety that Scioto is achieving truly phenomenal strides in workers' compensation. Management says tidying up its own shop – safety-wise, that is – is sharpening the company's competitive edge.

### Inherent challenges

At any moment in time – 24 hours a day, seven days a week, 365 days a year – "somebody is working somewhere" for Scioto Corp., says Tom Kruse, chief executive officer (CEO).

The sun never sets on this growing company, which got its start 30 years ago cleaning legendary golfer Jack Nicklaus' Columbus office that overlooked the Scioto River. That's where Kruse's dad, who founded the company, coined the name.

Working at such off-site client locations is par-for-the-course for Scioto's employees. The Marysville headquarters and Columbus and Cincinnati satellite offices are administrative and warehousing hubs. Most of its 364 full-time and 60 part-time associates report to work at facilities other than their own.

These factors create major safety challenges for Scioto's management. Running three shifts a day, year-round – at various locations, in different cities – isn't easy.

"The biggest challenge is ... that we're not under one roof. We are spread out," says Matt Niswonger, safety and benefits administrator. "We're from Cincinnati to Dayton to Columbus to here (Marysville).

"And it's not our facilities that we work within," adds Niswonger, describing the company's second challenge. He says operating around the clock with three shifts of employees every day of the year is the company's third major challenge.

### Laying the groundwork for success

Scioto took a giant step in confronting these challenges by appointing Niswonger to his current position in 2002. Having previously managed employees in the field for eight years, he was already familiar with operations.

"We have someone who's just passionate about safety," says Kruse. "We're lucky that Matt is excited about it – that he can get people on the job site or the managers excited about it, and that's been important to us." The CEO advises other companies to take heed.

According to Kruse, if your safety officer isn't passionate about the job, employees will "see right through the fact that you're not sincere."

Kruse also advises other companies to use BWC as a resource to build their safety culture.

"Work with them, and get some direction and get some input," he says. "Build a relationship there. Otherwise, you're really only getting half the equation if you're leaving them out of it. If you're only looking at them from a claims management standpoint, you're missing half the message."

Scioto has followed its own advice. After assuming his new job, Niswonger began working with Tobin Stuver, a BWC employer services specialist, to better manage Scioto's workers' compensation costs. In addition to addressing existing claims-management concerns, Stuver also suggested the company take advantage of the many value-added educational services the bureau provides, such as training classes and safety programs. These services are available at no additional cost to Ohio employees as part of their workers' compensation premiums.



**Checking it twice:** Focusing on safety is also part of the job for Scioto Corp. employees.





Photo by James D. DeCamp

Heads together: Chip Niswonger, Tom Kruse, Shane Losey and Matt Niswonger discuss employee safety.

And take advantage, it did! According to Stuver, Scioto has “five pages of safety class participation” since July 2003 – a distinction he bets “no other employer in the state of Ohio” can claim.

In addition to safety classes, Scioto’s managers attend BWC’s annual Workers’ Compensation University and safety congress. They participate in the bureau’s Drug-Free Workplace Program, Premium Discount Program +, transitional work and their local Union County safety council, where Niswonger is on the executive board.

By hiring a dedicated safety administrator and using BWC’s value-added services, Scioto has laid a strong foundation for a successful safety program.

### Homegrown innovation

In addition, the company has developed an impressive intranet system, which Niswonger says puts Scioto “under one electronic roof.” The company rolled it out last year.

Managers use the system to combat the company’s three inherent safety challenges all at once. It helps them minimize the risks of being spread out at different job sites, running three shifts per day year-round, and having employees work at facilities the company does not own.

The innovative homegrown system tracks safety incidents and training by employee, location and date. Scioto managers continuously update the site so they always know how they are doing safety-wise and what training they need to provide.

“It’s basically the whole accident report online,” says David Anderson, chief financial officer.

He says the system allows managers to run reports, look at particular types of injuries and determine trends. Managers can then focus training to combat any disturbing trends.

“That’s when you truly know that you have a behavior-based [safety] program in place – that ... managers have the ownership to ... change the training based on what’s going on,” says Chip Niswonger, president and chief operations officer (COO).

Steve Gadd, who manages employees in the field, agrees this is a major benefit.

“What it does for me is it gives me that quick snapshot,” says Gadd. “In the past, you’ve done accident reports and they’ve gotten lost in the shuffle somewhere. It just helps you find a way to ... get to some root causes [of accidents] and maybe then we can do some training.”

In addition, the system allows managers to compare safety goals to actual performance. Employees at each job site set their own safety goals, which managers compile into companywide goals at the beginning of every year.

“When something happens in the field, you can easily put it in context to what our goals are,” says COO Niswonger. By looking at each accident as more than an isolated incident, they learn how to continually improve employee safety, he says.

The system is an indispensable safety tool for account leaders like Shane Losey, who work directly with associates. He also heads the company’s safety team, which sets the monthly training curriculum for employees.

Losey views his role “as the first line of defense” for employees. He says he uses his safety training and knowledge to help employees stay safe.

### Competitive advantage, winning results

Helping its employees create the safest workplace possible is proving profitable for Scioto, in more ways than one. Institutionalizing safety throughout the company has boosted employee morale and reduced direct costs, managers say.

Since renewing its focus on safety in 2002, the company dramatically reduced its total work days lost due to injury from 454 to just 42 days in 2004, and 24 days for the first half of 2005.

However, Scioto remains penalty rated while it waits for claims from prior years to fall off, says Stuver. But all factors – especially the numbers – now indicate it is on the right track.

This year, for instance, the company will have reduced its workers’ compensation premium by 42 percent, because of its improved safety record and participation in BWC programs and services. Kruse says this allows Scioto to market and bid client jobs more competitively, reinvest in safety programs and improve employee benefits like health care.

Although the entire 42-percent savings doesn’t automatically drop to the bottom line, it will add 2 percent to the company’s gross margin – “a pretty big number,” says Kruse.

He emphasizes it is about more than just numbers, however; it’s about the safety of his employees.

“In the end, that’s what it’s all about for us – anything that we can do to support having better people than the competition ... having the best people on the job site,” Kruse says. “Anything that we can do that will feed back into that ... business model, into that approach, is pretty much the reason why we’re toiling away here.” ❖ — CTB



Clear results: Improved safety initiatives at Scioto help to increase employee morale.