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First, Nobody Gets Hurt

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Chapter One: The First Number

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CHAPTER 1

The First Number

> *"…the safety of the people shall be their highest law."*
>
> — *Cicero,* De Legibus, *III.iii.8, trans. Clinton Walker Keyes (1928)*

It's usually the third page of the board pack, after the agenda and the minutes and before revenue. Safety gets one slide. It holds a rate to one decimal place, an arrow (green if the rate fell, yellow if it didn't) and a sentence about a training program that finished last quarter. Somebody says the trend is going the right way, and somebody else asks whether the training was mandatory. Then the chair turns the page, and the meeting starts.

I have watched that page turn in more boardrooms than I can count. It takes about a minute — and nobody in the room means any harm by it. Safety goes first because everyone agrees it should, and it goes fast because nobody believes the decisions live there.

That slide is the mistake. Safety isn't a slide in front of the money. It is the money, showing up on other lines — overtime, scrap, turnover, late shipments, the customer who audits you and the buyer who reads your injury log before your EBITDA (earnings before interest, taxes, depreciation and amortization). None of those lines is labeled safety, so the board reads them with care an hour later and never connects them to the page it turned.

So here is the rule, and everything else in this book rests on it: safety is the first number. It's the first thing you read, the first thing you talk about in every meeting, and the first file a buyer opens. Read it first. Talk about it first. Fix it first.

One Discipline, Two Scoreboards

Why would safety be the money? Look at what it takes to keep people from getting hurt, and three things turn out to carry most of the load. First, you need a standard way to do each job, written down and followed by the people who do it. Second, you need a root cause when something goes wrong — a cause in the work, not a name. Third, you need leaders on the floor often enough to see the work as it is really done, on every shift, not as the procedure draws it.

Now ask what it takes to keep a process in control, so the parts come out right and the orders ship on the day you promised. You end up writing the same three things in the same order.

Safety and quality are one discipline with two scoreboards. A plant that has the discipline shows it on both, and a plant that lacks it shows the lack on both too. Think of a press brake run without its light curtain because the curtain trips too often, or a rack loaded a row higher than its label allows because the truck is late. Think, too, of a die change done from memory because the setup sheet went missing in March. Each of those can take a finger. Each of them can also make a bad part or a late order.

Why does the safety scoreboard usually move first? Because people are the most sensitive instrument in the building. A worn fixture makes a bad part, and the part waits in a tote until inspection finds it on Thursday. The operator reaching past that fixture pays for it sooner — in the shoulder by the end of the week, or in the hand on a bad night. If you want the earliest warning a process can give you, read the injuries and the near misses before you read the scrap report.

Any metal shop will give you the standard explanation: it's heavy work, and people get hurt. Do not accept it. If the steel were the cause, every press shop would post the same rate, and they don't. Plants that hurt people bend the same steel as plants that don't. What differs is the discipline. A plant that can't keep people safe can't keep a process stable.

On one page, the argument looks like this.

Where an Injury Lands

Now follow one injury through your books, starting with the money everybody can see.

OSHA, the Occupational Safety and Health Administration, publishes an estimate that employers pay "almost $1 billion per week for direct workers' compensation costs alone." That's the floor, not the ceil-

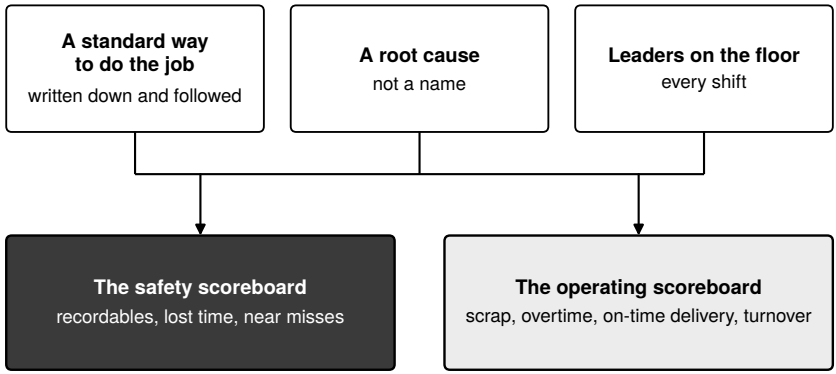


Fig. 01-01: One discipline, two scoreboards: the three things that keep people from getting hurt are the three things that keep a process in control.

ing. Liberty Mutual's 2026 Workplace Safety Index, built on 2023 data, counts only the most disabling injuries (the ones that keep someone off work for more than five days). It still finds $58.74 billion of direct cost in the year — about $1.13 billion a week. For a broader count, with wages, productivity and administration included, go to the National Safety Council. It puts the total cost of work injuries in 2024 at $181.4 billion, and the cost of each medically consulted injury at $48,000. However you count it, the bill is enormous, and you pay your share whether you read the slide or not.

