

# SSI Consulting Solutions

## Cannabis Legalization and the Workplace

by Tracy Dixon

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The Cannabis Act will be coming into force on October 17, 2018, and subject to provincial or territorial restrictions, adults will be able to possess, share, buy, or grow legal cannabis up to a designated amount.

According to Statistics Canada, Nova Scotians are Canada's highest per capita consumers, and 4.9 million Canadians are already purchasing cannabis for medicinal and non-medicinal use, prior to legalization.

Many of us have seen and attended numerous seminars on legalization, listened to industry discussions, yet many questions remain. What does cannabis legalization mean for the workplace? How do we manage a new substance potentially entering the workplace?

Most workplaces today already have Drug and Alcohol Policies in place for managing impairment in the workplace. Recreational marijuana usage can be aligned within your current policies, communicating the policy updates and expectations properly to your team.

Much of the confusion around cannabis legalization and the workplace, comes from the usage of cannabis prescribed for medicinal purposes. A prescription for medical marijuana does not entitle an employee to be impaired at work, to compromise his or her safety (or the safety of others) and does not entitle an employee to smoke in the workplace, or to unexcused absences or late arrivals.

The duty to accommodate required by Federal and Provincial legislation, does extend to medicinal marijuana. In other words, employees with a prescription

are to be accommodated in the same way an employer accommodates any other employee who has been prescribed medication or who has an addiction.

The first step to developing an understanding of how to manage the usage of medical marijuana in your workplace is to do

remember when dealing with accommodation requests is that each individual situation will be different, and should be evaluated fairly, with open discussion and an understanding of the obligation of the employer's duty to accommodate.

A hot topic with benefits provid-



your own research on the effects of impairment of cannabis, and to assess your workplace for safety sensitive positions. The level of accommodations may vary depending on the different roles within your organization.

Employers who are faced with an accommodation request can consider options including moving the employee out of a safety-sensitive position, providing more frequent breaks, implementing alternative scheduling, or changing duties. An employer may also wish to request medical information from the employee's doctor, including whether or not it is necessary to use during working hours, or are there alternative medications that could be used without the psychoactive ingredient, THC. The important thing to

ers (and in the courts today) is whether Employer Drug Plans should be required to cover medicinal marijuana. Several recent court decisions in Nova Scotia have indicated that Providers may not be required to provide coverage for medical marijuana based on human rights concerns, however this is an evolving and new topic in the area of Drug Coverage.

The changes to the legal status of cannabis can seem daunting, but employers can take some simple steps to prepare such as a review of your drug policies to include recreational marijuana, learning about cannabis impairment, a review of safety sensitive positions, and to speak to a professional regarding potential workplace accommodations.



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## Supply Chain Management: Risk Mitigation

So often when considering Supply Chain Management issues, organizations focus on the cost side of the equation. While cost is obviously an important part of business, and a necessary focus to remain competitive and support growth, it is not the only factor in effective Supply Chain strategy.

Of equal importance, and some would argue of greater importance, is risk to the business, and efforts to mitigate risk to allow the business to prosper over the long-term. While the many varied aspects and disciplines of the business can claim importance where mitigation of risk is concerned, few are as critical as in the Supply Chain arena.

There is much press ongoing today focused on international trade, and what appears to be looming trade wars on the horizon as the US, under President Trump, continue to push the envelope as the aggressor in the abolishment of trade agreements with their various trading partners. While this

certainly poses supply chain risk to many businesses, risk mitigation strategies are not solely intended for major times of crisis, such as we may potentially see in the near term.

Risk mitigation needs to be part of the organizational strategy on an ongoing basis, and can deal with a whole host of potential issues that could surface without a minutes notice. Risks such as suppliers closing their doors, insufficient port capacity on certain transportation lanes, anti-dumping findings from government investigations, or sudden price increases on certain commodities are all "business as usual" things that can come up from time to time. Successful businesses anticipate these potential risks, and have strategies and processes in place to deal with them, should they become a reality.

A few weeks ago I was having discussions with a long-term supplier who has proven their ability to accept purchase orders, and ship product in a matter of days. As a result of

this stellar level of performance, the organization carried minimal levels of inventory, with extremely low reorder points for inventory replenishment.

Through these most recent communications, we became aware that their lead times had grown to over three weeks. As a result, an immediate change to inventory replenishment processes were put in place, combining longer notice to suppliers of upcoming demand (i.e., placing orders earlier with adjusted lead times), and carrying extra safety stock to compensate for the increased lead time.

