In the October 2019 issue of Building Blocks, we outlined the top 10 risk management principles regarding design professionals for the next 10 months, one principle at a time, focusing on one each month. Consequently, in the fourth of the top 10 principles, the February, 2020 issue of Building Blocks is focusing on a “Go/No Go Policy.” The top 10 principles are based, in part, upon the Council of American Structural Engineers’ (CASE) “Ten Foundations for Risk Management,” and the National Council of Architectural Boards’ (NCARB) two of the six educational modules titled “Practice Management” (PcM) and “Project Management” (PjM) of the Architectural Registration Examination (ARE). The first five risk management principals relate to practice management, and last five risk management principals relate to project management.

A “Go/No Go” Policy – #4 of the Top 10 Risk Management Principles for Design Professionals

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#4 – A “GO/NO GO” POLICY
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Defined, a “Go/No” policy or decision is a determination to proceed with or abandon a plan or a project. In the design professions, this simple definition applies.

What should the assessment to proceed with or abandon a plan or a project cover? Rather than starting from scratch on a plan or project, it's easier to use an internal Go/No-Go policy/checklist in your design professional office. This provides a starting place, based upon:

- Your firm’s experience on prior projects
- Current talent and workload in the office
- Desire and potential for profit
- Common best practices
- Ethical considerations such as potential conflicts of interest
- Other factors unique to your firm

The checklist ensures that you won't miss any key areas in your review. Use what is in the checklist to prompt other questions and checks that may be relevant to a future plan or a potential project.

The checklist for a plan or project does not have to tick all of the boxes to proceed, and there is no required score or pass/fail mark. However, if there are several glaring gaps the decision becomes fairly obvious. The checklist helps to identify serious gaps and deficiencies to be addressed before you go-live. It may also provide support for further funds or resources if a particular area needs addressing. The checklist should support the decision making process, rather than form the basis of a decision. Whoever makes the decision (normally a senior principal or a steering committee) must also consider the bigger picture and include other factors such as external pressures, urgency to proceed, consequences of delays, your appetite for risk, etc.

The appetite for risk (a.k.a. your risk tolerance) is how you approach your risk management, and must be considered. Risk can be transferred, to some extent, with the purchase of insurance such as professional liability and other types of insurance. You can manage your risks, by utilizing a quality control/quality assurance program or adding additional skills to your tool box of professional services. Lastly, risk can be avoided, by simply declining to take on a particular troublesome client or project, and let your competitors have at it. That is the “No Go” of your “Go/No Go” policy. Unlike some other professionals, there is no ethical obligation to take your fair-share of available commissions.

If significant gaps are identified when reviewing a potential plan or project, it is usually far better for all concerned to delay implementation until these gaps have been addressed/mitigated. The implications and costs of a failed or troublesome go-live are often far worse than a minor delay in your firm’s schedule of other current projects. The only exception to this is if there is a non-negotiable implementation date (e.g. a response to a potential client demands that have to be decided by a certain date). In this case, the gaps on the checklist should be prioritized and addressed in order of importance and ability to resolve. By going-live the senior principal or the steering committee would essentially be accepting the risks identified in the assessment, on the basis that meeting the decision date is more important than mitigating the risks and having a smooth go-live.

**IN CONCLUSION**

We are not proposing the contents of your own internal checklist. That is your task to tailor-make your policy to fit your needs. One size does not fit all.

But, have this internal office policy that all members of the firm that buy into, and use it. What is worse is having a policy and not using it, gathering dust on your back shelf. When evaluating potential projects and clients (client selection), evaluate the firm’s ability and appetite for the new opportunity for success. If the project looks too risky, or the client is
someone or an entity that you have reason to believe will be difficult to deal with, let one of your firm’s competitors have it.

1 The above risk management principles have been adapted, in part, from an article that originally appeared in the June 2012 issue of STRUCTURE magazine, published by the National Council of Structural Engineers Associations (NCSEA), and is reprinted with permission. The top 10 principles of risk management for design professional are 1) A Firm’s Culture & Ethical Practices, 2) Mentoring And Education, 3) Communication Skills, 4) “Go/No Go” Policy, 5) Contracts & Ownership Of The Firm’s Documents, 6) Develop A Scope Of Services With Appropriate Compensation, 7) Produce Quality Contract Documents, 8) Construction Phase Services, 9) Utilize A Certificate Of Substantial Completion, and 10) Dispute And Claim Handling.

About the Author
Eric O. Pempus, FAIA, Esq., NCARB has been a risk manager for the last 15 years with experience in architecture, law and professional liability insurance, and a unique and well-rounded background in the construction industry. He has 25 years of experience in the practice of architecture, and as an adjunct professor teaching professional practice courses at the undergraduate and graduate levels for the last 30 years. As a Fellow of the American Institute of Architects and a member of the AIA National Ethics Council, he has demonstrated his impact on architectural profession. He has presented numerous loss prevention and continuing educational programs to design professionals and architectural students in various venues across the United States and Canada.

The above comments are based upon DesignPro Insurance Group’s experience with Risk Management Loss Prevention activities, and should not be construed to represent a determination of legal issues, but are offered for general guidance with respect to your own risk management and loss prevention. The above comments do not replace your need for you to rely on your counsel for advice and a legal review, since every project and circumstance differs from every other set of facts.

Disclaimer: The viewpoints expressed in this article are those of the author(s) and are not necessarily approved by, reflective of or edited by other individual, group, or institution. This article is an expression by the author(s) to generate discussion and interest in this topic.
MARK YOUR CALENDARS FOR ERIC’S UPCOMING CONTINUING EDUCATION PROGRAMS:

Speaking Engagements:

“Practice Management (PcM), Architecture Registration Examination (ARE 5.0)”
AIA Cleveland
March 7, 2020 – 9:00 a.m. – 12:00 p.m.
Fabo Architecture Studios, Cleveland, OH

“Project Delivery Methods That Impact the Public: Design-Bid-Build, Multiple Primes/CM, Design-Build & IPD”
AIA Cleveland – 2059 East 14th St., Cleveland, OH
March 10, 2020 – 12:00 p.m. – 2:00 p.m.

“World Around Us Panel Discussion on the Environment”
ae ProNet Spring Conference, Nashville, TN
March 18 – 19, 2010, Time to be Determined

“Project Management (PjM), Architecture Registration Examination (ARE 5.0)”
AIA Cleveland
March 28, 2020 – 9:00 a.m. – 12:00 p.m.
Fabo Architecture Studios, Cleveland, OH

“Ethically Looking Outward – Architecture/Interior Design Perspectives”
The Alberta Association of Architects
Banff, Alberta, Canada
May 9, 2020 - 10:30 a.m. – 12:00 p.m.
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