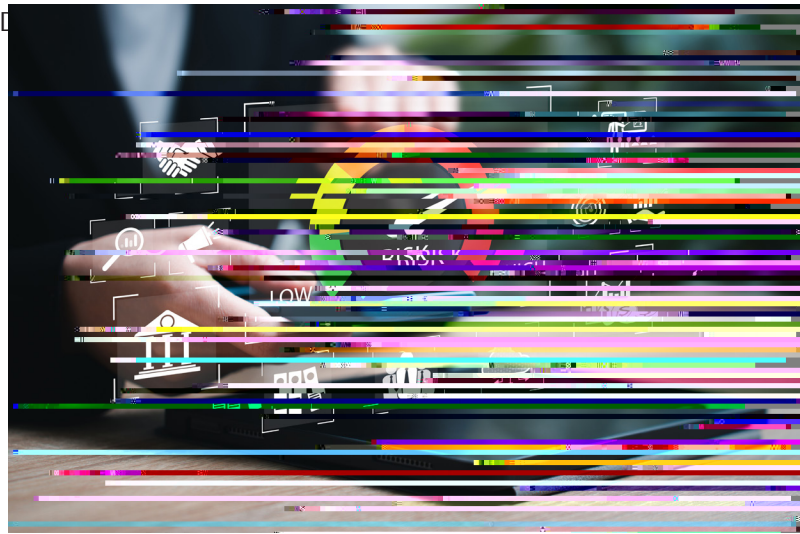




Written by: Bruce Gerhardt, Industry Fellow of Construction Law and Adjunct Lecturer, University of Nebraska-Lincoln

We make decisions aberuh gs10 0E8Funforced errors can be costly. D



Checklist Manifesto" in 2010. He noted the dramatic effect  
checklists had on reducing and eliminating errors when used  
by doctors, pilots, and even investment fund managers: "[T]hey  
chose to accept their fallibilities. They recognized the simplicity  
and power of a checklist.  
Five Risk Myths Demolished

also create a blind spot right under your nose. In a Harvard Business Review article, Robert S. Kaplan of Harvard and Anette Mikes of Oxford University call these internal risks within an organization “preventable risks” that “are controllable and ought to be eliminated or avoided.” Often, it is in your most profitable times that you are likely to overlook these risks.

Vince Lombardi said: “You block and tackle better than the team you’re playing, you win.” What is blocking and tackling for a construction company? Start with the start. What do you have in place to determine whether to pursue a new opportunity or not? A go/no-go process can screen out later failures and losses where you say: “I should have seen it coming!”

For projects that are won, do a thorough risk register. Identify risks to successful performance, develop mitigation measures, and continually update the plan during the execution. During performance, track and manage change orders, payment, and quality requirements. Reading and understanding the processes and requirements of the contract documents will make sure you are managing this specific project, and not defaulting to the usual practices you have adopted over time. These risks, and the losses they create, are the easiest for you to eliminate.

for your own money? Those claim payments are recaptured in



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Bruce Gerhardt is an industry fellow of construction law at the [University of Nebraska's Durham School of Architectural Engineering and Construction Management](#). He teaches professional practice and ethics courses to construction management and architectural engineering students. A lawyer since 1994, he spent 22 years in the legal department of an ENR top 10 design firm, where duties included risk management and insurance issues.

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