

# A Solution for Workers' Compensation Issues in 24/7 Operations

## CASE STUDY: WORKFORCE OPTIMIZATION



**75%**  
DECREASE IN WORKERS'  
COMP CLAIMS



REDUCED YEAR-OVER-YEAR  
OPERATING COSTS



INCREASED PROFITS

### Summary:

A consumer goods warehouse and distribution facility located in the Southeast U.S. was experiencing significant issues with workers' compensation claims. The distribution center (DC) operated 24 hours per day, 7 days per week delivering household items to retail facilities throughout the region. Because of the around-the-clock nature of the work, it was easy for safety and health initiatives to go unchecked. Allegiance Staffing was brought in to provide a solution that would reverse the negative trend in workers' compensation claims to restore the integrity of the workforce.

### The Challenge:

A regular review of workers' compensation claims revealed that the distribution facility was experiencing an unusually high level of claims. In fact, the company discovered a 140% increase in claims from one year to the next. This created several undesired outcomes:

- Increased labor costs due to increased lost time.
- Decreased efficiency and productivity.
- Increased overtime to compensate available workers.

### The Solution:

The distribution center approached Allegiance to craft a solution. Allegiance management and our safety team performed a thorough review of their current operations in regard to safety and health initiatives at the DC. We implemented industry best practices and supported improvements to current procedures. The key ingredients of our solution were to change the onboarding process for new employees and optimize daily shift start-up activities for current employees.

### The Results:

Our solution led to a significant decrease in workers' compensation claims in just one year. This helped the company achieve positive business outcomes such as increasing operating efficiency and curbing undesired labor costs (e.g., workers' compensation payouts and unscheduled overtime).

- Decreased workers' compensation claims by 75%.
- Reduced overall operating costs year over year.
- Increased profitability growth by addressing unwanted costs.

"We value our employees and are committed to their success at our facility. We appreciate Allegiance Staffing for helping us develop a solution that would create a safe, efficient working environment to help us meet customer demand. We are now positioned to continue reducing workers' compensation claims through the continuous improvement of our 24/7 operations."

DISTRIBUTION CENTER FACILITY HR LEADER