This is but one simple example. The key point to remember is that organizations need to be proactive when it comes to supply chain risk, and to develop supply chain strategies and risk mitigation processes long before issues arise. Failure to do could result in the risk of being unable to fulfill customer demand, sudden shifts in price structures, and potential loss of business.

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## Quality Management: Built In or Inspected In?

There are a couple of different ways to manage quality and many debates as to the benefits of the various ways. The most economical way in the long run is to build quality in right from the start by involving all employees at all stages. Let's look at the different approaches suggested in the title.

**Inspecting for Quality**  
Inspecting for quality normally consists of operators doing their thing with a quality person doing some kind of final product inspection. They will often be from a different department than the production people and they may inspect every part, or representative samples.

While having a second set of eyes looking for issues may seem like a good idea, this can mean a lot of additional employees. Also, the quality folks may not have as their responsibility the goal of solving the issues, only finding non-conforming product. Worse yet, this system can set up the mindset in the production group that they do not need to be as diligent with the quality aspects of their job because someone else will catch the problem if something gets through, which is too late, and results in unnecessary scrap or rework.

When the quality inspectors find something off spec, their

normal reaction is to quarantine everything between them and the production operator. That might be a lot of product, and there is often a time lag in the communication while more bad product is produced.

### **Building in Quality**

This approach to quality management is focused on the person making the product also being responsible for the quality of the product they produce, in real time. There still maybe some limited secondary inspection based on limited samples, but each operator at each step is responsible to ensure that what they do meets all the specifications and most impor-

tantly, they never pass along bad or suspect product, but stop it right at the source.

Production operators make sure that their machines are set to the right specifications at all times, and are likely tracking the trends of what they are producing. This means that not only does each production person know what good quality looks like, they also have the right and the responsibility to stop any bad product, including shutting down the production process if deemed necessary.

So what are the benefits?

First, this is a very empowering

way to work for the production operators. They feel more connected to the final customer and also feel a sense of responsibility for what is being produced. There is usually more pride in their own work knowing that they are releasing the product instead of someone else doing a quality inspection for release.

Second, the impact of a single piece of bad product is reduced as there is no time lag between production and inspection and all the inventory that might have been involved.

Third, it also lowers overall costs as fewer inspectors are

needed.

When quality is built in at each step of the process, overall quality improves and the speed of reaction to an abnormal situation is much quicker. The quality folks will spend more time teaching what good quality looks like and why it is important to the company and the customer, and less time on inspection. In fact, everyone becomes part of the quality team looking for good quality product and solving the issues that lead to bad quality in a much quicker and cooperative fashion.

## Noteworthy Numbers



Canadian Job Market (source, tradingeconomics.com)



“The unemployment rate in Canada rose to 6.0 percent in June 2018 from 5.8 percent in the previous month and compared with market expectations of 5.8 percent. It was the highest jobless rate since October, mainly as labor force grew by nearly 76 thousand, the biggest monthly increase in six years” For more information, go to tradingeconomics.com

IHS Markit Canada Manufacturing PMI (source, scma.com)

“The manufacturing sector recovery has started to lose momentum, with new order volumes expanding at the slowest pace since the beginning of 2017. Output growth and job creation also remain softer than recent peaks” Tim Moore, Senior Economist, IHS Markit For more information, go to www.scma.com

Foreign Exchange Rates CDN vs. USD (source, Bank of Canada)

April 2018	1.2733
May 2018	1.2873
June 2018	1.3129



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HR Specialist

Tracy Dixon has extensive hands-on experience in Human Resources, and has been involved in start-ups, mergers, downsizing and high growth industries. For more information on Tracy, visit [www.ssiconsulting.ca](http://www.ssiconsulting.ca)



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## Human Resources: Promoting a Respectful Workplace

A workplace culture that tolerates harassment, bullying, or destructive behaviour can negatively impact an organization financially, legally, and tarnish its market reputation. And support for this type of behaviour is not always overt. A lack of dealing effectively with harassment issues accomplishes the same thing, and leaves people with the perception that these types of behaviour are not only tolerated, but acceptable.

A workplace with harmful behaviours can also affect productivity, hiring and retaining talent, and can hinder the business from moving forward and reaching its goals.

