

HOW TO RUN A MONEY -

encounter the same safety hazards.

After you've set your goals and decided on individual or team structure, it's time to write the program rules. Rules should always, like the program goals, be simple, straightforward and specific. They must also answer these questions:

- When will the program run?
- Who is eligible to participate?
- How will workers achieve awards?
- How are workers disqualified?

If there's a golden rule for writing rules, it's "keep it simple." Rules should always be free of industry jargon, easily understood, specific,

straight forward and above all, fair. Get a second opinion before officially releasing them by giving a copy of the rules to several potential participants for feedback.

If they don't understand them, others won't either. Go back to the drawing board and carefully edit and rewrite the rules until they're clear.

Safety Program Budget Worksheet

1. Establish your annual cost of accidents. You can use the all-industry analysis (\$540 per employee) if company statistics are not available. If you think your industry is less dangerous than most, lower this figure. If you think it is more hazardous, raise it.

Annual cost of accidents: _____
(\$540 x number of employees)

2. Pro-rate this annual cost by the length of your anticipated program (e.g., if your program is planned for two years, multiply by two.)

Cost of accident for program period: _____

3. Establish a percent goal for reduction in accident.

Anticipated % of accident reduction: _____

4. Multiply the anticipated percent of accident reduction (3) with the cost of accidents for your program period (2).

This is your anticipated savings: _____

5. You may apply 50 percent of your anticipated program savings as your working budget.

This does not mean you will spend this amount. Since most of your budget will be expended on awards, your actual costs will be directly related to the results you achieve. If you achieve 100 percent success with your program, you will spend your entire budget. If results fall below projections, you will spend less than budgeted.

Working budget: _____

6. Now deduct 10 percent of the balance, to be used for promotional expenses.

Balance less 10 percent: _____

7. Divide the remaining working budget by the number of program participants. The resultant dollar amount is the per unit award amount you can spend. The actual number you will eventually purchase at the program's close will depend on the number of participants who have met the program objectives.

Per unit award amount: _____

3. Building the Budget

The budget for a safety program should be broken down into three major cost categories: administration, promotions and awards. But the following factors should also be considered when determining the budget:

- The number and type of program objectives
- The number of participants
- The cost of awards desired by your participants, taking into account their demographics and preferences of potential awards
- The length of the program
- The time and cost of necessary training
- The cost of program administration, including program promotion
- Rate of employee turnover. Not only does high turnover increase the risk of accidents, but new employees must be informed and trained about safety issues and the safety program.