

SAVING SAFETY PROGRAM

- Financial commitment from management

Incentive experts recommend spending a maximum of 50 percent of the anticipated savings you expect your program will produce. This is generally computed by multiplying the cost-per-accident amount by the percent reduction. The final figure will represent your working budget.

As a rule of thumb, awards should make up 60 to 70 percent of the total budget, with each prize representing 2 to 5 percent of each participant's total income (i.e., a \$600 award for a machinist who earns \$30,000 per year). In a short program (three months) the award should be of higher value to produce quick results. Another rule of thumb: the higher the participant's income, the more valuable the award should be to motivate outstanding performance.

Training should account for 10 percent of the budget, depending on the amount and complexity of the safety goals. Budget another 10 percent for program promotion with the remainder going for administration. This is an important element of an incentive program, especially if participants need training to improve their performance.

4. Administering the Program

If your program does not require the services of an incentive house or special safety administrator, administrative costs will simply be part of your current costs of doing business.

Administration includes enrollment and database maintenance, points and award tracking, updating and mailing of performance standings reports, preparing management reports, collecting data for 1099 and/or W-2 forms for winners and conducting a post-program evaluation. Following is a checklist of these important administrative tasks:

Enrollment: Have each participant fill out an enrollment form or card with information including his or her name, address and social security number.

Participant Database: Use the enrollment cards to create a database of participants.

Send promotional mailings: Information

Know the Players

Before the program is launched, pinpoint your target audience—those who will participate in the safety program and help the company achieve the objectives outlined in Step 1. You'll need to do some research at this point. Knowing the role the target audience has in the company is crucial because you can then determine if the safety objectives are appropriate and attainable. If not, you may decide to come up with a new set of objectives altogether.

Begin by developing a profile of the players in the target audience and inputting the information in a computer database. How is each person involved in day-to-day operations and what are the risks involved in their job? A participant profile will give you a broad picture of each person's contribution to business, the safety hazards involved in their jobs, and show you exactly who needs to work most at on-the-job behavioral change.

from the database can be used to generate labels for promotional mailings. Promotional mailings keep interest in the program alive.

Track awards: The database tracks award credits or points and notifies winners quickly of their status. Fast, accurate payoff helps maintain motivation—of the winner and his or her co-workers.

Distribute management reports: Keep reports for top management on the progress of the overall program and participants.

Gather earnings/tax reporting information: At the program's completion, 1099 and/or W-2 earnings data must be provided for tax purposes. Don't wait until the program's end to collect this information.

Analyze program results: Set up a system that will help you evaluate results. Compilation and comparison of your tracking data will be critical here, but you should also create a questionnaire to solicit input from participants.

5. Selecting the Right Award

Award selection criteria rarely varies from