

## Choosing the right solution for contractor and supplier management

By Bill Burket, Environmental Health and Safety Compliance Consultant

Contractors and suppliers can provide many essential benefits to businesses such as expertise, efficiency, and cost savings. In addition, companies working with contractors and suppliers can scale their business up and down depending on market demand. The benefits of outsourcing to suppliers and contractors is clear, but the associated risks are largely unseen. To add fuel to the fire, the breakneck pace of change and the pressures of financial reality can cause important, risk-mitigating considerations such as contractor safety to be overlooked — which could be not only an ethical disaster, but a business disaster as well.

Contractors working on your site and suppliers providing materials should be considered internal employees. If contractors are injured on the job, it can seriously damage your organization's reputation and impede your growth. To maximize the benefit and minimize the risk of these relationships, companies and their suppliers must commit to a common culture of safety. This means companies need to stay engaged with their contractors beyond simply hiring them. Companies should:

- ▶ Regularly collect information from their suppliers that demonstrates a commitment to safety such as incident rates (lagging indicators) and safety programs (leading indicators).
- ▶ Continuously monitor suppliers' insurance coverage to protect the company in case something does happen.
- ▶ Audit worksites on a consistent basis to ensure that safety policies are enforced.
- ▶ Monitor the condition of equipment that contractors use to carry out their jobs.
- ▶ Ensure each contracted worker has the proper licenses and certifications to perform the job safely.
- ▶ Provide site-specific training required for each position.

Carrying out these tasks on a regular basis can seem overwhelming. Companies that choose to tackle contractor and supplier management on their own face risks to contractor safety, their bottom line, and their brand. Although worker compensation laws in many states don't allow employees to sue their employers, they can still sue the company that hires the contractor. To minimize risks and ensure proper compliance with all contractors, many organizations are turning to contractor and supplier management solutions. Here are some best practices you can follow that can help you choose a solution that can meet your needs and those of your suppliers.

# 1

## Bring a proven contractor management program on board

An established third-party contractor management program can help companies avoid risks by providing up-to-date information and expertise across the complete contractor and supplier spectrum. A professional contractor management program can cover everything, from safety and insurance to training, on-site requirements, and more. And the impartial auditing processes of a good contractor management program can help companies avoid the natural bias that can influence contractor evaluations performed by the companies themselves.

However, not all contractor management programs are created equal. I've had experience with management programs that were not only difficult to use, but so disorganized that we couldn't do anything with the information — and in some cases, the data was no longer current. If a program is complicated for contractors to use, chances are good that they won't complete the required qualification documents — and without complete contractor data, the program can't provide the value, insights, and documentation companies need.

Avetta is unique in the world of contractor management because it was founded by people who truly understand the importance of contractor safety. Avetta knows from experience that if the solution isn't simple, it won't get used. For the hiring company, the Avetta solution simplifies management so that you can instantly identify issues like OSHA's Total Recordable Incident Rate (TRIR) and citations for each contractor. With just two clicks, you can see what kinds of injuries a contractor has recorded. And contractors appreciate the program's ease of use and the accessibility of Avetta's customer service team, which is always available to provide advice to streamline the onboarding process.



# 2

## Make sure your solution delivers complete contractor visibility

Look for a contractor management solution with an intuitive dashboard that provides contractor and supplier information at a glance. You want to be able to see where contractors are in the onboarding process and identify contractor status based on easy-to-read compliance indicators. And with one click, you want to be able to see why a contractor is not approved for work and how to quickly get that issue resolved.

