



UNIFORM & SAFETY MANAGEMENT

Made Easy

OPTIMISING THE COSTS OF PPE



OPTIMISING VALUE FROM UNIFORMS AND PPE INVOLVES MORE THAN COST MANAGEMENT

Optimising costs is essential – particularly in tough times. But low-cost, short term thinking about uniforms and personal protective equipment can leave your organisation exposed to nasty flow-on effects.

The mining industry is being squeezed hard as declining commodity prices alter the short and medium-term outlooks. The economic impact has affected the industry across the board, with depressed sales and compressed profit margins. As a result, intense industry-wide optimisation is taking priority in hopes of easing the blows of falling profits. This optimisation is affecting all aspects of mining, from upstream to downstream—even deep into corporate headquarters with employee layoffs and the shutting down of less efficient sites. CFOs are taking another look at their uniform and personal protective equipment (“PPE”) expenditures.

A smarter approach

Optimising uniform and PPE on sites can have a positive bottom-line effect – sometimes dramatically so, while at the same time mitigating obvious and potentially costly workplace safety risks. It's easy to assume whilst evaluating requirements, that lower-priced options provide the quickest fix in terms of dollars spent. Often that's true, but there are traps for the unwary who blindly pursue the lowest-cost option. Finding

the delicate balance between quality, employee safety and productivity – to say nothing of brand equity, versus purely looking at the accounting cost of cheap uniforms and PPE requires diligence. The ROI of time invested in getting it right however, can be well worth it.

The best defense

What your people wear is often their - and your - last line of defense when it comes to physical risks on-site. Robust processes and procedures should prevent that line from ever being breached, but reality dictates that the best laid plans occasionally and unfortunately fail. Your peoples' uniforms and PPE are there to protect them and your company when those omnipresent risks become clear and present dangers. And the majority of the costs are in materials.

For most items of apparel – jackets, clothing, boots and gloves - as much as 90 percent of the cost can be in the material chosen. You are therefore often quite literally “getting what you pay for” when it comes to your last line of protection and safety. It is a line organisations simply cannot risk cutting corners on given the sometimes catastrophic physical and cost implications of something going wrong. Investment in better apparel, uniforms and PPE will actually save money, mitigate personal injury and associated risks, and optimise operational cost management.

Superior materials aren't necessarily more expensive

Uniforms and PPE that are less expensive are invariably manufactured from lower quality, less durable materials offering weaker protection. Not only does inexpensive PPE provide less protection and expose the organisation and its people to greater risk, poorer quality means it degrades more rapidly, necessitating more frequent recycling and replenishment. Even the short-term cost advantages can quickly evaporate, leaving the company with higher risk and cost.

In a recent field test we compared two popular brands of impact gloves. A lower-priced brand took seven days under moderate-heavy usage before becoming unusable. An alternative costing 42% more lasted 22 days under identical conditions and usage.

THE HIGH COST OF LOW-COST PPE POLICY

\$625 BILLION

Economic impact of fatal and non-fatal injuries

\$14 MILLION

Spent on hearing loss alone

\$48 MILLION

Spent on injuries from poorly fitting or improperly used gloves

Source: Associated Schools of Construction (2009)

Technology advances

Knowledge is usually an advantage and it certainly helps to have a better understanding of what constitutes optimum uniform and PPE options. Design, fabrication and materials construction have progressed enormously in recent years thanks to technological advancement, bringing positive impacts for safety, cost and wearer comfort.

For example, Thermoplastic Rubber ("TPR"), improved grip technology, high performance materials and increased shock absorption have all contributed to make gloves safer, more durable and less expensive.

Similarly, advancements in the study and commercial applications of anthropometric design (the measurement and proportioning of the human body) continue to enable improvements to fit, comfort and protection afforded by all manner of clothing from helmets and headwear to clothes and footwear.

Research and development continues to drive ever more durable and cost-effective solutions that increase value while simultaneously reducing risk and cost.



The bottom line

Higher quality uniforms and PPE not only provide better protective properties and consequently enhanced management of risk, they also last longer than inexpensive options, and demonstrably improve the bottom line when it comes to injury severity. Repeated studies into the incidence and cost of employee downtime through injury highlight not just the benefits of higher quality options but also the often hidden risks of adopting low-cost, short-term thinking. The internet and published industry literature are littered with case studies where short-term fixes have led to much more severe problems and increased costs further down the road.

The takeaway for CFO's and purchasing managers looking to optimise their organisation's investment apparel, uniform and PPE, is to be wary of the potential pitfalls associated with options that appear attractive in the short-term. As the saying goes, "Everything that glitters is not gold".