



## **Feeling the Pressure? EH&S Solutions for Utilities Doing More With Less**

### **The Business Case for EH&S Outsourcing**

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## **FEELING THE PRESSURE? EH&S SOLUTIONS FOR UTILITIES DOING MORE WITH LESS**

It's no secret environmental health and safety (EH&S) managers are faced with the challenge of accomplishing more with less. In the competitive and highly regulated utility industry, managers are tasked with performing high quality work efficiently and effectively with fewer and fewer resources.

Richard Warner can relate. Warner recently retired as an Industrial Hygiene Manager from Southern California Edison after more than 24 years in the utilities industry. He has also worked as a consultant and hygienist with California's Occupational Safety and Health Administration (OSHA) and is a Certified Industrial Hygienist (CIH), Certified Safety Professional (CSP), and Registered Environmental Assessor (REA).

"Management, within utility companies, confronts a tremendous amount of pressure brought on by escalating regulatory requirements, dwindling resources, mergers and acquisitions, staff reductions and pressures to reduce costs," said Warner, President, Richard M. Warner & Associates.

### **A Growing List**

Although specific challenges vary by state and industry, most EH&S managers face similar problems revolving around compliance, resources, budgets and training. Fewer staff members and diminished resources increase a company's chances of receiving citations for environmental or OSHA non-compliance. Reduced training leads to an increase in workers' compensation claims, fines and other costs. And any one of these challenges could lead to a decrease in a company's profitability – an issue of concern to managers at all levels.

The worries come at a time when the utility industry as a whole is under a national and global microscope. "The recent East Coast and London blackouts have caused all utilities to be extremely vulnerable," said Warner. "While the blackout wasn't related to EH&S activities, it's leading to greater scrutiny of all utility companies and their activities and functions."

Plus, power companies are joined by gas, water and sewer companies as all watch their infrastructures press against the boundaries of their useful life, and managers contend for a limited amount of financial resources.

"Someone has to pay for new lines and equipment, and all departments are competing for dollars," said Warner. With fewer boundaries between departments, "resources available within an EH&S budget may be moved to the capital side for new infrastructure."

In addition, there is political pressure from public utility commissions to avoid consumer price increases. Finally, a growing number of mergers and acquisitions often force the combined EH&S departments to stay at peak performance or even increase their workload – but with fewer managers to handle responsibilities in a tense atmosphere as employees worry about job security.

So what's an EH&S manager to do?

### **Getting the Most For the EH&S Dollar**

With less money to commit to human resources, Warner says it makes financial sense to outsource the vital, yet time consuming, work to a company adept at handling the challenges found in the utility industry.

"If a company hires five to seven new employees, initial costs can start at \$250,000 annually and forever go up," said Warner. "If a company spends the same amount in outsourcing, they usually receive knowledgeable service providers at less cost." With outsourcing, companies receive access to team members who quickly grasp an individual company's needs in EH&S compliance, regulatory, training and other issues.

"To accomplish more with fewer people, Southern California Edison opted to outsource their chemical management program," Warner said.

### **More Benefits of Outsourcing**

One resource never in short supply is information – it bombards managers daily. In addition, the utility industry is in the process of incorporating complex computer systems and updated software. All the while, everyone struggles to stay informed on changing regulations. It's a disconcerting situation for managers whose jobs depend on knowing what specifically will impact their companies well before new rules go into effect.

Again, a good outsourcing partner can help. Not only will it keep managers informed on relevant regulation changes in the industry, but also it can show how proposed new regulations may potentially impact the company.

"3E Company, an outsourcing company, screened the new Material Safety Data Sheets (MSDS) regulations for Southern California Edison," said Warner. "It was a valuable and timesaving resource."

Reducing injury counts and workers' compensation costs is imperative to doing business today. Also, many companies find safety and environmental waste management training programs scrutinized for compliance after another issue draws attention. An outsourcing company can assist in training employees in both matters to decrease workers' compensation costs and bring training programs into compliance.

"At Edison, we were told that for every \$1 million saved, dividends increased by one cent," said Warner. "This is the financial impact senior management understands. Add it up, and that's extensive."

### **They Know Your Business**

Think an outsourcing company doesn't understand your business? Think again. Outsourcing companies have professionals in all areas of EH&S -- experts who are ready to speak your utility company's language, work with you, solve your business problems and help you make money for your company. In addition, through reliable technology they can provide EH&S managers with extensive hazardous materials information management and emergency response services available 24 hours a day, seven days a week, 365 days a year.

EH&S managers face a growing number of stressors: increased regulation, fewer human and financial resources and an overflow of information. But there is an economical and timesaving alternative: an outsourcing company. It makes good economic sense to work with professionals and systems specifically developed to assist you and your company in compliance and money-saving issues.

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