

When it comes to managing risk, GET BACK TO THE BASICS. How does your firm stack up when it comes to the Top 10 Risk Management Principles for Design Professionals?

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Design professionals face numerous types of risks, and with this in mind I have gathered the Top 10 Risk Management Principles for Design Professionals<sup>(1)</sup>. Below is a summary of each risk with blog links to each topic that discusses the principles in greater detail. How does your firm manage these principles?

We at DesignPro Insurance hope you find this information useful and remember that DesignPro Insurance Group is now serving the A&E community in Colorado. We are ready to offer unique professional insurance placement and risk management services to help your firm manage risk. If you are interested in discussing our services in greater detail, please contact us by emailing Brad Bush, Principal at [brad.designproins@wichert.com](mailto:brad.designproins@wichert.com).

### **1. FIRM'S CULTURE & ETHICAL PRACTICES**

Create a culture of managing risk and preventing claims, in an ethical practice. Culture and ethics in the practice in architecture and engineering is difficult to define in an organization, but is a key element of any firm's character, providing a basis for the decision-making process and operating procedures.

### **2. MENTORING AND EDUCATION**

Mentor and educate all the players in the process. Effective training is the key element to success.

### **3. COMMUNICATION SKILLS**

Communicate internally and externally to match expectations with perceptions. Developing and practicing good communication is the key to success with the firm.

### **4. "GO/NO GO" POLICY**

When evaluating new 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.

### **5. CONTRACTS & OWNERSHIP OF THE FIRM'S DOCUMENTS**

Identify onerous contract language. A signed and well-written, fair and complete contract can minimize risk.

### **6. DEVELOP A SCOPE OF SERVICES WITH APPROPRIATE COMPENSATION**

Develop and manage a clearly defined scope of services. A clearly defined scope

establishes a firm's responsibilities (avoiding misunderstandings), serves as a basis for compensation and additional services, and should be used in the development of the project work plan.

## **7. PRODUCE QUALITY CONTRACT DOCUMENTS**

The contract documents are the deliverables that communicate the design intent to the construction team.

## **8. CONSTRUCTION PHASE SERVICES**

Provide services to complete the risk management process. Construction quality assurance is an important element of the quality assurance plan since it is the final step in the process (and is best performed by the staff responsible for the design).

## **9. UTILIZE A CERTIFICATE OF SUBSTANTIAL COMPLETION**

"Substantial Completion" of a project is a date, when established by the prime professional on a project, carries with it immense importance. And is distinct from "final completion" of a project.

## **10. DISPUTE AND CLAIM HANDLING**

Almost every project has issues to be resolved from design through construction. Only when those issues become troublesome, an approach is needed to protect your firm's best interests.

<sup>[1]</sup> *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**.* <https://cseengineermag.com/article/principles-and-tools-for-risk-management/>