

*hile group*

# AWO Safety Statistics: Where are we?

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# First, why measure?

- Keep others from getting hurt
- See trends in the industry
- Look for opportunities to trade prevention information
- Get a sense of the cost – or cost savings – of weak and strong safety performance
- Show what the industry can do

# What we look at

- Fatality rates
- Recordable injury rates
- Lost time injury rates
- Man-overboard incidents

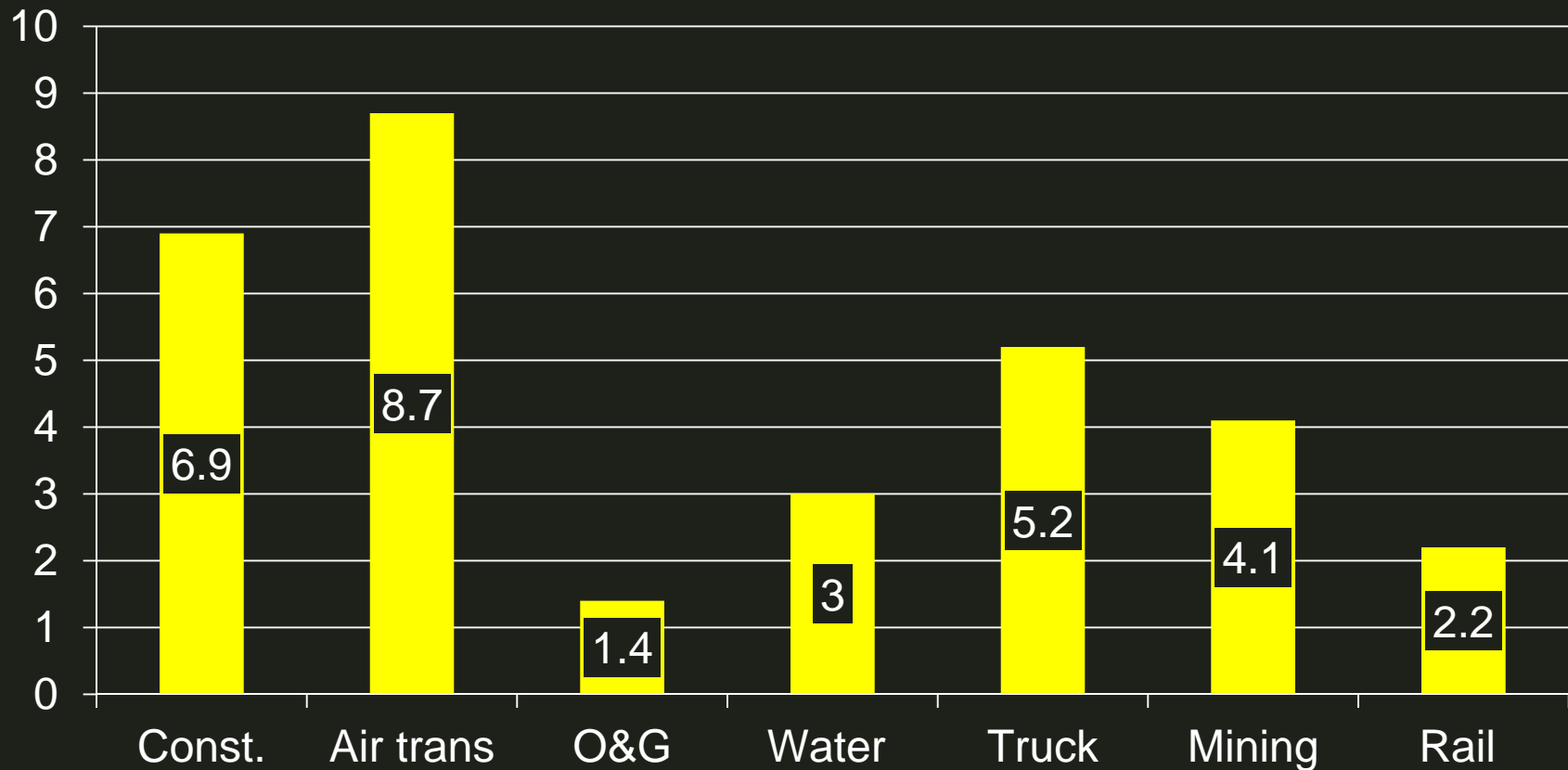
