



5 Money-Saving Tips for Your Hazardous Materials Program

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3E Company Background



3E Company is the trusted global provider of chemical, regulatory and compliance information and outsourced solutions that enable EH&S and related chemicals compliance for Fortune 1000 organizations across the chemical lifecycle

- Alleviates the burdensome aspects of compliance
- Reduces costs, improve efficiencies, and increases productivity



3E Company Background



- 20 years of leadership in chemical information and emergency response
- 300+ employees – international, multi-lingual, professional staff
- 7,000 customers, 75,000 customer sites
- Unique in the industry
 - 24-7-365 HazMat Mission Control Center
 - Manufacturer Relations
- Aggressive growth plan – acquired Ariel Research, November '04
 - Customer base includes 70% of top chemical companies in the world

- Compliance is a cost?
- Re-thinking your hazmat compliance function
- 5 money-saving tips for your hazmat program

- Traditional view
 - Hazmat compliance is a cost
 - The goal of a compliance program is to
 - Improve safety by reducing accidents/incidents
 - Reduce financial exposure from penalties
 - Keep management from going to jail!



Hazmat Compliance Facts



- Hazmat regulations program is designed proportional to risk to mitigate large-scale incidents
 - e.g., packaging rarely disintegrates for high-risk hazmat even in serious incidents
- Hazmat civil penalties are rarely big-enough to warrant business decision-maker attention
- Hazmat criminal prosecutions are very rare
- The result
 - Compliance is a cost
 - Non-compliance can be viewed as cost of doing business!



- Hazmat compliance is supply chain enabler
- Lack of understanding of all aspects of compliance leads to *daily friction* in the supply chain
 - in today's global supply chain any friction is waste of resources
 - large events that disrupt the supply chain are very costly
- On-going compliance program aids smooth and timely supply chain

- Rethink your hazmat compliance role inside your organization
 - Research & Development/Scientific
 - Product Stewardship/Global Compliance
 - Procurement
 - Sales & Marketing
 - Packaging/Operations/EHS

- Are your products classified correctly for smooth transactions in the global supply chain
 - Differences in global regulations
 - Cost impact of classification
 - Work out a process to integrate your knowledge and expertise in to the product development process
 - Handling classifications during M&A activity
- Consider third-party classification services
 - Manage on-going regulatory and business impact
 - Provide oversight
 - Convert fixed cost in to variable cost
- Hazmat compliance begins with proper classification!
 - Getting this right is a fundamental and critical step

- Current regulatory knowledge and data is critical information
 - Get access to reputable regulatory sources
 - Consider joining an hazmat industry group to keep-up with (and participate in) regulatory changes
- Focus your effort on compliance change management that result from business changes
 - Identify and purchase automated regulatory data feeds for your corporate systems; eliminate non-value added regulatory data update functions
- Ensure your product MSDSs show the right information about hazmat
 - Convey accurate information to your customer
 - Avoid unnecessary delays in the supply chain

- Develop mutual trust and respect with your supply chain procurement team
 - Identify *simple* metrics for use in selecting transportation suppliers
 - Develop or participate in on-going internal supplier reviews
 - Work toward an acceptable supplier audit program
 - Get to know your supplier's compliance personnel
- The right transportation supplier makes or breaks your compliance efforts and delights your customer!

- Position yourself as the trusted compliance advisor and subject matter expert for your sales & marketing team
 - Train them on picking-up compliance “issues” before these become problems
- Identify and get to know the compliance personnel of your clients
- Create competitive advantage for your company by finding ways to share your expertise and knowledge with your customers

- Get to know your packaging engineers!
- Packaging often has the biggest impact in ensuring safe supply chain for your products
- Packaging has significant associated cost-benefit
 - Lend your regulatory knowledge and expertise for optimum packaging choices
 - Packaging is highly visible to your customers and makes a strong statement about your compliance efforts
- Consider using third-party packaging experts



Tip 5: Operations/EHS (continued)



- Identify and get management support for key personnel in each location to coordinate DG compliance
 - Identify 24-7-365 support for personnel on compliance issues that come up on the front-line
 - Consider using a third party
- Have a plan for handling transportation incidents
 - Consider using a third party with 24-7-365 capability to handle incidents and keep you informed
 - Contract with responder with national reach or with another third party who can provide one-stop shop
- Review major supply chains and put processes in place to ensure smooth hand-off's

- Rethink your compliance role in your organization and become a supply chain enabler
- Promote hazmat compliance cost-benefit first for the supply chain, and then for safety and risk
- Review your internal stakeholders and identify key stakeholders who can contribute to success of an effective hazmat compliance program
- Evaluate and obtain third party support to deliver non-value add compliance activities; focus on the strategic program areas