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## SAFETY ORGANIZER

For use in January, 2002

ENCLOSED

January Safety Topic: "[Safety Inspections](#)" Please contact NWSA's Safety Consultant, Mike Lopez for more information.

Traffic Bulletin: "[Post Trip Vehicle Inspection Report](#)" Please contact NWSA's Traffic Consultant, Mike Dodd for more information.

Technology Bulletin: "[Realizing IT Return on Investment](#)" Please contact NWSA's Technology Consultant, Scott Ehrnschwender for more information.

[NWSA Compliance Calendar](#): Please use this in conjunction with your NWSA Compliance Manual.

Safety Tip of The Month: "[Machine-Welding Safety Checklist](#)". Please contact NWSA's Safety Consultant, Mike Lopez for more information.



January 2002

NWSA is pleased to distribute this information to: Distributor and Supplier Key Contacts, Distributor Additional Mailers, and all Compliance Manual Owners.

Please carefully review this mailing and be sure the information is passed to the appropriate person within your organization.



# Safety Topic

January 2002

## Topic: SAFETY INSPECTIONS

**INTRODUCTION:** All employees should play an active role in the company's safety program and participate in the hazard assessment process. Employees frequently fail to report hazardous conditions because they don't know what to look for. New employees assume that things are done a certain way for a reason and are hesitant to "make waves."

**GOAL:** To make employees more aware of potentially hazardous conditions and their role in correcting those hazards.

**MEETING PREPARATION:** Review the attached checklist and give each employee a copy of the checklist applicable to his/her work area.

**ITEMS TO CONSIDER:** When an employee points out something he/she considers to be unsafe, you are not necessarily required to change the process although you should examine the process to determine the validity of the complaint. Employees who do not understand a particular process or activity usually consider it to be unsafe. Therefore, to involve employees in hazard assessments accomplishes several objectives including locating and correcting unsafe conditions and pointing out where additional training is needed.

This is a fact finding mission. Employees should be instructed not to correct hazards themselves until the area has been reviewed by management. Untrained employees are frequently injured by attempting to make repairs, storing materials in unapproved areas, using improper (or no) personal protective equipment, etc.

**Note:** The attached checklist does not cover every important issue. You should amend the checklist to include issues such as first aid, fire prevention, emergency response, etc., as appropriate for your facility.

**FOLLOW-UP:** After your safety meeting where each employee has an opportunity to discuss conditions he/she believes to be unsafe, personally examine each area to determine whether the report has merit. You will likely finish with a list of training and safety meeting topics!

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Mike Lopez, NWSA Safety Consultant; Phone: 205-853-9874; Fax: 205-853-2067

## EMPLOYEE HAZARD ASSESSMENT / QUESTIONNAIRE

### CYLINDER STORAGE / HANDLING

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- Are cylinders secured against falling?
- Do you understand the term, "nesting"?
- Are dock plates equipped with a bottom flange to prevent slipping out of position?
- Are there slippery areas where cylinders are being stored or moved?

If yes, where? \_\_\_\_\_

- Has anyone specifically instructed you in proper cylinder binding and load securement procedure?

If yes, who? \_\_\_\_\_ About how long ago? \_\_\_\_\_

- Do you know the location of all Material Safety Data Sheets (MSDS)?

- Do you frequently find loose cylinder caps?

If yes, are they usually on the same type of gas or different gases? \_\_\_\_\_

- Do you use hand trucks for moving high pressure cylinders?

- Do you use hand trucks for moving cryogenic cylinders?

- Do you often see customers walking through the plant or on the dock?

- Do you ever load cylinders in automobiles?

- Have you ever tripped over anything in the plant or on the dock?

If so, what? \_\_\_\_\_

Is it still there? \_\_\_\_\_

### REPAIR SHOP

What pneumatic or hydraulic tools do you use? \_\_\_\_\_

What electric tools do you use? \_\_\_\_\_

What tools do you use very seldom? \_\_\_\_\_

Do you operate an oxy/acetylene torch on the job? \_\_\_\_\_

Do you think personal protective equipment (special clothing, face shields, etc.) would make your job safer? \_\_\_\_\_

If so, what? \_\_\_\_\_

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- Do customers often enter the repair area?
- Are there slippery or wet areas on the floor?
- Are extension cords spliced, missing grounding lugs, or used in place of permanent wiring?
- Are electrical boxes covered with all punch-outs in place?
- Are guards in place on grinding wheels and pulleys?
- Do you know the location of Material Safety Data Sheets (MSDS)?
- Do you understand "Lockout / Tagout"?
- Do you ever work on an ungrounded welding machine?
- Have you ever tripped over anything or hit your head on anything in your work area? If so, what? \_\_\_\_\_  
Is it still there? \_\_\_\_\_

### **WAREHOUSE / CITY SALES**

- Do you splice welding hose for customers?
- Do you advise customers regarding safe procedures (welding, cylinder handling, etc.)?
- Do you operate a forklift?
- Do you load or handle cylinders?
- Do you ever jump from the loading dock instead of using stairs?
- Are fire exits ever blocked?
- Are there slippery or wet areas on the floor?

