

editorial

Risk Management

By James E. Trant

CASE Chair, 2005-06

As the new CASE Chair, I am honored to follow in the path of outstanding Structural Engineers. As many of you know, following joint discussions with NCSEA and SEI, CASE has assumed the responsibility for the Risk Management Program. Much of what CASE was about previously was founded on risk management as a goal. The Risk Management Program, however, has put a very solid exclamation point onto our previous activities.

Recently, I was asked if we are about Risk Management or Risk Avoidance. It seems like everything has some element of risk. Driving to work, coaching Little League, offering references for former employees, and many other routine events may contain risk. To avoid risk would require analyzing all that you do, and probably not doing most of what you do. That seems an unlikely scenario. Risk management is evaluating the risks and taking appropriate steps to identify where the risk is and how best to mitigate it into an acceptable level. That solution to mitigate might be to assign the very best, most capable person or to utilize a specialist consultant or decline to perform the service. In any case, except for the very last suggestion, the remainders were risk management activities.

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contracts before signing. He answered, “No, I just sign them. I’ve never seen a contract that protected my” It was also suggested that the only risk we have as design professionals is negligence. I do not see it that way. While it may be difficult to define the Standard of Care to which the design professional must perform, I would rather have that as the performance standard than whether or not there were “errors” on my drawings. The contracts we sign, the schedules we agree to, the choices we make regarding assignment of personnel all have an impact on the management of the risk that we assume whenever we agree to perform services for our clients, whether they are Architects, Developers, Owners or end users. Even the selection of our client can be an act of risk management.

We once provided professional services to a client who told us that we were the only Architect/Engineer that he had never sued. At the end of the project, he sued us. Maybe, just maybe, we could have considered whether or not our luck had run out. We make thousands of decisions during the course of our services. If we were ball players and only made a mistake half the time, we’d be in the Hall of Fame. As engineers, make two mistakes and you’re in court. That cannot be right, but is what is expected of us. At the recent ACEC Spring Conference in Washington, DC, a session was held dealing with Client Expectations, Perfection vs. the Standard of Care. My experience is that clients do expect perfection.

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We invite all Structural Engineers (even if you are not a member of ACEC or CASE) to join us in Dallas, Texas on November 4th and 5th to participate in the 2nd Annual Risk Management Convocation. The Steering Committee is planning an exciting and informative meeting. Information will be on the CASE website soon at www.acec.org/case or www.acec.org/rmp. ■

Risk management is part of our everyday processes. When we review our drawings before we issue them, when we obtain organizational peer reviews, when we ask our insurers or agents to review the non-standard contracts or unique modifications to the non-standard contract forms, we are performing risk management. I participated in a meeting in mid April where a Structural Engineer was asked if he closely reviewed



Important information and updates on the Risk Management Program are included in CASE in Point on pages 64 & 65



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