

LA OPINION ARTICLE:

The Goal: Zero Accidents

By imposing maximum security on the job, Team-One was able to reduce their work comp insurance annual payment by \$750,000.

--by Miguel Gonzalez, La Opinión Reporter

Recent work comp reforms have helped some businesses but there is still a lot to do. Many businesses pay high costs for this type of insurance and others still have to juggle to make ends meet.

Frank Morán's business, Team-One Employment Specialists LLC provides services for temporary and full-time employees to many companies. Mr. Morán decided to work much more closely with their insurance provider to reduce costs.

The strategy: maximum safety on the job and cooperation with the insurance company to reduce work comp costs.

"In the 2000, our businesses experienced fewer earnings than expected. This situation incentivised us look for the cause of the problem. Once we identified the problem, we recognized that the increased in the work comp costs was suffocating us", said Morán in the interview with La Opinion.

Working together with CNA Insurance, with headquarters in Chicago, Morán designed a plan that made him (Team-One) responsible for most accident cases on the job; in other words, he would pay for all costs and the insurance company would not be bothered.

"This new plan made us more involved as a business in ensuring that our employees avoid accidents while working. The good part for us was that we were able to reduce the annual costs of works comp", explained Daniel Cox, Team-One Director of Operations.

Cox explained that in 2002, the company started to apply this system to each employee before being interview to identify productive employees and reject any conflictive personnel.

"A problem employee can cost a lot to a business; from the beginning we want to establish a happy relationship. We want the employee to feel happy while working for us", added Cox.

CNA covers only the most serious accidents which are few and far between since the owner started to apply the new safety program.

During the first year of implementing this program, the company saved \$750 thousand dollars. Morán knew from the very beginning that this was the plan his company needed. In 2003, he invested \$100 thousand dollars in plans and incentives specially to reduce accidents.

With part of that money, Morán hired Joel Enriquez, Director of Security. His job is to reduce accidents and to maintain morale amongst the 2,000 company's employees.

"We have different programs, some of which reward the employee who has shown the most care regarding safety. It is very important to maintain a happy employees; a happy employee is a more productive employee" added Enriquez.

With offices in Los Angeles, Ontario, Mira Loma and Irvine, Team-One made \$35 million dollars in 2003, which made it one of the 500 most important Hispanic businesses in the U.S.

"I believe that the problem of many businesses today is that they do not concern themselves with the employees needs and think that by increasing sales, they can afford the cost of work comp insurance" added Morán, who in the past was the President of the Latin Business Association (LBA).

Morán explained that his impeccable history of no accidents and the morale of his employees in the last few years has attracted more clients and has also increased profits for the company - especially now that some businesses are closing because of high work comp costs.

"Now we can negotiate with any company. This situation allowed us to gain more business and profits to pay health insurance to all employees from the first day they start to work" added the owner of Team-One.

Morán believes that this system could work for most businesses; however, the best news for the industry may be in 2005 if Schwarzeneger continues to improve the business climate in the state.

"Instead of accepting that the cost for work comp will be tripled, we decided to invest in our employees and that is the best bet we ever made. Our employees made this company very efficient and safe against accidents", finalized Morán.