Your share arrives as a workers' compensation premium, and one number you control moves it: the experience modification, or mod. A rating bureau compares your losses with those of the average employer in your class. A mod of 1.00 means your losses are in line with that average. Above 1.00 you pay more, and below it you pay less.

What does that look like in dollars? On a base premium of $1 million, a mod of 1.25 costs you $1.25 million a year, and a mod of 0.80 costs you $800,000. Your mod is built from about three years of claims and leaves out the policy year in force. So it remembers a bad year long after the floor has changed (Chapter 12 does that arithmetic).

Then comes the money nobody labels: suppose someone gets hurt at 9:40 on a Tuesday night, on second shift. Work on the line stops

while people look after him, and it stays stopped while the supervisor finds somebody to cover. Somebody from the next machine covers on overtime for the rest of the week, which hands that machine to a temp who learned it last Monday. The temp runs a lot of brackets a degree out, and they go to scrap. Their order ships two days late, by expedited freight. Three weeks later a second-shift operator who watched the whole thing quits, because she doesn't want to be next.

None of that reaches the safety slide — it lands in overtime, scrap, freight, turnover and on-time delivery, lines your board reads carefully and has never once labeled safety.

OSHA makes the same point about scale. Its injury cost estimator puts indirect costs at 4.5 times the direct cost for an injury under $3,000, and at 1.1 times for an injury of $10,000 or more. And it states the principle without hedging: "The less serious the injury the higher the ratio of indirect costs to direct costs." Treat the ratios as an estimate (OSHA says they come from a Business Roundtable study of construction). Treat the principle as something you can watch on your own floor — small injuries look cheap on the claim and cost several times as much on the other lines.

Who else reads your record? Two people, and neither of them reads the slide. First comes your customer, because equipment makers audit their suppliers' safety records. Some of them write a ceiling on your injury rate into the supplier agreement, and they stop sending you new parts when you go over it.

Second comes a buyer, and a buyer's diligence team will ask for your injury logs, the loss runs from your carrier, three years of mods and any citations. And the good ones will ask to walk your second shift without a guide. They read your record the way a physician reads a patient's history — for what it says about how the place runs after the managers go home.

Put one injury in the middle of a page and draw where it lands, and you get a picture most boards have never seen.

Read the Number

On the slide, the number is almost always the total recordable incident rate, or TRIR. It's the count of recordable injuries and illnesses, times 200,000, divided by the hours everyone worked. Why 200,000? Because 100 people working 40 hours a week for 50 weeks put in 200,000 hours. So the rate tells you how many of every hundred full-time people were hurt badly enough to record in a year.

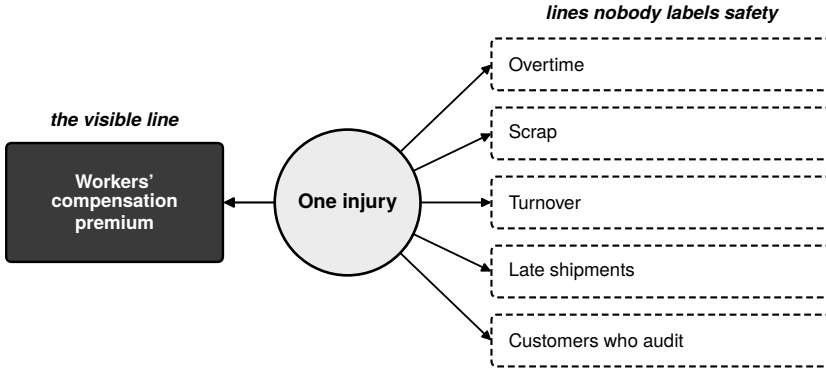


Fig. 01-02: Where an injury lands on the P&L: one line the board calls safety, and five it files under something else.

At Kessling, which you will meet at the end of this chapter, 47 recordables on 1,374,000 hours made a rate of 6.8 — about seven of every hundred people, every year. The Bureau of Labor Statistics publishes the national rates on the same base.

