

Safety as an investment in uncertain economic times

By Collin Pullar



While the economic environment in Saskatchewan has been relatively strong, there are many definite signals on the global front that may cause companies and investors to have the odd restless night. As net exporters of major commodities, such as oil, uranium, coal, and of course, potash, Saskatchewan mining companies are sensitive to the financial implications of global market fluctuations. The rest of the provincial economy has also not been completely immune to the sustained drop in oil prices, as well as the softened housing and consumer markets.

As company leaders watch this external environment, they find themselves taking closer stock of their businesses; considering how their company adapts and prepares for what may be a bumpy ride. This is an opportunity for business leaders to evaluate what their business needs are, and what to focus on most, in order to prioritize their investment dollars. This is a time when decisions are made re-

garding what is essential to operational success and what can be put off, delayed, or denied as a luxury to their business.

Investors are also carefully considering their options in terms of providing (or withholding) the capital needed by mining companies to construct the infrastructure and systems required to supply customers with their product. In these times, risk and the ability for companies to manage risk becomes as critical as ever. Investors and business leaders are looking for the confidence of safety by methodically identifying well-managed operations.

The Saskatchewan mining sector has made significant advances in safety as a principle risk-mitigation tool to control avoidable losses, whether that is in production, company reputation, environmental or human impact. From a financial perspective, safety reduces the potential volatility as strong safety management allows for managers to more

reliably predict its productivity outflows over long periods.

In the construction industry, more and more business customers and consumers are viewing safety as something that adds value to their purchases. In the June 6, 2015 edition of *The Economist*, the article "Walking the Walk" argues that environmental and human safety is increasingly being seen as good for business, and central to how firms do business, as safety becomes "simply a proxy for good management". Builders that are methodical in their approach to safety are more likely to be methodical in their approach to product quality and other aspects of their management. When mining companies procure construction work for their sites, these merits add further value and predictability to an otherwise riskier business.

So, in uncertain economic times, does safety fall to the wayside as a lower priority? Or does a company embrace safety management as a value-added proposition that has direct benefit to bottom-line issues like long-term profits, reputation, and retention of high-value employees? If you look to the top Saskatchewan leaders in mining and construction for a sign, it is definitely the latter.

Collin Pullar is the president of the Saskatchewan Construction Safety Association – An industry-driven and funded enterprise serving over 9,900 commercial, industrial, and residential construction member companies in Saskatchewan. Its mission is to provide high-quality, nationally recognized safety training and advice to construction employers and employees leading to reduced human and financial losses associated with injuries. ♦

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