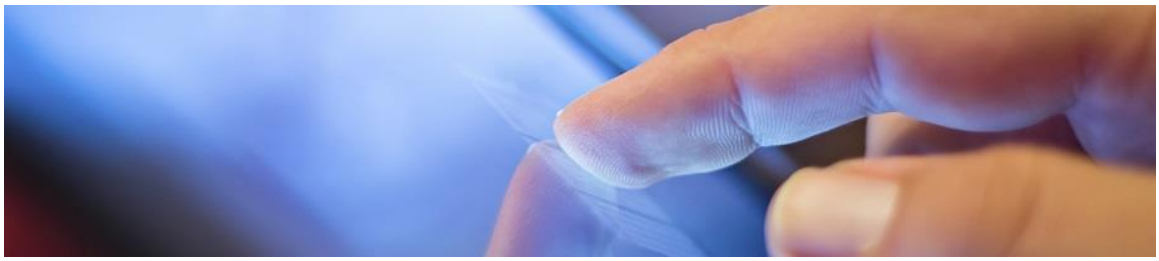
Are Manufacturers Stuck in the 20th Century?



With a variety of automated Environmental Management Information Systems (EMIS) to help track and report environmental, health and safety (EHS) requirements, it is surprising that a majority of companies are maintaining existing paper and spreadsheet-based compliance programs. Paper and spreadsheet-based reporting solutions are not only inefficient, but are also prone to errors. When used for compliance reporting, there are significant risks and financial fines and penalty costs of up to $25,000 per non-compliant event, per day. So why are companies accepting unnecessary environmental liability associated with these archaic programs, and what can they do to leverage existing technologies to bring their EHS systems into the 21st century?

There are, unfortunately, several reasons why companies are staying steadfast in using outdated tools and methods. For one, historically, upgrading to complex customizable EMIS systems has been a huge undertaking requiring significant cost and labor resources to configure and implement. Implementation and deployment used to be an expensive, ERP-style approach, which takes significant time and costs multiple millions of dollars. Continuing misperceptions fuel the expectation that the effort in migrating from current spreadsheets or paper systems into a modernized EMIS platform will be an arduous task –this can scare managers away from making the change.

There are also companies who would like to modernize their EHS systems, but do not yet see the need, because the current system is “good enough.” Unfortunately for these companies, there are often hidden problems that they have yet to discover. Independent studies have shown that 88 percent of spreadsheets contain an anomaly. In addition to spreadsheet errors, most companies will go through separate data collection efforts for individual reporting purposes, such as Air Emissions Inventory (AEI) and Greenhouse Gas (GHG) reporting. Collecting redundant data sets duplicates data collection efforts and increases risk associated with data accuracy reported for each program. As data is collected in different data cells, the potential to collect slightly different raw data sets increases.

State and federal agencies are becoming more sophisticated with how they manage their regulatory programs, making it easier for them to analyze and catch discrepancies in data being reported. As these agencies make the reporting process more complex and are migrating to electronic submittals, companies need to be able to adapt their

reporting processes accurately and quickly — a task that is not so simple when using paper and spreadsheets. Without a robust EMIS program, it is only a matter of time before just one oversight turns into a noncompliance event.

However, quite possibly the biggest barrier we have seen is the natural fear of change. For the most part, companies have workers that have been performing a particular job function in a specific way for the last 20 to 30 years. These workers are comfortable going out and collecting data and recording it in a simple logbook. Because migrating to a modernized system requires potentially changing business practices and learning new tools, there can be natural resistance among the user base.

Part of the discomfort in moving to a more technologically advanced solution comes from an individual's personal use of technology — or lack thereof. Many of these workers rarely use computers — they may not even have email. The thought of constantly logging in, remembering passwords, and navigating an EMIS program can be daunting. However, it is important to note that among this group of technology-averse users most have used smartphones on a daily basis for personal use. Utilizing smart devices can be a catalyst for users to embrace a modernized EHS system.

EHS professionals are overloaded in keeping abreast of new and emerging regulations, compliance reporting, risk mitigation activities, and collecting data required for reporting. Conversely, operational staff regularly touches or interacts with critical data required for compliance. A simplified mobile solution allows additional non-EHS staff to collect and report EHS data and perform incident reports. Since minimal training is required, an operator—who is not connected to the EHS program and does not want, or know how, to utilize that data for environmental compliance purposes—can collect the required data as needed. This approach follows the fundamental concept of touching data once at the source and using it in multiple programs.

One of the first things managers can do when looking to modernize their EHS system is quell the fear of change in the end users. It is important to remember that only a few people — maybe three to four in an organization — will need to deal with the full sophistication and power of an EMIS system. The rest of the users will simply use the tool to report data, launch incidents, and perform checklists. An end user's interaction with the EMIS program can be as simple as entering data and hitting "save" and "submit."

The right standards-based technology can overcome barriers and simplify data collection, compliance reporting, and provide powerful platform for near real-time data analysis. These applications are perfectly aligned to allow users to go into the field with minimal training, perform activities, simplistically capture data and be finished. Any findings, issues, or corrective actions required can be directed to the company's Environmental Professionals for complete tracking and proper closure. Leveraging current technology allows for simplicity with the end user and provides the

sophistication needed by the EHS Professionals to maintain compliance. Integrated reporting allows data collected for a specific compliance program to be used to monitor company metrics against Key Performance Indicators (KPIs) or support other compliance programs. This saves time, money, and effort while mitigating compliance risk, as all programs are using the same raw data sets.

The bottom line is this: technology continues to advance, the regulatory environment consistently evolves in complexity, and companies performing compliance the same way year after year will quickly fall behind the competitive curve and will soon find themselves with noncompliant events impacting both operations and company brand image. However, companies that do embrace new technologies like cloud computing and the use of mobile devices will soon find that not only are they able to reduce noncompliance, but they are also able to reduce resources for collecting and managing data, allowing them to better focus their time on improving operations, rather than just reporting.

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