

# Federal Premium Ammunition Utilizes BTE to Lower Injury Rates to 1%

Company Saves \$1.4 Million in Worker's Compensation Costs, a Net ROI of 347%

## THE CLIENT



Since 1922, Federal Premium Ammunition (Federal) has been a major producer of sporting ammunition. Their facility is located on 175 acres in Anoka County, Minnesota with half a million square feet of manufacturing space. The facility manufactures seven days a week, making multiple daily shipments to meet demand. Some of the 1100 production employees have worked there for more than 40 years and say it's a family atmosphere. Employee health and safety is a top priority.

SAMPLE SIZE

**1,100 EMPLOYEES**

LOCATION

**ANOKA, MN**

DATE OF IMPLEMENTATION

**MARCH 2009**

### BTE SERVICES

Post Offer of Employment Testing (POET)

Physical Abilities Testing (PAT) for Incumbent Employees Requesting Transfers

### TESTING OUTCOMES

Over 1050 Employees POET or PAT Tested in Five Years

4 Job Classifications

8.6% Failure Rate

### AVERAGE YEARLY RESULTS

MSD Injury Rate is 1% for Tested Employees and 4.1% for Non-Tested Employees

Average Yearly MSD Claims Cost is \$5,541 for Tested Employees and \$17,576 for Non-Tested Employees

### RETURN ON INVESTMENT

**\$1.4 Million Total Savings**  
**347% Net ROI**

THE CHALLENGE

New Employees Getting Injured & Claims Costs Nearing \$400,000

In 2008, Mary Lauer, the Health Manager and Registered Nurse of Federal at the time, was getting a lot of complaints from supervisors. Employees were getting hurt. Lauer remembers one supervisor in particular who came to her about a recently hired employee.

That year, Federal had 23 musculoskeletal disorders (MSD) injuries with an average cost of \$17,222 per claim totaling almost \$400,000.

“The supervisor said, ‘You told us he was fit for work’ Lauer said. “He was here two weeks and now he has a shoulder injury. How do you know a new employees is fit for the job?’ We didn’t know and we were putting people in jobs that we knew were physically hard and we had no proof that they could perform the physical functions of the job. Ultimately we did not want people injured on the job.”



THE SOLUTION

BTE Physical Abilities Testing for New Employees & Incumbents

Lauer began researching companies that provided pre-employment testing to reduce employee injuries. “We chose BTE for a few reasons,” Lauer said. “First they did incumbent testing which we thought was really important. Also, they had very strong legal defensibility. We didn’t want to have a discrimination claim. And I’m happy to report we have never had a complaint filed in the five years of working together. Plus they were very professional and did all of their homework.”

Federal implemented the Post Offer of Employment Testing (POET) program as well as the Physical Abilities Testing (PAT) for employees who wanted to transfer to another job classification within the company.

In early 2009, BTE spent ten days onsite at the plants to observe and document the physical demands for each of the job classifications. BTE clinicians observed and measured over 100 employees performing their jobs during all shifts. BTE also tested a diverse sample of incumbent employees to further validate the test protocols. Within two months, Federal launched the BTE program with universal support from management and employees.

“We used our newsletter to explain why we wanted to place people safely in their positions,” Lauer said. “We got no push back at all. Management was very supportive. Everyone wanted employees to be able to safely perform their job duties. Ultimately we wanted them to go home in the same condition they were when they came to work.”

Today the BTE program is part of Federal’s corporate culture. “The BTE POET program is just something we do, and that’s it,” said Sara Peterson, current Health Manager. “The management team takes the program for granted in that they are confident that it is there. It’s part of our culture now.”

It’s been five years since Federal implemented the BTE POET and PAT testing. Every year the company makes updates to the testing parameters based on the changing requirements of the jobs. And over time a larger percentage of the current workforce has been tested.

“Ultimately it’s about not having employees get hurt,” said Peterson. “They are going home in the same condition that they came to work. It’s a win-win.”



THE RESULTS

Injury Rates & Claims Costs Reduced by 75%, Estimated Savings of \$1.4 Million

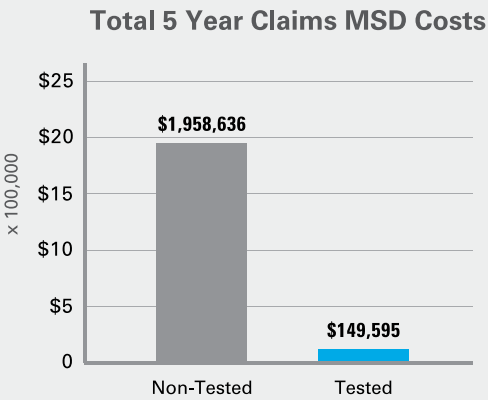
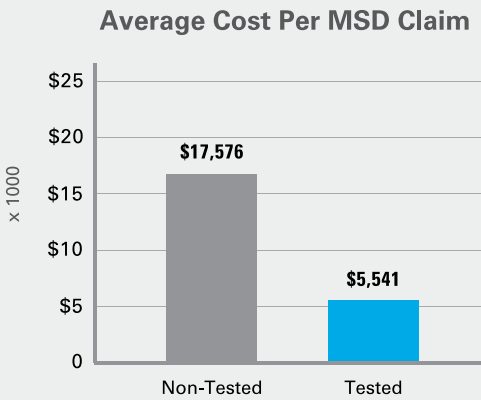
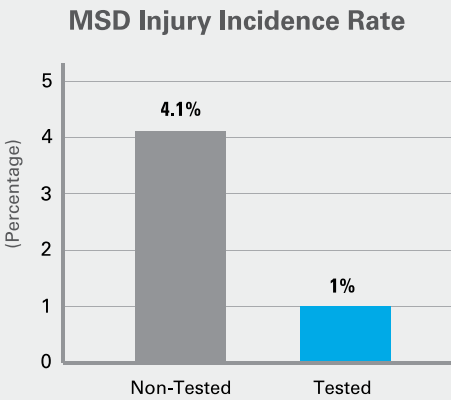
In the five years that Federal has used the BTE program, POET- and PAT-tested employees have lower average MSD injury rates, lower average cost per MSD claim and lower total 5-year MSD claims costs than non-tested employees.

Calculating a realistic return on investment is an important part of the BTE program. The ROI for Federal comprises two parts. Total savings refers to the injury rate of new hires if POET had not been in place for the previous five years. The second part is costs avoided by not hiring the candidates who failed the POET test.

For every dollar Federal has invested in the BTE program, the company saved an estimated \$4.47.

“The results we have seen are phenomenal,” Peterson said. “The reduction in injuries and costs is amazing, but the costs avoided by not hiring someone who cannot pass the test - that is really significant.”

When BTE recently presented the ROI analysis, the CEO of ATK (Federal’s parent company) was so impressed he decided to implement the program in other ATK manufacturing plants.





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- Sara Peterson, Health Manager

#### THE BOTTOM LINE

**TOTAL SAVINGS &  
COSTS AVOIDED:**

**\$1,401,744**

**RETURN ON INVESTMENT:  
NET OF PROGRAM COSTS**

**347%**



For over 35 years, BTE has been a leader in physical performance evaluation and treatment. BTE Workforce Solutions provides employers with superior processes and technology to optimize productivity including job assessment, employment screening, evaluation, treatment, job-matching and return-to-work, resulting in lower absenteeism and turnover, improved safety, reduced injuries, reduced claims costs and measurably increased performance. With BTE, companies are more productive and more profitable.