**FOR ALL EMPLOYEES**

What conditions or practices do you consider to be unsafe in your work area?

Do you have any recommendations?



# Traffic

January 2002

## Post Trip Vehicle Inspection Report

Part 396.11 requires a driver of a Commercial Motor Vehicle to prepare and sign a written vehicle inspection report at the completion of each day's work on each vehicle operated and each trailer that was used. A separate report must be prepared for each power unit operated during the day's work. The report must cover at least the following parts and accessories:

1. Service brakes including trailer brake connections
2. Parking (hand) brake
3. Steering mechanism
4. Lighting devices and reflectors
5. Tires
6. Horn
7. Windshield Wipers
8. Rear vision mirrors
9. Coupling devices
10. Wheels and rims
11. Emergency equipment

No specific format is required, however, provisions must be made for three signatures:

- The driver's signature preparing the report (396.11(b));
- The motor carrier's, mechanic's, etc. signature certifying the reported defects or deficiencies have been corrected or that no correction is necessary (396.11(c)(1)); and
- The reviewing driver's signature acknowledging the corrective action taken by the carrier (396.13(c)). The next driver of the vehicle signs the report, only if defects or deficiencies were noted by the driver who prepared the report, to acknowledge that the driver has reviewed it and that there is a certification that the required repairs have been performed.

I have posted an example of a post trip inspection form that may be used on our NWSA Traffic website at <http://www.nwsa.com/Secure/traffic/VehicleInspection.pdf>.

Record Retention

Motor carriers must maintain the original of each vehicle inspection report and the certification of repairs for at least 3 months (396.11(c)(2)). You are not required to carry the report on the vehicle the next day.

### Exemptions

Driver vehicle inspection reports are not required of the following operations:

- Driveaway–towaway (Tow truck) operations as specified in 396.15.
- A motor carrier operating only one motor vehicle (396.11(d)), or
- A private motor carrier of passengers (nonbusiness) (396.11(d)).

### Completing the Report

Using the example report provided, the driver completes the first portion of the report at the end of the day. If no defects are noted, the driver checks the provided spot, signs the report and you are finished. If any of the "DOT Regulated Safety Items" are checked as defective, the items must be corrected before driving on the next trip. If any of the "Maintenance Items" are defective, then you ask yourself if the vehicle is safe to operate. If yes, then you can correct the items at your next convenient opportunity. When sending the vehicle in for repairs, send the report along with the vehicle so the mechanic can sign the report after completing the repairs. The report would then come back with and be left in the vehicle so the next driver could then sign the report to acknowledge that the driver has reviewed it and that there is a certification that the required repairs have been performed. Remember, this last signature only happens if there were noted defects and the defects were corrected.

Michael Dodd

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# Technology

January, 2001

## Realizing IT Return on Investment

**By Scott Ehrnschwender**

In the late 1990's technology investment was not only in vogue with most U.S. corporations, it became the fundamental writ of passage to competitively enter the 21<sup>st</sup> century. Those without e-strategies and e-commerce engines by 2001 were destined for decline. However, since the technology bust and ensuing recession of 2000-2001, the pendulum has swung in quite the opposite direction. As IT unemployment rises to over 5% (unparalleled in modern technology history) and IT related projects are shelved nationwide, a new sense of reality has taken hold concerning tech spending: Investment risk must be justified with a commensurate rate of return. What a novel thought! Instead of spending "out of fear of being left behind", technology projects should be evaluated alongside other investment projects in competition for scarce capital resources. According to Information Week Magazine, over 80% of surveyed CIO's indicated that ROI had increased in importance from last year to this year. The emphasis is now on smaller projects, shorter cycles, and rapid return on IT investment. Management is looking for returns in 90 days, six months, or two years time.

### Relevance to the Gas & Welding Industry

Like U.S. industry at large, many in our industry were swept up in the fervor of the time. Remember Welders Mall, MetFabCity, Realisco, and Industry Suites? Also, how many companies threw together web sites to be part of the tech phenomenon, yet have spent little time maintaining the site? In most cases the strategic concept of "first to market" or more appropriately "rush to market" outweighed the concern for return on investment. Conventional thinking was that ROI would result from additional revenue sources, as new customers would reward innovation. While many of these pioneers have "arrows in their back", their vision and experiences have helped pave the way for future technology "settlements".