Organizations who do not have a Respectful Workplace Policy in place, and who do not train people in the awareness of the

policy and the consequences of lack of adherence, should seriously consider policy development and implementation. For those who do have a Respectful Workplace Policy in place, the question becomes whether or not it is time to conduct a review of your practices to ensure all employees understand what is expected.

Basic tenets for a respectful workplace include:

- A clearly communicated Respectful Workplace Policy
- Senior Leadership commitment to a respectful workplace
- An effective dispute resolution process where complaints are investigated promptly, and with discretion
- Effective and frequent training and communication for all levels of the organization on the Respectful Workplace Policy, the dispute resolution process,

and expectations for respectful behaviour in the workplace.

Training on your Respectful Workplace Policy and practices can also include effective communication, solving day-to-day disagreements informally and with respect, recognizing inappropriate or disruptive behaviour, and instruction on how to deal with problems by using the formal process, if the issues cannot be solved informally.

The development and implementation of a Respectful Workplace Policy allows for respectful behaviours to become a part of your organization's values, goals and objectives, and reduces the potential for harm to your employees and business from harassment, bullying or destructive behaviour.

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## OH&S: Measurement Challenges

During my career as an Occupational Health and Safety professional, a Plant Manager once asked me "What will our stats look like?" With tongue in cheek, I replied – "what do you want them to look like?" Little did I know how accurate that comment was with regards to the use of key performance indicators within the safety industry.

The time, effort and money I have witnessed being spent over the years manipulating the OH&S measurements for all the wrong reasons has been incredible, with little or no effect on prevention. For starters, you need to be measuring the right things; the activities that result in improvement in safety performance. These measurements are often not the traditional "frequency and severity" measurements that

we have seen for years.

Secondly, the purpose of measurement is to improve. Too often they are utilized to compare shop to shop, or plant to plant, and as a result, are seen as a potential risk to the site, and encourages people to hide or become creative with how the measurements are constructed and communicated, which doesn't help anyone.

The Westray Mine received the award as the "Safest Mine in Canada" one month before the explosion that led to 26 miners losing their lives. Deepwater Horizon was receiving a safety award the very day it blew up, resulting in 15 workers losing their lives, and millions of gallons of crude oil spilling into the gulf. Were these organizations, and these award criteria, truly measuring

the right things?

OH&S measurements are an effort to be proactive at leading the safety effort, and should be focused on prevention, not simply reporting things after the fact. We need to remember that the reason for tracking and measuring our OH&S activities is to determine where we are today and how we can improve.

Take a close look at your key performance indicators and ask yourself whether or not they are driving the correct behaviours that will result in improving safety, or are they encouraging people to be creative and to not report the very information that can help drive safety improvement.

## Frontline Leadership: Unfit for Work?

by Larry Rosborough

As if your days are not busy enough, today one of your employees comes into your office and says that another employee is acting quite strange and they are concerned, and that you need to check it out. At this point you have no idea what the issue is. Is it a medical issue, are they intoxicated in some way, rendering them unfit for work? How do you assess the situation, and what do you do about it?

In all jurisdictions in Atlantic Canada, the Supervisor has some very specific duties and responsibilities regarding safety in the work place. This includes protecting employees from unsafe conditions, and the unsafe acts of themselves and others at all times. It is therefore the responsibility of the Leader to make an assessment regarding the employee's fitness for work. Failure to do so, would be a neglect of the Supervisor's responsibility, and would put the employees, the Supervisor, and the organization at risk.

In the situation, described above, the required course of action is to go speak to the employee, and to observe carefully what you are seeing and hearing. Is the employee acting different than what you are used to? How do they answer your questions? How are they moving? If you have any concern that they may pose a safety risk for themselves or others, you need to get them to a safe space somewhere away from moving machinery and equipment. Somewhere private where you can continue the discussion and your evaluation. If you get to this point, it would be prudent to have a second person with you to also observe and listen.

For most of us, we likely do not have the skill or experience to determine if a person is intoxicated by alcohol or drugs, prescription or other, or if the person is just in a highly emotional state. But the question really isn't if they are intoxicated, from what, or why. The question is safety, and whether or not we deem them fit to

work in a safe manner.

In the cases where your judgement is that you are not comfortable with the person continuing in the workplace, you should notify them of your decision, and arrange for them to safely get home. Call them a cab or ask if you can call someone to pick them up, but make it clear that getting in their car and driving themselves is not an option.