***So, how are we doing?***

# Recordable injuries, 2003-2009



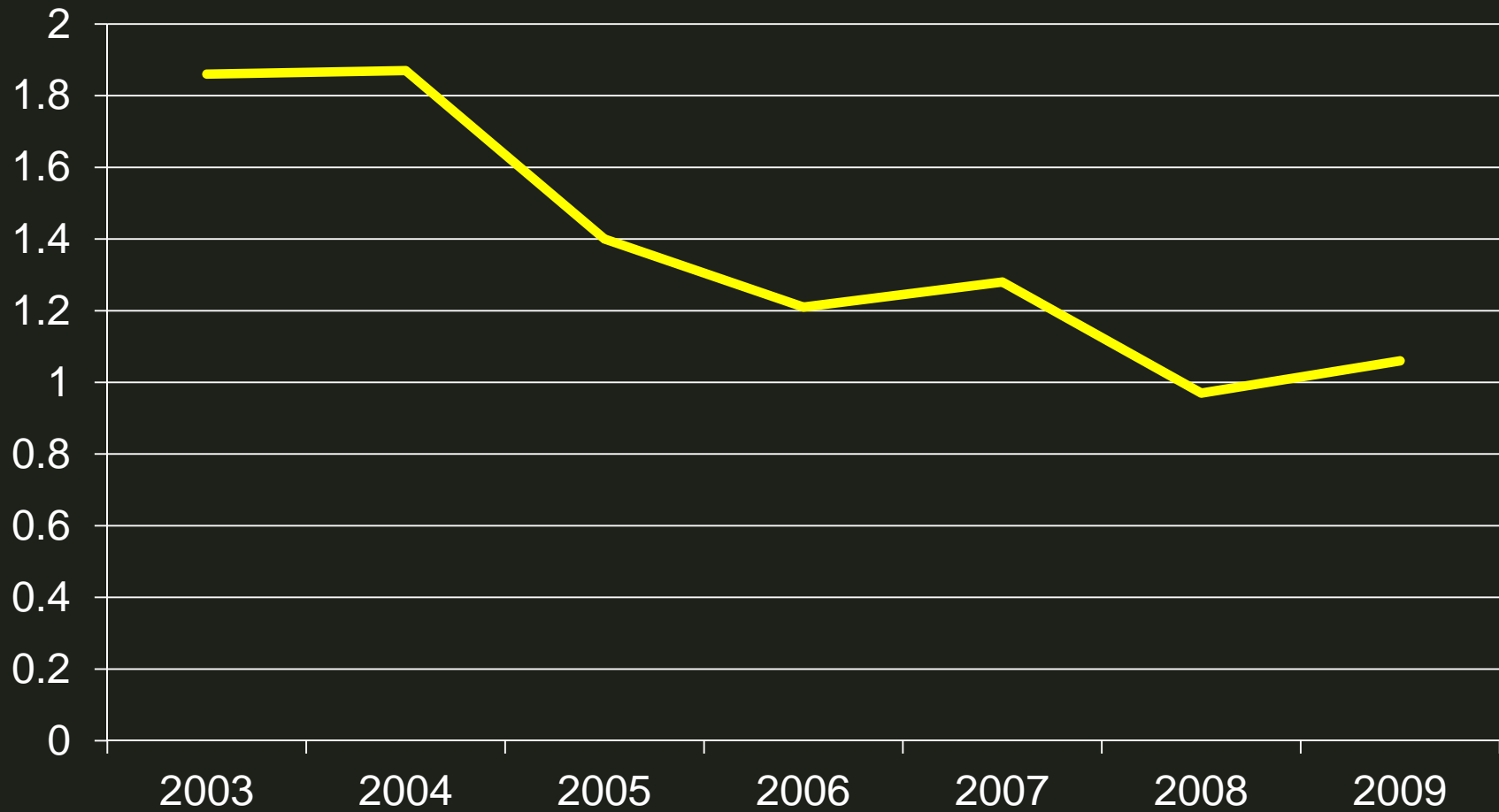
# Cross-Industry Benchmarking

## Injury Frequency Rates



Source: U.S. Bureau of Labor Statistics, 2009

# Lost time rate, 2003-09



# Fatality rate, 2003-2009



# Overboard rate, 2003-09

Series 1



# Overboard conclusions

- It's not something specific
- It's about the same things that get people hurt
  - Routine tasks
  - Unchecked shortcuts
  - Complacency
  - Weak/lack of structured audit program

