

# Risky Business

18 April 2018

 **Welcome**

---

**CO** **GENCE Alliance**  
**Owners + Architects + Engineers + Contractors**

*Inspire. Educate. Unite.*



# Risky Business – Today's meeting focus

---

- Update on Cogence NWO Chapter
- Risk information
- Stakeholder small group discussion
- Bring it back to the full group
- Becoming a Cogence NWO Partner
- Meeting wrap-up (plus / delta)
- Reception



# Update on Cogence NWO Chapter

---

- **October 18, 2017 formation meeting**
- **January 17, 2018 Owners meeting**
- **Status of Chapter formation**
  - We are officially a Chapter
  - Leadership Team
  - Relationship to Board
- **Discussion of becoming a Cogence Partner at end of today's meeting**



# NWO Chapter Strategic Timeline

---





# 2018 NWO Chapter Meeting Schedule

---

April 18

- Risky Business

June 20

- Risky Times

August 15

- Risks, Or Keys to Success?

October 17

- Communicate your way to desired outcomes

All meetings are 4:30 PM to 6:30 PM at Kuhlman Corporation, Maumee, Ohio

*Inspire. Educate. Unite.*

# Risk Drivers: Classification of Causes

---



## Paula Selvaggio – Oswald Companies

### Technical – 30%

Error and/or omission of a technical nature that results in a loss prevention file or claim

### Non-Technical – 70%

Breakdown in project management processes or business practices that leads or contributes to a loss prevention file or claim



# Highest Claim Count



1. Client Selection
2. Construction Phase Services
3. Project Team Capabilities
4. Communication
5. Negotiations & Contracts
6. Quality Management

Which Risk Driver occurs most frequently?