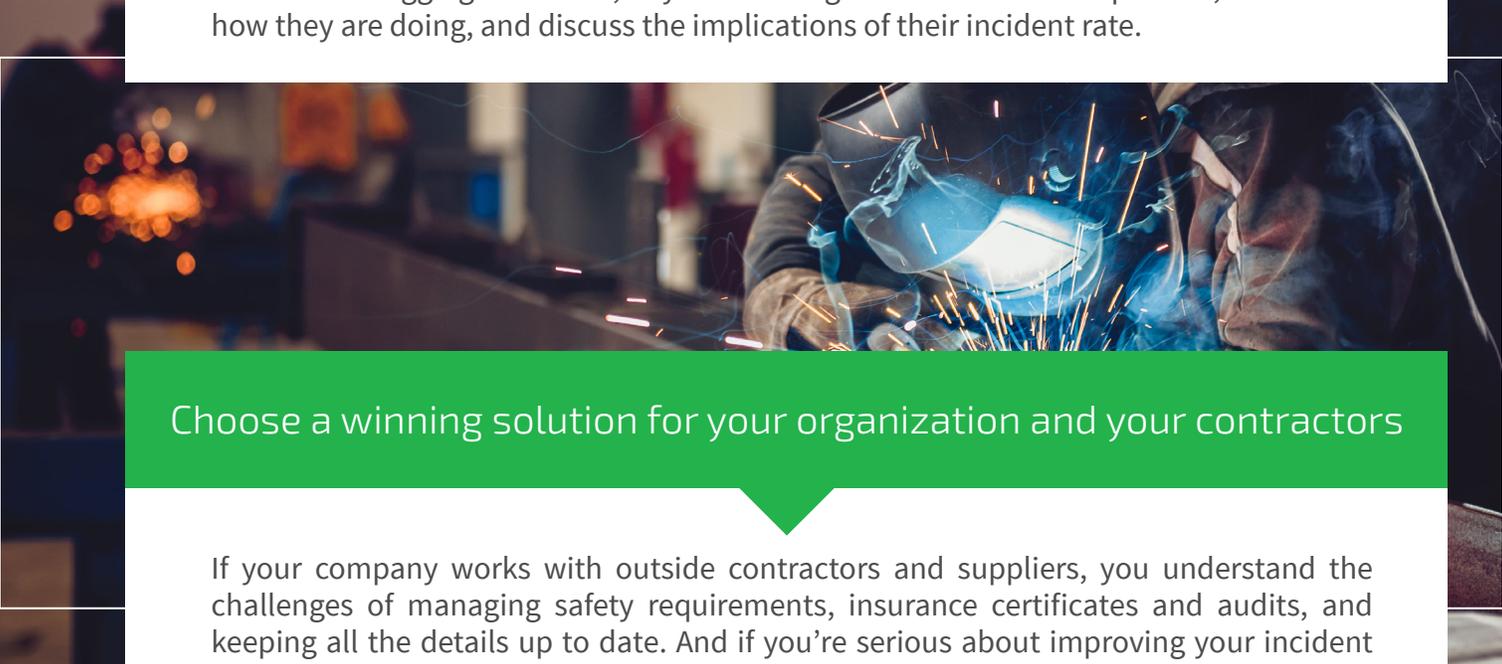
Avetta provides such a platform and delivers daily operations reports, which can help your accounting department keep records accurate and up to date. In addition, Avetta goes the extra mile to remove any bias issues and minimize audit risks by performing a complete review of contractor operations, safety manuals, and requirements — and the cost of Avetta is less than the cost of hiring a team to do this work for you.

# 3

## Find a solution that can drive the business case for safety improvements

Keeping employees and contractors safe is a priority for every organization, yet proving the value of safety and environmental measures to upper management is an ongoing necessity. You need to be able to demonstrate that addressing safety and environmental issues and reducing costly incidents is saving your company money. Even a small accident can reduce productivity, so spending money on safety is a good investment, compared to the overall costs of on-site injuries. But business leaders want to see the figures.

Avetta provides the analytics to prove the value of safety and environmental measures. For example, you can show executives that you have achieved a 70% improvement in incident rates over a four-year period. Avetta analytics can also show improvements in contractors' lagging indicators, so you can bring contractors into the process, show them how they are doing, and discuss the implications of their incident rate.



### Choose a winning solution for your organization and your contractors

If your company works with outside contractors and suppliers, you understand the challenges of managing safety requirements, insurance certificates and audits, and keeping all the details up to date. And if you're serious about improving your incident rate, you can't do it alone. You need a proven program that provides essential information in an easy-to-use dashboard, simplifies the process for your contractors, and provides updated information and analytics that demonstrate value.

Avetta is helping some of the most successful organizations around the world engage with the best contractors, minimize risks, improve safety performance, streamline processes, and most importantly, save lives — and they can do the same for your company. The program is highly customizable, so Avetta can work with you to deliver capabilities tailored to your needs. And because the program simplifies the process for contractors, they are more likely to provide complete information and meet safety requirements. With Avetta, everybody wins.



Avetta connects the world's leading organizations with qualified suppliers, contractors, and vendors. We bring unmatched visibility to your company through cloud-based technology and human insight. As a result, we foster sustainable growth for your business, as well as your supply chain.

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