On the opposite end of the technology spectrum, yet similarly lacking an ROI focus, are firms that react to events requiring tech investments. For example, many firms will only invest in technology when one of the following events takes place:

1. Computer disk space reaches capacity
2. CPU or telephone line response time slows to a crawl
3. The CRT or PC breaks
4. They hire a new employee or build/buy a new branch

5. The customer requires the distributor to obtain new functionality.
6. The competitor adds technology that entices your customer.

This "reactive" spending is often a band aid approach, and lacks the strategic focus necessary to drive sustained productivity gains. As we can see, both the leading edge and lagging sectors of our industry have entered into ill conceived technology arrangements with little or no concept of return on investment.

### What Is ROI?

Return on investment is the primary financial tool to evaluate and prioritize competing investment opportunities. A ratio of the expected revenue improvement or cost savings divided by the project cost, the quotient yields a percentage calculation, which can then be compared to competing projects or investments. The higher the percentage, the better! While large companies perform sophisticated "net present value" ROI models, most companies in our industry will choose the easier "payback" method. This calculation merely computes how quickly (in months or years) an investment outlay will be returned to the company via higher revenue or lower costs. Depending on the size and strategic importance of the project, distributors will look to paybacks of six months to two-three years; equivalent to an ROI of 200% to 33%.

### Measuring Return

In a recent CIO survey, 89% of CIO's related that they had either a formal or informal ROI measurement process. The difficulty with any ROI methodology for comparing capital investments is measuring the "expected return" the investment will provide. Not only is predicting bottom line improvement difficult, but most companies fail to ever measure results after the investment is made.

The best way to measure tech investments is to establish concrete expectations before the investment. For example, to justify the investment of laptop computers for salesmen, XYZ Co. will expect to see the following improvements:

- Five PowerPoint presentations to customers per month.
- Call and expense report paperwork completed and emailed by Monday morning.
- 5% more contacts given the productivity features of the laptop.

If these salesmen meet the higher goals, they keep the laptop. If they far exceed the goal, they receive a newer model each year. If they don't meet the goal, then the laptop failed to meet its return on investment and should be returned to the company.

Without concrete and measurable expectations, employees will often feel technology is an entitlement. If employees receive Internet access without additional productivity expectations or goals, not only does the company miss a return opportunity, but also the employee may feel entitled to this access in all future positions.

"Expected return" is most often defined in one of four ways:

1. Improved revenues
2. Lower costs
3. Company goodwill
4. To stay in business

When an investment stands alone, such as an e-commerce web site, the incremental sales/revenue is simple to measure. However, laptops, cell phones, and PDA's are likewise justified upon a higher revenue return, yet are much more difficult to measure. Salesmen productivity devices are designed to produce more customer contact and faster

response time to issues. So measure it! Measure the number of customer contacts and calls reports before and after a productivity device is added. Survey the inside sales group and customers concerning salesmen response time to issues. A noticeable improvement should correlate to higher revenues. Warning: Do not let these devices simply become an entitlement.

Cost based ROI investments are today's hottest item. As many company's watch their sales decline, finding cost saving becomes paramount. Cost saving technologies are primarily aimed at reducing human processes (labor hours) and overhead expenses. These technologies are often far easier to project improvement than the revenue side and are simpler to measure results after the investment as well.

Company goodwill investments are strategic investments which do not have a definitive revenue or cost savings return, yet attempt to enhance the company's stature with its customers, marketplace, or employees; i.e. adding an informational web site. These "feel good" investments have few direct, measurable benefits, although benefit the image the company wishes to portray. Keep in mind, however, that too many goodwill investments can lead to dangerous erosion of capital as evidenced by the carnage of technology companies.

The fourth justification of technology spending seems archaic, yet remains an important influence in our industry. Due to lack of knowledge or resources, many companies invest in technology only to survive. Improvements are added in times of necessity. This is representative of the laggard technology group.

In an Information week survey, 47% of the participants stated that ROI measurements and intangible assumptions (goodwill) carry about equal weight. 33% said ROI assumptions are more important than intangibles while 20% said intangible assumptions carried more weight.

## Conclusion

The message to NWSA members is not to be afraid to invest in technology for the future. Technology remains the best solution for productivity growth. However, before investing, spend time projecting expected outcomes and calculate a return on investment. Compare the projected ROI to other investment priorities. Then after the investment is made, measure the projected outcomes. This is the only way to ensure that limited capital resources are employed wisely.