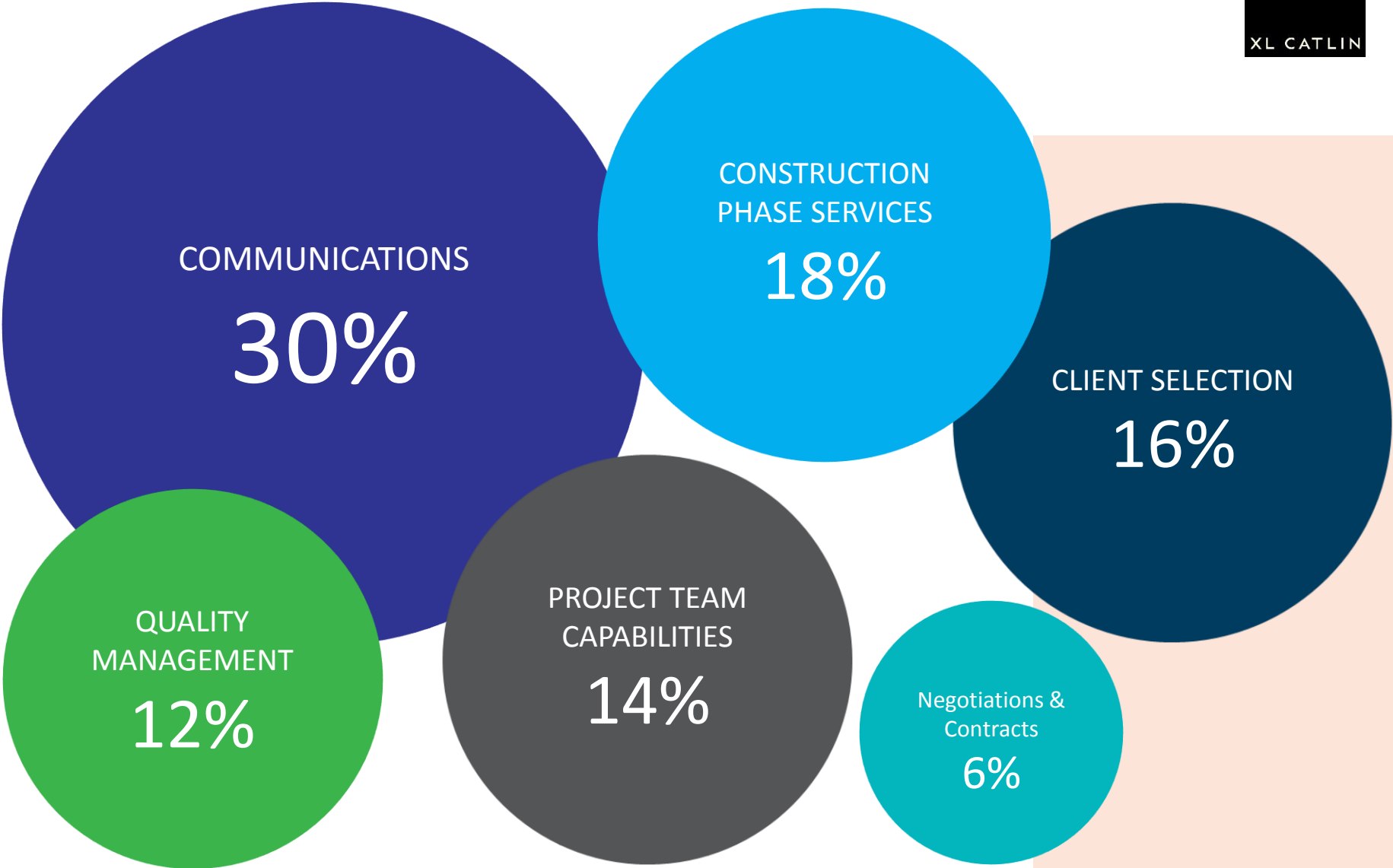


**If you chose 4  
you are correct!**

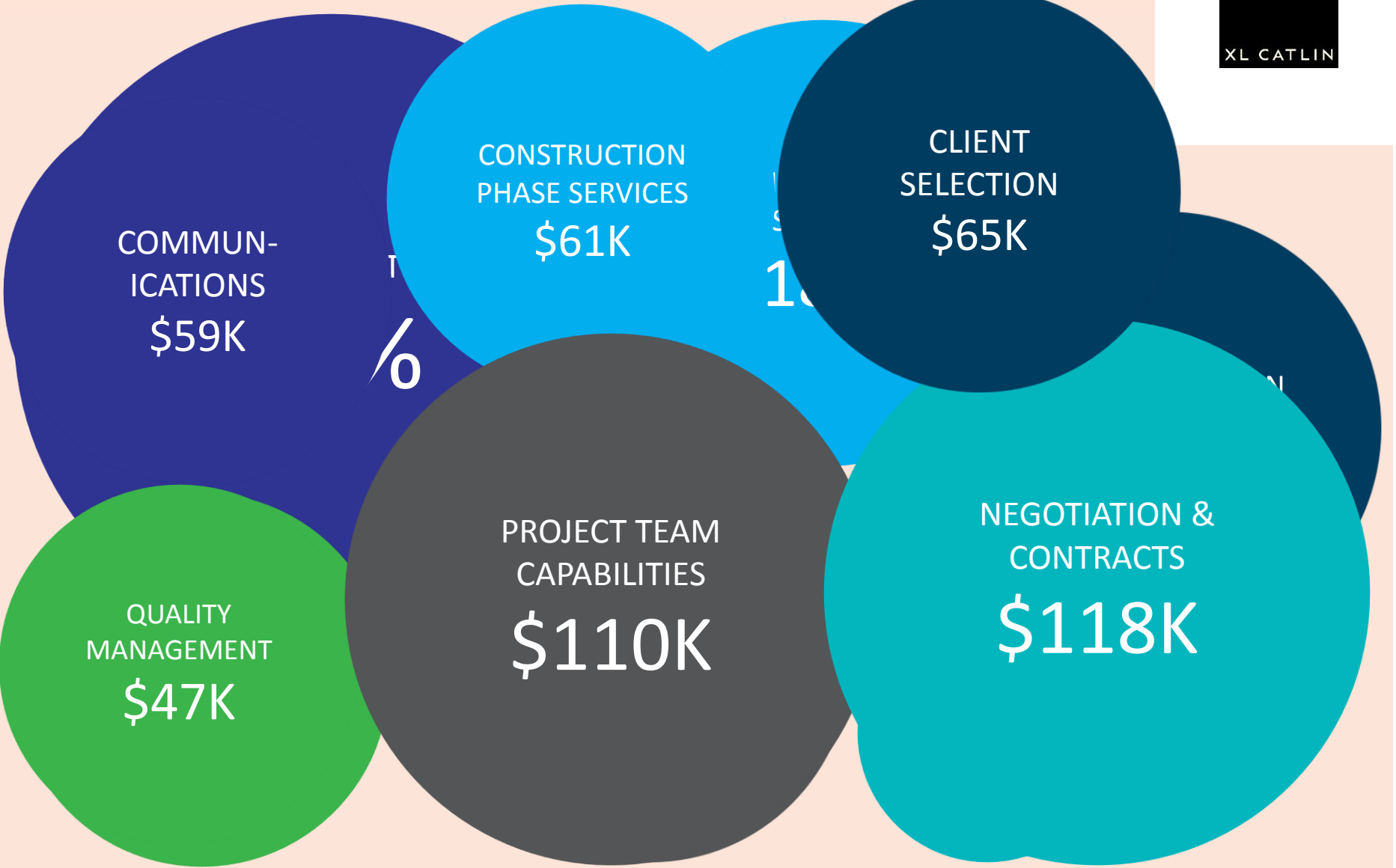
30% of claims are affected by Communication issues