# Overboard re-focus

- Task committee with more detailed follow-up:
  - Call-backs to confirm account
  - Experienced examination of key contributing factors
  - Take a second cut at the questionnaire
    - Fatigue
    - Distraction
    - Supervision/Job brief



# Trends

- 2010 is right around 2009, thru 2ndQ
- Trend line down, but gradient not steep
  - Rates are relatively flat
  - No real statistically significant changes in past few years
- Of those who report, the signs are good within AWO members

# Food for thought

- AWO reporting companies are as good, or better, than other modes in the US on safety, but . . .
  - Data set is from “self-selecting” group
  - Probably predisposed – and capable – to set up and run safety programs
  - Probably fairly active in the voluntary self-policing programs that exist
- Is it important to broaden the data set?

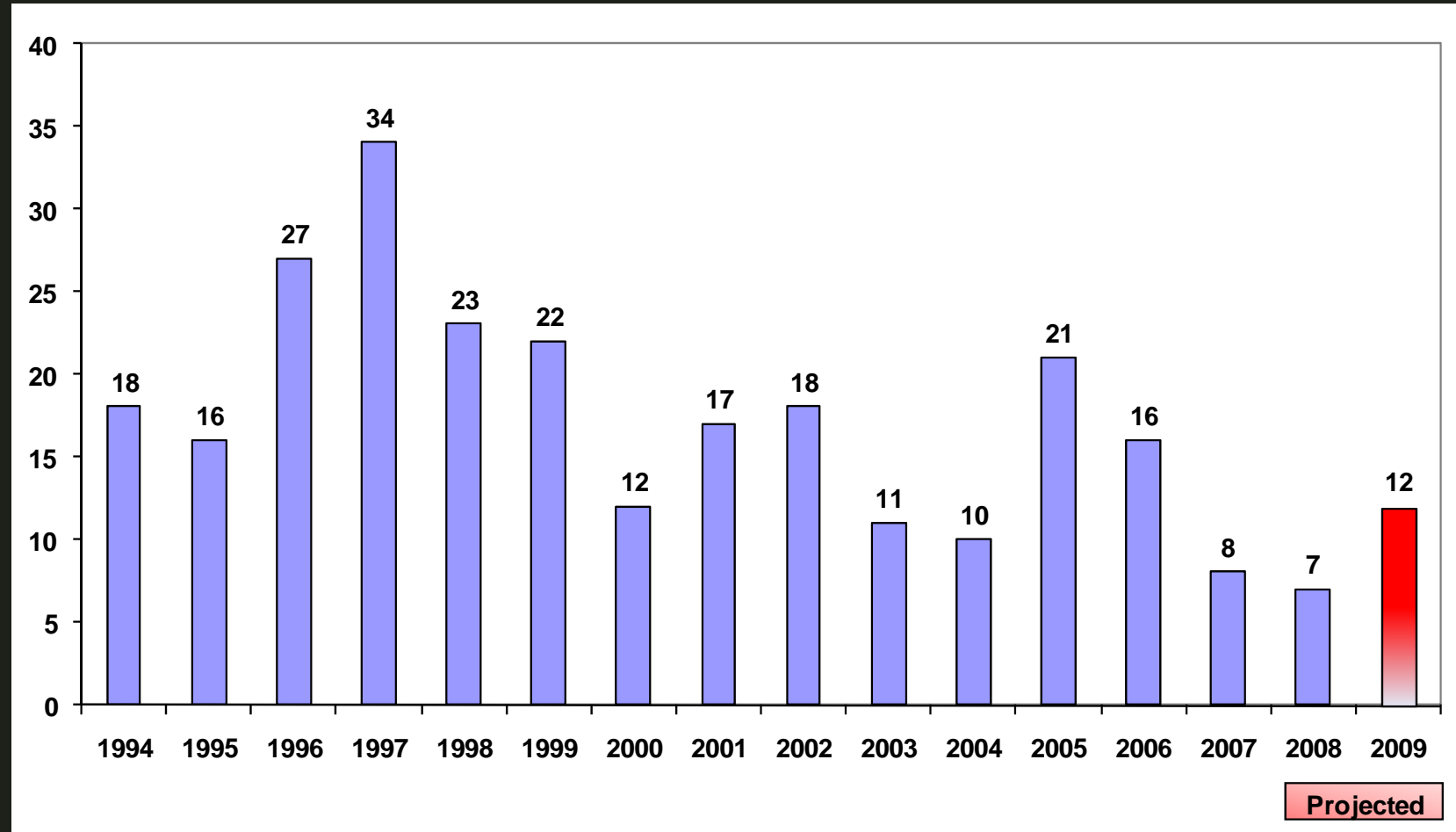
# AWO's investment

- Investment and discipline in reporting has produced
  - Solid, extended, statistically valid picture of reporting companies' performance
  - Clues to next level of inquiry
  - Opportunities to influence secondary subcontractors
  - Demonstrated safety commitment from industry to customers, regulators, public

# What does the USCG track?

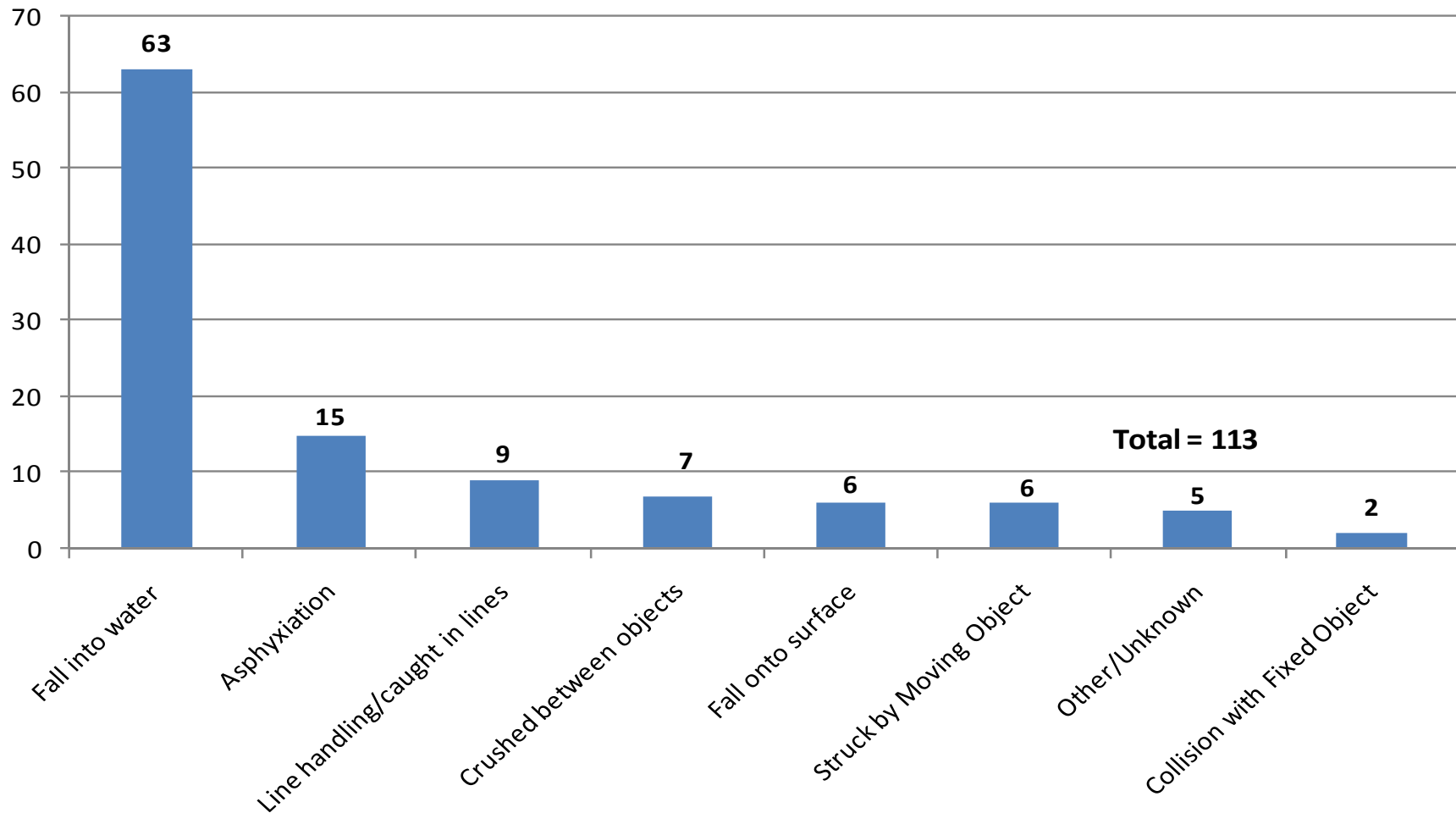
- Severity
  - Injuries
  - Marine vessel casualties
- Towing accidents by type
- Towing accidents by severity
- Gallons spilled p/MM gals transported
- Gallons spilled overall
- Crew fatalities

