

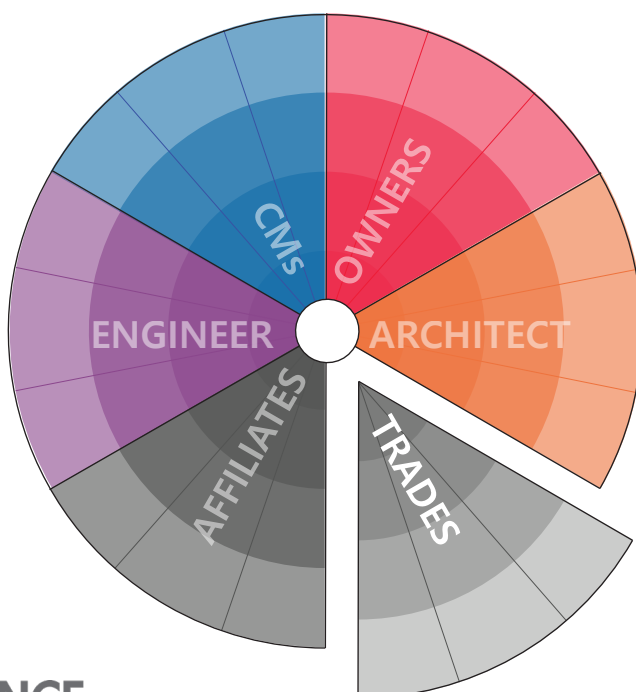
6 DEGREES OF DESIGN & CONSTRUCTION RISK

What are the GREATEST RISKS that TRADES face on EVERY design & construction project?

The COGENCE Alliance recently asked a collective group of Owners, Affiliates, CM's, Trades, Engineers, and Architects what are the greatest risks to every design and construction project. We're now answering that question by way of an 8-part series of posts, which began with an [aggregated "Top 10" list](#), followed by the Top 10 Risks as determined by the [OWNERS](#), [AFFILIATES](#), and [CM's](#).

This week we're pleased to share the risks and potential solutions, as determined by **TRADES**. In two weeks, we will release the risks and solutions particular to Engineers, and Architects. The series will conclude with an analysis of the lessons learned and how to use this critically important data.

Join the conversation - join the movement - join the [COGENCE Alliance](#).



TRADES

TEAM MEMBERS

SCHEDULE

COMMUNICATION

LEADERSHIP

CONTRACTS

CHANGES

FINANCIAL

QUALITY

BUDGET

DUE DILIGENCE

CONSTRUCTION MANAGERS' RISKS

1. TEAM MEMBERS

RISK: Shortage of skilled and experienced team members - our own people & other project team members.

RISK: Poor information, poor execution, poor quality.

SOLUTION: Encourage more apprenticeship and trade-based education - perhaps in partnership with schools.

SOLUTION: Diversity and inclusion. Expand talent pool by intentionally including all genders, races, and cultures in your hiring strategy.

SOLUTION: Adopt practices that encourage employee retention and engagement.

2. SCHEDULE

RISK: Unrealistic schedules created with no Trade input.

RISK: Lack of execution of a schedule by the team as a whole.

RISK: Schedule not being updated during construction based on scope changes.

SOLUTION: Bring Trades in early in the process to get their input when developing the schedule.

SOLUTION: Educate the Owners on the risks of having an unrealistic schedule.

3. COMMUNICATION

RISK: Not communicating to staff when things are happening (i.e. shut downs) through the proper channels or to the right people.

RISK: Unclear or conflicting direction - misaligned expectations with the Construction Manager.

RISK: Hesitating to deliver bad news to the team.

SOLUTION: Establish a meeting cadence and communication protocol at the kick off meeting.

SOLUTION: Have decision-makers at critical meetings to resolve issues. Establish a governance process and problem escalation process.

SOLUTION: Encourage social interaction within the team to establish good relationships and allow for candid communication.



4. LEADERSHIP

RISK: The industry is busy, so Senior Project Managers and Leaders from different teams are less involved as the project does on, leaving a gap in leadership for the project

SOLUTION: Establish training programs, including leadership training, to pass on knowledge to seasoned professionals.

SOLUTION: Diversity and Inclusion. Construction project and team leadership should reflect the changing demographics, and a recent AGC case study showed a more diverse and inclusive leadership team can positively impact business development and growth opportunities.

5. CONTRACTS

RISK: Uninsurable risk and one-sided contracts. Unfair terms are repeated downstream.

RISK: Trades not having the right insurance.

SOLUTION: Everyone own their risk and not transfer it other team members.

SOLUTION: Educate the client on indemnity and insurability.

SOLUTION: Conduct due diligence on required insurance prior to bringing Trades on board.

6. CHANGES

RISK: Incomplete drawings or drawings with constructibility issues lead to changes in the field.

SOLUTION: Involve Trades in the design process - review of drawings and involvement as Design - Assist partners to the team.

7. FINANCIAL

RISK: Liability gets pushed downhill/no sharing of risk

SOLUTION: Acknowledge that they have done due diligence as part of the kick off process, identify those issues so everyone understands.

SOLUTION: Alleviate fear by creating a comfortable atmosphere to talk about finances.

8. QUALITY

RISK: Poor workmanship due to tight schedules or lack of qualified team members.

RISK: Incomplete construction documents lead to guessing in the field.

SOLUTION: Establish training programs, including leadership training, to pass on knowledge from seasoned professionals.

SOLUTION: Educate Owners on the benefits of allowing enough time for documents to be completed and paying for full services from their consultants.

9. BUDGET

RISK: Owner expectations not aligning with the budget available. Projects often feel "doomed" from the start because Owners create budgets without input from the CM or Trades.

SOLUTION: Bring the CM and Trades on early in the design process - the earlier the better- to help determine appropriate budget and align expectations and be a resource to the design team. They will in turn bring on board the Trades for input.

10. DUE DILIGENCE

RISK: Rushing into an opportunity without taking the time to do Due Diligence, leading to risk that flows downhill to all team members.

SOLUTION: All team members taking the time to do proper Due Diligence to avoid unnecessary risk.

COMMONALITIES

Not surprisingly, the Trades echo many of the concerns expressed by Construction Managers - most notably with respect to the tight labor market causing challenges in identifying and retaining skilled and experienced team members. Similar to every other industry segment, Trades also see the value of better communication, particularly in regards to the schedule and contract terms, and conducting adequate due diligence with respect to team members and the project itself.

Join the conversation - join the movement - join the [COGENCE Alliance](#).

The COGENCE Alliance exists to transform the design and construction industry to be more collaborative, with reduced risk and improved outcomes for all projects. www.cogence.org