# Risk Drivers 2.0 by claims count



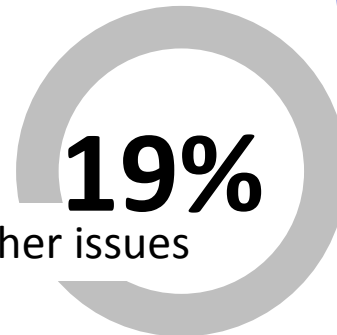
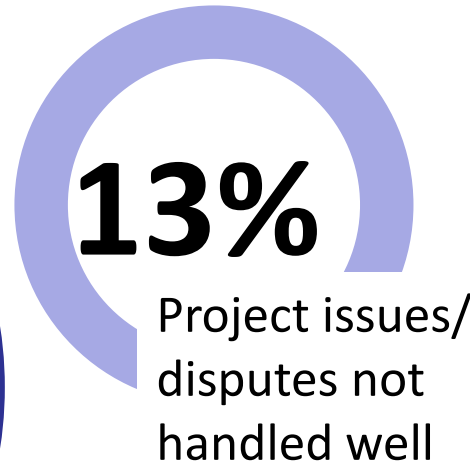
# Risk Drivers by mean cost



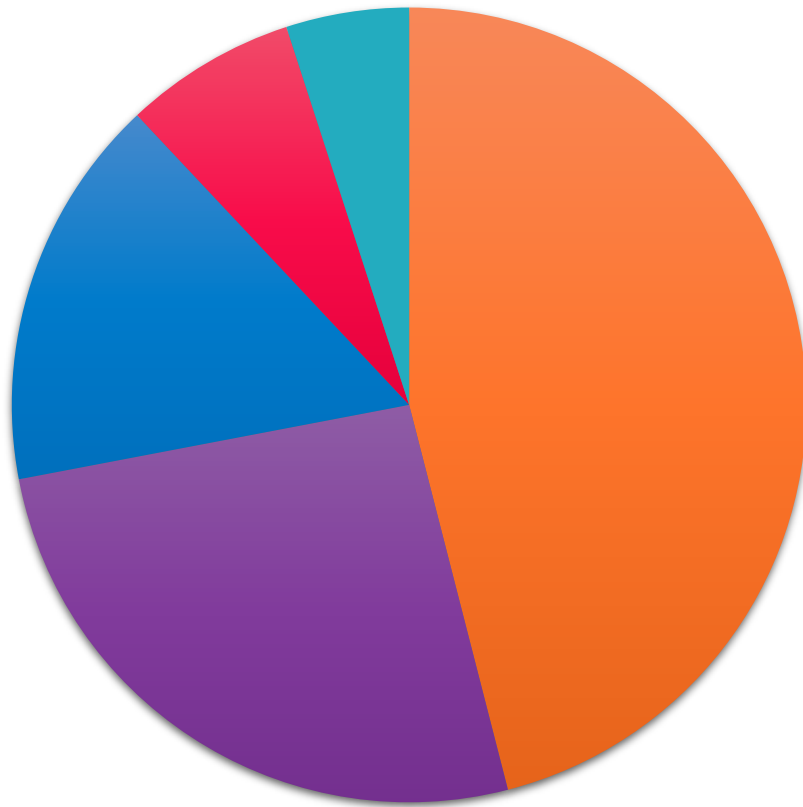
Risk Drivers (No. 1 by claims count)