Next steps will depend on your organization's policy, but notifying HR of the situation to allow for proper follow up is most likely the next step for most. HR will be able to assess proper disciplinary protocol (if warranted), contact the employee for follow up, and arrange to confidential access to employee assistance programs if needed.

This scenario is an unenviable position for any Frontline Leader to find themselves in, but it is critical that it be handled correctly to ensure the safety of all, and to mitigate risk for employees, the Leader and the organization.



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[www.ssiconsulting.ca](http://www.ssiconsulting.ca)

## Upcoming Events

Security Canada Atlantic	Moncton, NB	Sept 12, 2018
DEFSEC Atlantic, 2018	Halifax, NS	Oct 2-4, 2018
NSC Congress and Expo	Houston, TX	Oct 20-26, 2018
Canada Woodworking East	Saint-Hyacinthe, QC	Oct 24-25, 2018
North Atlantic Fish and Workboat Show	St. John's, NL	Nov 16-17, 2018
Halifax RV Show	Halifax, NS	Jan 24-27, 2019

## From the Toolbox: 5S Audits

Embarking on 5S initiatives as a workplace organizational strategy can have huge benefits, but is also fraught with its share of challenges as well.

It is important to understand that this Lean tool is called 5S for a reason:

- Sort
- Set-in-Order
- Shine
- Standardize
- Sustain



Many organizations begin 5S initiatives with the best of intentions, yet struggle to maintain their improvements over the long haul.

### Why might this be the case?

The 5th “S”, Sustain, is a critical component to maintaining 5S improvements, and is all but impossible to achieve without some form of audit to regularly measure and track organizational efforts at maintaining the new standards that are a result of successful 5S projects. The audit should be kept simple, and be able to be completed easily in minimal time, to ensure they are regularly maintained.

To access to a 5S auditing tool, go to [www.ssiconsulting.ca](http://www.ssiconsulting.ca)

## Finance: Establishing and Maintaining Credit Facilities



**Bernie Casey**  
Business  
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*Bernie Casey is a career entrepreneur, and a seasoned business strategist with significant experience in Finance, Profitability, and Cash Flow Management. For more information on Bernie, visit [www.ssiconsulting.ca](http://www.ssiconsulting.ca)*

In today’s business climate, careful management of cash flow has become a necessity for any business to succeed over the long-term, and an important component of cash flow management is having the necessary credit facilities.

Chartered banks are the primary purveyors of credit allowing for sustained business operations. Most businesses refer to these as lines of credit (LOC’s).

### Determining Credit Worthiness

Banks are primarily interested in the strength of management and the plan for continued success. The ability of the business to comfortably service debt with current year contribution margin is a primary factor. Banks evaluate the strength of collateral, and the amount of money owners have sunk into the enterprise, as ownership investment provides significant leverage for securing a lender partner. Banks will also examine historical track records and compare them to

industry standards.

### Making a Pitch to Lenders

Simply said, passion sells, but a business plan answers many questions before they are asked. Lenders are very interested in how debtors manage what is within their control. The best plans are optimistic, yet cautious, with achievement within reach. The preferred approach is a truthful story with identified strengths and weaknesses to create balance and belief.

### Planning Your Pitch

It is important to understand upfront how the bank measures new business opportunities. Use the bank’s measurement tools and parameters to ensure your proposal is in compliance. Anticipate questions the bank may ask and perfect your responses. Banks may be cautious, however they are in business, and are therefore motivated to find good clients and lend them money, resulting in growth for the bank.

### Choosing the right Banker

Select a bank officer with a suitable lending limit and a corporate mandate to find new accounts. Bankers will measure your liquidity, efficiency and profitability ratios, and if you have done your homework and fall within their parameters, you have a fair chance to succeed in obtaining the credit needed to sustain and grow your business.

### Managing Your Line of Credit

Communication is of critical importance to a good relationship with your banker. It is important to not only share good performance, but bad performance and challenges as well, so that the banker sees a balanced perspective. Bankers will not finance loss, so strive to maintain profitability and keep the enterprise on course and in line with your business plan. When things go wrong, keep bankers in the loop as their help is based on advanced warning. Remember, no one likes surprises.

For additional information, visit our website at [www.ssiconsulting.ca](http://www.ssiconsulting.ca)  
or call us toll free at 1-877-576-3370

## Operational Excellence: A Safeguard Against Uncertain Times

The past few months of high stakes political activity has resulted in a great deal of economic uncertainty. The EU trade deal is in flux, NAFTA is being re-negotiated, and tariffs are popping up everywhere.