Recordable has a precise meaning. OSHA's recordkeeping rule counts a work-related injury or illness as recordable if it results in "death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness," and it also counts a significant injury or illness that a physician or other licensed health care professional diagnoses. Where does first aid end? The rule draws that line itself, so nobody has to argue about it. A cut covered with a bandage or closed with butterfly strips is first aid. The same cut closed with stitches is medical treatment, and it goes on the log.

Two more terms sit beside the rate. A lost-time case is a recordable that kept someone off work after the day it happened. DART (days away, restricted or transferred) counts every case that kept someone off work or moved them off their own job. It falls between the lost-time count and the total.

Is a rate of 6.8 bad? Compared with what? For a reference point, the Bureau of Labor Statistics put the private-industry rate at 2.3 for 2024 (the lowest in a series that goes back to 2003) and manufacturing's at 2.7. Use those as a reference — not a target. An average blends plants that cut steel with plants that pack cereal, and it says nothing about whether

your own number is honest. Your own trend, read every month beside the next number on the page, tells you far more.

Which next number? Near misses — the one almost nobody tracks. A near miss is anything that could have hurt someone and didn't — a hot part that drops off its hook beside somebody's boot, a ladder that slides out from under a mechanic who catches the rail. Every plant has more of them than injuries, usually many more, because most of the time luck is on its side.

So when the near misses on file are fewer than the injuries, the close calls haven't stopped. The reports have. A low count doesn't mean a safe plant. It means a quiet one, and a quiet plant learns about its hazards one injury at a time.

That's why your first page carries three numbers, side by side: the TRIR, the experience mod and the near-miss count. I call it the first page, because it is the one you read before any other. Build it in four steps.

1. Take the trailing twelve months of your injury log and print the TRIR with its arithmetic under it: recordables times 200,000, divided by hours. Take the hours from payroll, whether you total them yourself or with the tools you have, and make them match what payroll actually paid before you divide.
2. Take the mod from your last renewal and print what it costs you: your base premium times the mod, beside what an average record would pay.
3. Count the near misses reported in the same twelve months, and print the ratio of injuries to near misses beside the count.
4. Under the three, put the operating lines an injury lands on (overtime as a share of hours, turnover on your worst shift and on-time delivery), and read all six together.

Here is the page I built at Kessling in my first two weeks.

The Commitment and the Warning

A page of numbers changes nothing on its own. Three moves in your first weeks make safety the first number in fact, not just on paper.

First, open every meeting with safety. Every staff meeting, every operating review and every plant visit starts there. Lead with the last week's injuries and near misses and what is being done about each of them — not a moment of reflection, and not a slide of slogans. Repeated every week, the order itself tells your company what gets talked about

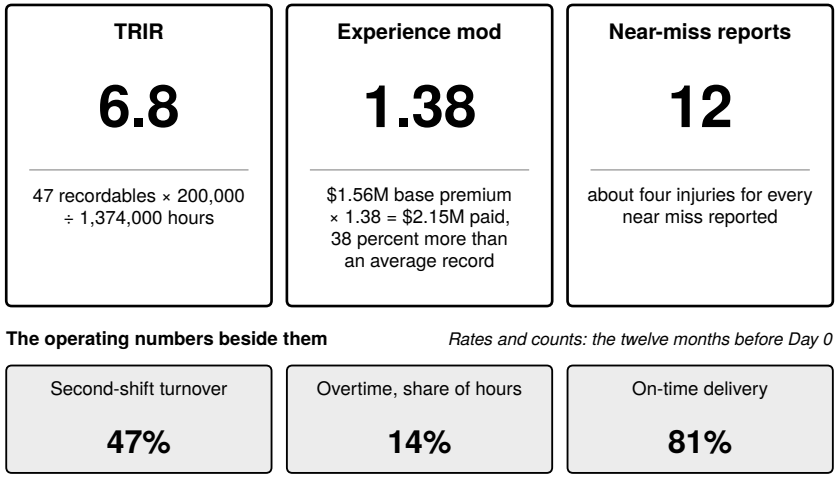


Fig. 01-03: The first page at Kessling, Day 0: three safety numbers, and beneath them three operating numbers that turned out to describe the same problem.

first. People notice which subject you raise before the money, and they plan their work around it.

Second, make every recordable reach you inside 24 hours, with a root cause inside 72, and read every report yourself. Not a summary — the report. With 640 people and a rate like Kessling's, that comes to almost one a week. If that's more injuries than you have time to read about, it's more injuries than your company can afford. Within a month of a chief executive reading every report, the plant learns that the reports get read — and the reports start to change. A root cause that ends in a person's name gets sent back, and Chapter 10 shows you what to ask instead.