## Top ROI Investments in This Industry

I couldn't conclude this article without providing my own view of the top technology ROI's for this industry.

1. The best marketing list your business will ever own is the email list of your customers; not just [sales@xyz.com](mailto:sales@xyz.com), but the directory of the key contacts within your customers; including its officers, salesmen, inside sales, purchasing, etc. It is from this list that you can target market (with your customer's approval) company literature, new products, a Presidential letter, seasonal specials, news, excess inventory items, and delivery information. The cost of this technology is merely the time it takes to request and sort your customers' email directories.
2. Communications remain the top employee dissatisfaction issue. With employee accessible email and Intranet, management has the ability to lessen the issue. By posting a morning greeting, job openings, employee benefit information, and MTD Sales results, management can consistently keep employees informed of company goals and direction.

3. Provide your employees access to **nwsa.com** Employees should tune in at least weekly to catch the latest Industry News and Safety Alerts. In addition, it's your resource library for hundreds of relevant articles concerning safety, compliance, human resources, and technology, not to mention the Membership Directory, Compliance Manuals, and lots more!

For more information or questions, please call or e-mail Scott Ehrnschwender at Efficiency Associates, Inc. 513.831.0181 phone and fax. [scottea444@aol.com](mailto:scottea444@aol.com)



# Compliance Calendar

## NWSA COMPLIANCE CALENDAR - JANUARY 2002

Check for expiration / recalibration due dates:

- Fill gauges
- Hydrotest gauges
- Detector tubes
- Analytical equipment
- Fire extinguishers

Things to do:

- Safety meeting (OSHA, TABS 14, 15)
- Housekeeping inspection (OSHA, TAB 9)
- Inspect all fire extinguishers. (OSHA, TAB 9)
- Review/update list of hazardous materials at facility (OSHA, TAB 17)
- Complete hazard assessment with employee input (see NWSA Safety Topic, January 2002)

For December, 2001:

- Did forklift drivers inspect the forklift(s) daily? (OSHA, TAB 21)
- Did drivers turn in a post-trip truck inspection daily? (DOT, TAB 8)
- Did the fill plant perform a "settled-pressure" check daily? (DOT, TAB 13)
- Did the QA Unit approve all medical gas records daily? (FDA, TAB 4)
- Annual vehicle inspections. (DOT, TAB 8)
- Annual cargo tank inspections. (DOT, TAB 19)

Deadlines:

- Customer notification of SARA III, Tier Report for leased / rental tanks no later than February 15. (EPA, TAB 7)
- Post OSHA "200" Log by Feb. 1. (OSHA, TAB 26)

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**IMPORTANT:** This checklist is presented as an aid in your compliance efforts. It is not intended to ensure total compliance with regulations which affect your company and may not include all issues which need your attention. You are encouraged to add to this list as necessary.



## Safety Tip of the Month

### January, 2002 -- Machine-Welding Safety Checklist

- Is open circuit (No Load) voltage of arc welding and cutting machines as low as possible and not in excess of the recommended limits?
- Under wet conditions, are automatic controls for reducing no load voltage used?
- Is grounding of the machine frame and safety ground connections of portable machines checked periodically?
- Are electrodes removed from the holders when not in use?
- Is it required that electric power to the welder be shut off when no one is in attendance?
- Is suitable fire extinguishing equipment available for immediate use?
- Is the welder forbidden to coil or loop welding electrode cable around his body?
- Are wet machines thoroughly dried and tested before being used?
- Are work and electrode lead cables frequently inspected for wear and damage, and replaced when needed?
- Do means for connecting cable lengths have adequate insulation?
- When the object to be welded cannot be moved and fire hazards cannot be removed, are shields used to confine heat, sparks, and slag?
- Are fire watchers assigned when welding or cutting is performed in locations where a serious fire might develop?
- Are combustible floors kept wet, covered by damp sand, or protected by fire-resistant shields?
- When floors are wet down, are personnel protected from possible electrical shock?
- When welding is done on metal walls, are precautions taken to protect combustibles on the other side?
- Before hot work is begun, are used drums, barrels, tanks, and other containers so thoroughly cleaned that no substances remain that could explode, ignite, or produce toxic vapors?

Important: This list is not intended to include all hazards or precautions that should be taken.

— Source: OSHA Handbook for Small Business, Form 2209

#### Important:

This information is offered by the National Welding Supply Association and your local distributor as general guidance only and may not explain all relevant safety precautions or hazards.

Attach your mailing label here to forward this safety tip to your customers.

Mike Lopez, NWSA Safety Consultant