# USCG Fatality Data



# Fatality/Overboard

Fatalities By Accident Type, 2000 - 2009

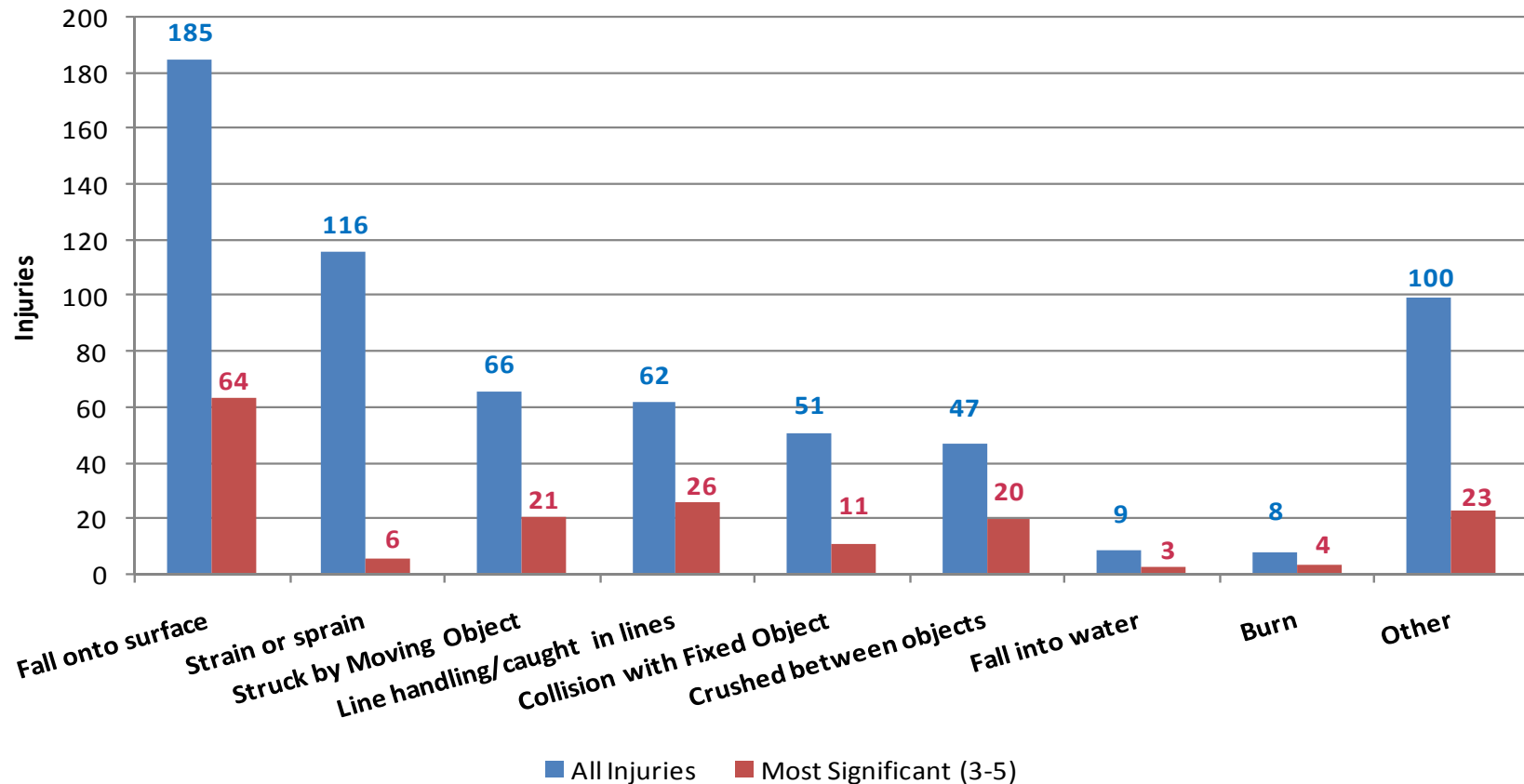


# Data disconnect

- Of AWO's reporting members, fatalities are nearly invisible
  - The fatality rate is based on 0-2 fatalities per year
- Of AWO's reporting members, man-overboard rates are similarly small and stable
  - Does not track exactly with USCG numbers for rest of industry

# USCG Injury by Type

## Towing Injuries By Accident Type, 2006 - 2009



# Next steps for AWO

- What about non-reporting members, and non-reporting non-members?
- What influence do they have on overall industry statistics?
- Where can AWO “fill out” the data that we have?
- Change focus of fall overboard analysis efforts

## Ops and Safety

- Is it really true that “Safety is Our Goal?”
- Good bumper sticker, but in the real world, it’s like this:
  - Goals are multiple
  - In business to carry out the project as designed . . .
  - At the price/cost that was established, and
  - Make a profit

## What? Isn't That Heresy?

- Not at all
- Look at the “Safety Maturity Index”
  - If you do not operate safely . . . .
  - You can't finish the job on time and on budget
  - You incur excess variable costs
  - You take money right off the bottom line, and
  - You make your company less competitive

## Safe Production

- That's the goal, and that's where the payoff lies
- Embedding safety into operations is critical
- Changing the operating culture to understand how to recognize risk, how to mitigate it, and
- Model good decision-making, then let your people make the decisions at all levels

# Safety Maturity Index

- Injury frequency, severity
- Injury-related retraining, service interruption
- Compensation, legal, on-going medical costs for cases
- Equipment damage due to incident
- Equipment reliability and maintenance
- Environmental compliance

## Injury Frequency

- Do you know your current frequency?
- How do you measure it?
- What's your range:
  - 2.5 or less?
  - 2.6. to 4.0?
  - > 4.0?
- What's your ratio of non-recordable to recordable?