Third, write the board a letter before the first new number lands, and warn them in it that the rate will probably rise before it falls. Why would it rise? Because once people see that reports get read and nobody is punished for making one, the cut somebody had stitched at urgent care on a Saturday starts getting reported. So does the strained back that put someone on light duty for a week.

The count goes up while the danger goes down. A board that hasn't been warned will read the higher number as failure and ask you to stop. A board that has your letter in its file will ask what the near misses are doing.

Keep the letter to one page, in three parts.

1. The commitment: what you will put first, in every meeting and on every board page, starting now.
2. The 24-hour rule: every recordable reaches you inside 24 hours with a root cause inside 72, and you read them all.
3. The warning: the rate will probably rise before it falls, why it will, and which numbers will show the board the program is working while it does.

You may worry that a letter like that hands your board a reason to doubt you. It does the opposite. A bad number you predicted in writing is the best evidence you can give that you understand your own plant, and boards remember who told them first. Chapter 7 tells how the rate behaved at Kessling once the reporting started, and Chapter 10 how every report gets read. Chapter 12 shows what goes on the board's first page after that.

Kessling

At the Anderson gate, a sign read 41 days without a lost-time injury. Someone changed it by hand every morning, sliding white numbers into a black frame. On Day 0 it was the first thing I read at Kessling Fabricating & Coatings.

Janine Roth, the Anderson plant manager, met me at the front door and walked me through the plant herself — no slide, no script. We went in the order a part travels: the lasers and the punch presses, the press brakes, the weld cells, the docks. She stopped at the time clock and pointed at the wall above it. Time had faded the paint almost to nothing, but you could still read it if you knew where to look: *No part is worth a finger*. Emil Kessling had it put there in 1958, the year he founded the company.

By Day 0 the company Emil started in Anderson, Indiana, did contract fabrication (laser, punch, press brake and weld) and finishing (powder coat and liquid paint) for equipment makers. Anderson cut, bent and welded, and Huntington, a plant the company had bought in 1994, did the coating. Kessling earned $13.2 million of EBITDA on $120.0 million of revenue, 11.0 percent. It had 640 people: 384 at Anderson on two shifts and 256 at Huntington, whose coating lines ran three. Haddon Street Partners had bought Kessling from the family fourteen months before I arrived, and Vince Prescott, Haddon Street's operating partner, chaired the board. Haddon Street's plan called for EBITDA to grow about 12 percent a year, to $16.6 million by the end of Year 2.

Brenda Neal, the chief financial officer, spent Day 2 taking me through the customers, and she started with the two that had stopped growing with us. Stanhope Implement, a maker of agricultural equipment, was the largest customer, with $20.4 million of revenue, 17 percent of the company. Carrow Truck Bodies was another $10.8 million, 9 percent.

Both required a supplier to hold a trailing-twelve-month TRIR below 3.5, and both had put Kessling on probation seven months before I arrived. No new part numbers until we passed. We were at 6.8, almost twice their limit, on $31.2 million of business — 26 percent of the company. "They still buy everything they bought last year. They just don't give us anything new," Brenda said.

On Day 3 my phone rang at 10:55 at night. On my first morning I had asked Janine to have someone call me whenever anyone was hurt, at any hour. The first to do it was Ray Dunleavy, the second-shift supervisor at the Anderson press brakes. At 10:40, at brake 7, Travis Pruett had crushed the tip of his left middle finger. He was in the twelfth hour of a double.

I drove to the hospital, where Ray had brought Travis in himself and was still in the waiting room in his safety glasses. Travis was sitting on the edge of a bed with his hand wrapped and held up, still in his work boots. His first question was whether he was going to be written up. I told him he wasn't.

Then he told me how it had happened, slowly and carefully, the way people talk when they expect the next question to be about their attention. I didn't ask it. He would be off work for eleven days.

By the next morning the sign at the gate read zero. Nobody on first shift needed to be told why.

On Day 4 the incident report reached my desk. Root cause: "Operator not paying attention." I sent it back, and Chapter 10 tells what I wrote on it and what came back.

By then I had started reading. Ayesha Kimbrell, the safety coordinator and the only safety professional among 640 people, had pulled every recordable incident report from the last 24 months out of the files at both plants. There were 93 of them, 46 from the earlier year and 47 from the latest. I read every one, in date order, over my first two weeks, mostly at night.