# Communications



# Negotiation and Contract Issues



- 46% - Unclear or inappropriate scope
- 26% - Contract not reviewed, executed, and/or understood by team
- 16% - No formal project evaluation
- 7% - Other
- 5% - No contingency fund

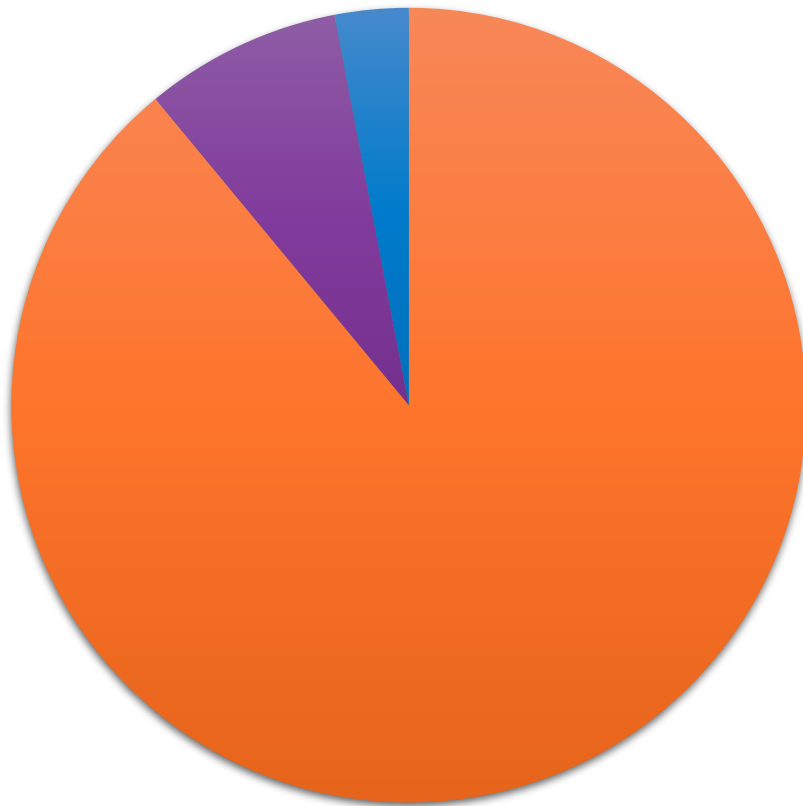


# Client Selection Issues



- 44% - Client inexperienced
- 23% - Client has history of claims / litigation
- 24% - Client in Poor Financial Condition
- 9% - Other

# Project Team Capabilities



- 89% - Inexperienced personnel / project management
- 8% - Other
- 3% - Inexperienced in project type

# Communication Issues



- 51% - Lack of procedures to identify conflicts
- 19% - Scope of services not detailed / understood
- 17% - Project issues and potential disputes not handled correctly
- 9% - Lack of documentation re: changes in scope, budget, etc.
- 4% - Other



# Stakeholder Small Group Discussion

---



## Stakeholder small group discussion

Owners – Monitored by Brian Swope

Architects – Monitored by Pam Neckar

CMs / GCs – Monitored by Tim Meyer

Engineers – Monitored by Dean Niese

Trade Subcontractors – Monitored by Mark Crawford

Affiliates – join in with one of the other groups



## Bring it back to the full group

Report out by stakeholder group



# Open Discussion

---

- Identify the major **risks** that your business encounters that can be managed or reduced via the project's delivery approach.
  - List major risks
  - How can project delivery influence these risks
- Assign a captain to report back for the group
- Assign a scribe to make notes on flipchart

# Bring it back to the full group

---

- Identify the major **risks** that your business encounters that can be managed or reduced via the project's delivery approach.
  - Notes:




# **Becoming a Cogence NWO Chapter Partner**

---

**2018 approach for Chapter**

**Complete Partnership Profile & Commitment Letter**

**Join one of our Committees:**

-  Leadership – talk with Brian Swope**
-  Partnership / Membership – talk to April Smucker, Jack Jones or Tim Pedro**
-  Program – talk to Dean Niese, Tim Meyer or Mark Crawford**

# Plus/Delta

# Next Meeting

20 June 2018 | 4:30



---

# COGENCE Alliance

Owners + Architects + Engineers + Contractors

*Inspire. Educate. Unite.*