

PERSONAL PROTECTIVE EQUIPMENT AND TIGHT MARGINS

Every manager has to carefully consider cost and revenue, weighing employee satisfaction, productivity, necessary expenses, and numerous other details. The Personal Protective Equipment (PPE) you choose for your employees is a cost, but the proper PPE program also helps enhance your team's productivity, reduce safety incidents, and ultimately, reduce overall costs.

How PPE Affects Margins

Longevity Matters for Tight Margins

It is easy to simply look at the cost of equipment and determine how it affects your monthly, quarterly or yearly budget. However, the initial cost of a products is only one factor in the total cost of ownership. For example, your budget, your employees' performance and your profit margins will suffer more if you buy lower cost items that frequently need to be replaced or underperform. In other words, PPE doesn't affect your bottom line just at the time of purchase – the total cost of ownership needs to be examined. When making a decision on the jackets, boots, overalls, gloves, hats and other safety equipment worn by employees, it is vital to look at the garment life cycle of each item.

How long will the equipment last? If you are spending less on each item, but replacing it more frequently, the total cost of ownership is higher, tightening your margins (see example to the right). As you can see, slightly more expensive gear, made with higher quality materials that has greater longevity, is a better choice for your bottom line.

Productivity

Line item expenses aren't the only ways PPE impacts your margins; the productivity of your employees is a major factor. The more productive your employees are, the better your revenue. If the PPE your employees wear hinders movement, doesn't adequately protect them, or otherwise prevents them from performing at top levels, you are losing money on lost productivity. High quality gear for cold environments will allow:

- Complete protection against cold temperatures and environmental conditions
- A full range of movement
- Features to assist in job duties, such as extra grip on gloves, slip-resistant boots
- Functional features, such as oversized pockets, stand-up collars or pen stalls
- Other materials gear contacts, such as chemicals for sanitation

LONGEVITY MATTERS FOR COST AND PROFIT MARGINS

INITIAL PRODUCT COST

LOWER QUALITY
Lifespan: 9 Months



\$85

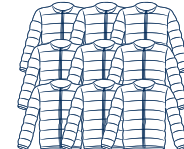
BETTER QUALITY
Lifespan: 15 Months



\$115

20 EMPLOYEES AFTER 36 MONTHS

80 LOW-QUALITY JACKETS



\$6800

48 QUALITY JACKETS



\$5520

SAVINGS OVER 36 MONTHS

YOU COULD SAVE

\$1280

OVER 36 MONTHS!

Another factor to consider is how professional looking and uniform the gear is. Studies show that similar uniforms¹ and clothing that feels more professional increase employee productivity.² When choosing gear, check that your vendor provides embroidery services. This will make the items feel more uniform, even if different styles, bestow a feeling of professionalism and help reinforce a team environment.

Enhanced Safety

The second P stands for Protective for a reason – the gear is meant to keep your employees safe. The right PPE not only keeps your employees safer, it helps reduce your costs and increase your margins. When an employee is injured, there are a number of costs your company incurs. Sometimes all it costs is the lost productivity of the injured employee missing work. Other times, it means the added cost of creating and implementing new safety features and regulations, increased worker's comp insurance premiums, plus the lost productivity of the injured worker. The right gear helps reduce the risk of injury, saving you precious time and money.

In cold environments, better safety equipment also means increased productivity due to shorter recovery times. Better gear keeps your employees warmer and more protected. This reduced the time needed for recovery, meaning more time can be spent working rather than recovering. Increased productivity means increased margins.

Defined PPE Guidelines

Even if you don't provide the PPE that your employees wear, what you allow them to wear affects your bottom line. It is important to have a defined PPE policy in place for your employees. Without guidelines, what your employees purchase may not be well-suited to your environment. This can affect productivity, increase injury claims, create contamination issues, and more – all of which shrink your margins and bottom line. PPE also plays an active role in the satisfaction of your employees, which affects their productivity and morale.³ Creating a detailed and defined PPE policy for your employees to follow – such as listing approved vendors (have only one or two), specifying approved materials, and listing the minimum temperature ratings each type of equipment should meet – helps mitigate unforeseen costs due to low quality employee PPE.⁴

Repair and Laundry to Extend the Life of Products

Are you replacing equipment that could be repaired? It is in our nature to take the path of least resistance and simply replace something that has been damaged. Repair is often far cheaper than replacement, extends the lifecycle of the garment, and helps increase your margins in the process. When choosing items that see a lot of impact like jackets and pants, check to see if the vendor has a repair program. You should also learn about laundry services to extend the life of products, especially with insulated products that have special laundry needs. See RefrigiWear's repair options.

The Bottom Line

Protecting and improving your bottom line is a primary goal for any manager. Recognizing the role PPE plays in that will help you lower costs, enhance productivity and increase margins.

1. New System Laundry, "Do Uniforms Impact Employee Productivity?" <http://newsystemlaundry.com/services/uniforms/do-uniforms-impact-employee-productivity/>

2. Ruchika Tulshyan, "Is Casual Dress Killing Your Productivity At Work?" <http://www.forbes.com/sites/ruchikatulshyan/2013/10/17/is-casual-dress-killing-your-productivity-at-work/#49b641db2ed0>

3. RefrigiWear, "The Real Cost of Employee Turnover." <https://www.refrigiwear.com/customer-service/knowledge-center/reducing-employee-turnover>

4. Sample PPE Policies. <http://depts.washington.edu/wineryhs/Content/samplePPEpolicies.doc>