What did they say? Most ran to a single page. Most named a person in the root-cause line and said "retrained" or "reminded" in the corrective-action line. Again and again the same machines came up, and so did the same shift.

None of it was a secret. Every report had been written, signed and filed — and counted in the rate on the board's slide. Nobody had ever read them together.

Between the reports I walked every shift at both plants, including Huntington's third shift on Day 9, when Ruby Gaines showed me an eyewash that Chapter 3 describes.

By Day 14 the three numbers were on one page. Kessling's TRIR was 6.8, and with a mod of 1.38, the company paid $2.15 million a year for coverage an average record would have bought for $1.56 million. That was 38 percent more — about $590,000 a year — for the record we had.

And the near-miss reports for the whole year came to 12. That was 47 injuries against 12 near misses, about four injuries for every close call anyone had written down. In a plant that busy, the close calls hadn't stopped. People had stopped telling anyone about them.

Then I put the operating numbers underneath, starting with second-shift turnover: 47 percent, 101 people gone from a shift of 214 in a year. Overtime was 14 percent of all the hours worked, and on-time delivery was 81 percent. Each of those had an owner and an explanation: in HR, Corinne Whitaker had a hiring plan, operations had an overtime budget, and sales had a story about lead times. Read together, they described one shift. A shift losing nearly half its people a year was a shift of newcomers, short-handed and on overtime after dark — the conditions that hurt people and make parts late. Four lines on the page, and one problem under all of them.

On Day 10 I held my first staff meeting and opened it with Travis's hand: what had happened, the report I'd sent back, and what we still didn't know. Every meeting I ran at Kessling after that opened with safety, and within a couple of months nobody needed an agenda to know it would.

On Day 12 I wrote the board a one-page letter, and three sentences of it did most of the work. "Starting this month, every recordable injury at Kessling will reach me within 24 hours, with a root cause within 72, and I will read every report myself. I expect the recordable rate to rise before it falls, probably in the first quarter, because people who have kept quiet about cuts and strains will start reporting them. When it rises, please read the near-miss count beside it before you read anything else," I wrote.

Three days later we held town halls on every shift at both plants, and Chapter 7 tells what was said there and what we stopped doing.

Vince Prescott chaired the board meeting on Day 21, and he asked the question a good chair should ask. "What's this going to cost, and when do we see it?" I gave him three answers.

As the letter said, the rate would probably rise before it fell, and he should expect to see that in the first quarter. He would have the cost in two weeks, with the hazards we meant to fix first and the price of each. And the money would show up by the end of Year 2, on lines nobody at that table had ever labeled safety — overtime, scrap, turnover, freight and the two customers. Brenda would sign it, not me.

Vince wrote that down. Then he turned back to my first page.

From the Record

Paul O'Neill became chairman and chief executive of Alcoa in June 1987, and that October the investors came to meet him. Charles Duhigg tells the story in *The Power of Habit*: a ballroom in "a posh Manhattan hotel," a crowd of investors and analysts, and a new chief executive. "I want to talk to you about worker safety," he told them. Then he set the goal. "I intend to make Alcoa the safest company in America. I intend to go for zero injuries," he said, as Duhigg reports it.

The goal mattered less than the routine behind it. As Duhigg describes it, every injury put the unit's head on the hook for a report to O'Neill inside 24 hours, with a plan to keep it from happening again. That routine did more than move paper. Every injury forced a conversation about how the work was done, and the conversation climbed the company in a day instead of a quarter.

What followed is on the record. In 2000 the Institute of Medicine noted, in *To Err Is Human*, that Alcoa had cut its lost workday rate from 1.87 in 1987 to 0.42 in 1997. That rate is counted per 200,000 hours worked — the same 200,000 hours your TRIR is built on. Duhigg adds that by the time O'Neill retired in 2000, the company's annual net income was five times what it had been before he arrived, and its market capitalization had risen by $27 billion.

O'Neill didn't run safety as a program beside the business. He made it the first number.

Do This

1. Read every recordable report from the last 24 months yourself, in date order, and mark the machines and shifts that keep coming up.
2. Put the three numbers on one page (TRIR, experience mod and near-miss count) with the arithmetic printed under each.
3. Call your carrier and ask for the loss runs: every claim, what it cost and what is still open.
4. Find out which customers audit your safety record, what rate they require and how far you are from it.
5. Open your next meeting with safety, and every meeting after it.
6. Write the board the letter before the first new number lands: the commitment, the 24-hour rule and the warning that the rate will probably rise first.