



# Cost Evaluation SMEs

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# DGROW (EC) Publications Nov20

<https://ec.europa.eu/docsroom/documents/43686>

- Investing into occupational safety and health and its benefits for construction enterprises - Handbook
- Development of an EU framework to assess the overall impacts of occupational health and safety (OSH) prevention on the performance of construction enterprises - Final Report
- Financial Tool – Excel file
- List of OSH Initiatives – Excel file



## Study

About 100 OSH in EU;  
Employers, government, employer organisations and labour inspectorates;  
Few mention SMEs, suppliers or entrepreneurs;  
Strongest focus is on guidance and training;  
Larger contractors;  
Risks associated from planning and statistics.



# Benefits and costs

**Direct benefits** - reduction in accidents, reduction in insured and non-insured costs.

**Indirect benefits** - enhanced productivity, better company reputation, stronger performance and quality of services as perceived by clients.

**Direct costs** - OSH initiatives (staff time, training costs, new equipment, etc.).

**Indirect costs** - opportunity costs from missing investments.



## Case Studies

Data for the framework and illustrative cases of OSH benefits

20 case studies completed of which nine are with SMEs

Across all subsectors (including companies active in multiple sectors)

16 Member States (AT, BG, DE, DK, EE, EL, FI, FR, IE, LT, LV, MT, NL, PL, SE, SK)



# Construction types

Construction of residential and non-residential buildings	12
Construction of roads and railways	6
Construction of utility projects	6
Construction of other civil engineering projects	6
Demolition and site preparation	6
Electrical, plumbing and other construction installation activities	7
Building completion and finishing	9



## Company size

Micro (< 10 employees)	2
Small (10-50 employees)	4
Medium (50 -250 employees)	3
Large (> 250 employees)	7



# OSH concerns from companies

Safety of workers	14
Legal compliance	10
Company reputation	5
Worker loyalty	4
Quality of work	4
Accident costs	4
Certifications	1





## Causes of accidents

Falling from heights 14

Heavy machinery 4

Slipping and tripping 4

Musculoskeletal disorders 3

Electrocution, long-term exposure,

hazardous substances, falling objects, cuts,

traffic accidents, noise, etc. 1 –2 each



# Who, what and how?

Companies

Practical guide to support construction companies that want to invest into OSH

Providing useful information and success stories

Introduction – benefits of OSH including economic ones;

Examples – initiatives across Member States;

Financial framework guidance how to calculate potential benefits

Practical handbook for companies

# Financial tool

OSH Financial Tool [Protected View] - Excel

File Home Insert Page Layout Formulas Data Review View Power Pivot Tell me what you want to do... Share

**PROTECTED VIEW** Be careful—files from the Internet can contain viruses. Unless you need to edit, it's safer to stay in Protected View.

A1 :    About this tool

	A	B	C	D	E	F	G	H	I	J
1	About this tool									
2	This tool may not work correctly in older versions of Excel (e.g. Excel 2010)									
3	This Excel tool calculates costs and benefits for construction companies of investments in the occupational safety and health (OSH) of craft workers ("on the construction site").									
4	The default costs and benefits are calculated with regard to the alternative of zero OSH investments and no insurance against sick pay or medical costs.									
5	Costs and benefits are calculated depending on country, sub-sector (broad class of professions) and size of the company.									
6	Companies can fill in their data in the "User input" sheet, and inspect the costs and benefits in the "Output" sheet.									
7	The sheet "Advanced user input" allows to inspect (and change) values for equipment costs and indirect benefits, as well as to specify which investments the company has already done.									
8	"Yellow" sheets contain cost-benefit calculations and "Orange" sheets contain auxiliary statistical source data.									
9										
10	Limitations									
11	The tool only considers costs and benefits for firms. Thus, benefits to workers and society are not included.									
12	-> Benefits may be lower than costs for companies. In that case, OSH investments are still a legal requirement and benefits for society may be positive, especially if including all occupational diseases.									
13	The tool considers accident risks and some occupational health risks (skin diseases, musculoskeletal disorders, hearing problems and mental stress). Very long-term risks such as cancer caused by asbestos are excluded due to lack of data.									
14										
15	Typology of costs									
16	Direct costs: costs of equipment, man-hours of preparation and training.									
17	Indirect costs: the return on an investment that the company could otherwise have made.									
18	This return depends on the required rate of return and the required payback period which are part of the user input. Indirect costs increase if the rate of return is higher or the pay-back period is lower.									
19										
20	Typology of benefits									
21	Direct benefits: costs avoided by reducing the rate of accidents and occupational diseases.									
22	Indirect benefits: change in efficiency (e.g. fewer near miss incidents), less sick leave because of personal safety concerns, less hiring costs due to lower staff turnover and more project wins due to improved quality/reputation.									
23										
24	Data									
25	Data are based on a mix of statistical data (notably on accidents rates), desk research (notably on costs and effects of OSH measures) and case studies with construction firms across the EU (notably on costs and benefits in general).									
26	The table below describes the main source and variation between country, sub-sector and size of the company. Note that even if cost data do not vary between countries, cost levels differ because general price differences are applied.									
27	Unless indicated otherwise, data that do not vary by country are based on EU averages or assumed to apply universally (e.g. standard working hours per week).									
28										
29		By country	By sub-sector	By firm size	Sheet	Main sources				
30	Accident rates	Yes	Yes	No	[A-Rates Country by Risk]	Eurostat HSW (Health and Safety at Work); LFS (Labour Force Survey) special module				

Introduction User input Output Advanced user input Measures and Effects Accident Rates Cost Factors Costs of OSH Measures Present Value of ...

Ready

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Thank you for the attention!

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