## Injury Severity

- Do you have a severity measurement, and if so, what is it?
- How many days lost did you incur?
  - For every injury <3 weeks, figure 3.5x employee's wages and benefits
  - For every one >3 weeks, figure 5x
- If injury frequency (recordable and not) is high and severity is low, are you comfortable?

## Comp, Legal, Medical

- What are comp costs?
- What are legal costs (injury and incident)?
- What are on-going medical costs?
- Are these costs going up, down, staying stable?
- Are these costs assigned to the operating division responsible for the injury/incident, or aggregated and pro-rated?

## Equipment Damage

- Do you have a measurement for equipment and property damage incident frequency?
- Do you measure severity by class?
  - Level 1 = Basic repair
  - Level 2 = Repair and time out of service
  - Level 3 = Replacement or loss
- Average cost per repair/per incident?

## Equipment Reliability

- What's your maintenance strategy?
- Do you measure mean time between failure? Is it within target ranges?
- Do you measure mean time between failure of equipment coming out of regular service?
- What is the average number of corrective work orders per each PM event?

## Environmental

- Do you have an EMS?
- Did you incur cleanup and disposal costs for fuel, hydraulic, or hazmat releases?
- Pay any fines?
- Environmental operating or capital improvements mandated by violations?
- If you have RCRA waste, what class are you?

## Add up aggregated costs

- Do the math:
  - Lost days (per multipliers)
  - Comp, legal, medical costs
  - Equipment damage, out of service, and replacement cost (plus asset's depreciated value)
  - 10 percent of maintenance costs if out of MTBF windows
  - All non-compliance environmental costs

## The Safety Maturity Index

- When you talk about safety, make sure the COO, CFO and CMO are in the room
- You should expand your safety measurements into related areas
  - This “bottom line index” adds leading indicators, depth, and complexity that involve every aspect of operations
  - Can help you make a case for sustained safety investment