Trade deals should ultimately result in improved economic opportunities, but for most companies, tariffs will likely translate to added cost in the short-term and could force higher prices on customers. What do you do if your customers say no?

Is your business able to absorb added costs and still maintain the necessary profit margins? Making sure your internal processes are operating efficiently and effectively can cushion you and your customers from the

impacts of potentially higher input costs.

Operational Excellence (OE) is the practice of focusing on meeting customer needs through the continuous improvement of your internal and external operational processes, across the entire organization. No department is, or should be excluded from Operational Excellence endeavours. We want everyone focused on the organization's challenges, and on providing solutions to those challenges. Additionally, OE seeks to transform organizational culture by changing people's mindset about their work through engaging them in problem solving activities.

Organizations that embrace OE strive for excellence. They

utilize best practice benchmarking and world class Lean and Six-Sigma techniques to improve their processes. Utilizing this approach has proven to reduce cost, improve service and improve quality resulting in better products and services for the customer, and an improved bottom line for the business.

Your company may already be challenged to meet your customer's needs. The insecurity of global challenges stemming from trade uncertainty may put added pressure on your bottom line. Now may be the right time to consider embracing Operational Excellence as a safeguard against uncertain times.



**Mike Farrell**  
Process Improvement  
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*Mike Farrell is an innovative and professional Productivity & Process Improvement Leader with over 25 years of experience in successfully assisting organizations to improve their business performance*  
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## Business Development: Fundamentals for Sales Success

Sales is the one thing that **every** business has in common, regardless of how large or small they may be. Organizations must have sales in one form or another to stay in business. In many cases however, very little thought is put into developing an effective and efficient sales process. Like other aspects of the business, "getting sales" just sort of evolves over time.

Below are some key fundamentals for sales success:

**You need a Sales Process**  
I've seen many businesses, and even worked for a few, that took the "I need to hire a person to bring in more sales" approach to solving a problem concerning low revenues.

While hiring a sales person is a good start, you can't stop there. The sales person needs a process to follow. The whole point of a sales process is to focus on activities and approaches that work for your business, and eliminate the

things that prove ineffective.

The best place to start in developing a sales process is to simply document what you have done in the past that has worked and resulted in sales for your business. At the very least, teach that to your new sales people, and encourage them to stick with the program rather than totally re-inventing the wheel.

**You Need Activity**  
Once you have a sales process in place, the next step is to execute on it. This is where human nature will come into hard contact with the process. Call reluctance, "excuse-its", and lack of prioritization are all things that will become apparent when a process is in place. The good news is that, once sales people start executing on process activities, they become easier and their resistance diminishes. When they see success, activities become fun.

**You Need to Track Results**  
Tracking activity and the results

will help determine cause and effect; what is working and what is not. If you find one sales person is out performing everyone else, you can go to that person, find out what they are doing, and then teach it to your other sales people.

The flip side is that you can also identify what isn't working, and stop doing those things, which allows you to spend your sales time and budget on the things you know will deliver a return on your investment.

**Encourage Good Behaviour (and Discourage Bad)**  
People need to have purpose and want to be successful. Some are willing to work for that success, while others are not. You want a process that attracts those that are willing to work for success and not those that want a life with few challenges.

A good sales process and good sales people will help your company excel and grow when others are struggling to survive.



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## About Us

SSI Consulting Solutions is an Atlantic Canadian company that specializes in helping its clients gain competitive advantage through implementation of world class business practices.

It is through these practices that our clients not only compete, but gain significant advantage over their competitors, thereby allowing them to gain

market share and enhance shareholder profitability.

Our consulting philosophy is grounded in the concepts of teamwork, partnership, service, and quality, both in the coordination of our efforts within our firm and in our interactions with our clients. The core project team will be led by a member of our senior

consulting team. The strength and qualifications of our firm enables us to provide analysis that is both prompt and thorough.

We strive to form partnerships with our clients. Our best recommendations can be delivered only through recognition of each client's unique situation.

**Our Areas of Expertise:** Lean Continuous Improvement, Six Sigma, Occupational Health and Safety, Finance, Quality Management, Marketing, Frontline Leadership, Human Resources, Business Strategy and Strategic Planning, Change Management, Supply Chain and Operations Management

For additional information, visit our website at [www.ssiconsulting.ca](http://www.ssiconsulting.ca)  
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