Training Your Team for Success

Presented by

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- 20+ years of experience in loss prevention education for A/E Professional Liability insurance
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- Certified Instructional Designer and eLearning Developer
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Presented May 16, 2019 for EDSymposium 19
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- Real-world Risk Management Education

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Practice management recommendations should be carefully reviewed and adapted for the particular project requirements, firm standards and protocols established by the design professional.
Workshop Outline

1. The Role of Training in A/E Firms
2. Training – Industry Benchmarks
3. Recommended Content Topics for A/Es
4. Training and Development Plan

Section 1

The Role of Training in A/E Firms
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Training Strengths and Weaknesses

Architecture
Engineering
Design
Calculations
Technical Skills

Risk Management
Business Practices
Communication
Project Management

Risk Management + Practice Management + Project Management = Firm Success
Education and Claims

Claims

Technical E&O

Business Practice Breakdowns

Claims Are Expensive

• Direct Expenses:
  • Your deductible
  • Any expenses beyond your policy or per claim limits

But remember:

A $10,000 claim expense requires $100,000 in new project fees to recoup the loss

(assuming a 10% profit margin...and if your profit margin is lower than that, it will take proportionately more fees to recoup the loss)
Claims Are Expensive

Direct Expenses:
- Your deductible
- Any expenses beyond your policy or per claim limits

Indirect Expenses:
- Lost staff time

Lost Staff Time:
If 80 hours of staff labor are needed to deal with a claim, that translates to $12,000 of billable income on a project (at $150/hr.)

Claims Are Expensive

Direct Expenses:
- Your deductible
- Any expenses beyond your policy or per claim limits

Indirect Expenses:
- Lost staff time
- Lost opportunities
- Diminished client relationships
- Future insurance premiums

Total Cost of Risk

You need a Training Plan to address this risk
Section 2

Training Industry Benchmarks

What if we train them and they leave?
What if you don’t and they stay?

ATD 2018 State of the Industry

$1,296
Average direct learning expenditure per employee

1.16%
Training investment as a percentage of revenue

34.1
Learning hours used per employee

Source:
Association for Talent Development
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Deltek 2018 A/E Industry Study

MOST EXPENSIVE BUSINESS PROCESSES TO SUPPORT

- Talent acquisition process: 41%
- Developing learning programs for employees: 43%
- Annual performance: 37%
- HRM budgeting and forecasting: 23%
- Succession planning: 19%
- Open enrollment for benefits: 18%
- Compliance assurance: 17%
- Employee record maintenance: 9%

Source: Deltek CLARITY
39th Annual Architecture & Engineering Industry Study

Deltek 2018 A/E Industry Study

TOP TOOLS USED TO DEVELOP TALENT

- Coaching and mentoring: 70%
- External education programs: 60%
- Leadership development programs: 39%
- eLearning opportunities: 29%
- Job rotations: 18%
- High-potential programs: 6%

Source: Deltek CLARITY
39th Annual Architecture & Engineering Industry Study
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Deltek 2018 A/E Industry Study

- Your staff is your firm’s biggest asset
- It’s expensive and time-consuming to acquire talent
- Training and development are keys to employee satisfaction and retention

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Top 5 Business Practice Training Areas

1. Risk Management Fundamentals
2. Risk analysis of client, project, team
3. Contract review and negotiation
4. Communication and documentation
5. Practice management and project delivery
1 Risk Management Fundamentals

- Each project has a unique set of risk/reward factors
- Construction projects are investments
- The client and users of the project are the primary beneficiaries of such investments
- Design professionals provide services under a **Professional Standard of Care** for a small percentage of the project cost
- The client, therefore, must accept the largest portion of risk on the project

2 Risk Analysis – Go/No-Go Process

- Client Selection Factors
- Project Selection Factors
- Team
- Financial

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Establish a Go/No-Go project evaluation process:
- Client and project selection factors
- Team qualifications
  - Internal firm and design team
  - External design team
  - Overall project team
Establish a Go/No-Go project evaluation process:

- Client and project selection factors
- Team qualifications
- Financial analysis

Tool:

- Go/No-Go Project Evaluation Checklist
- Available on our website: www.BerkleyDP.com
3 Contract Review and Negotiation

Establish a consistent review process:

- Internal Team
- External Resources

Risk Manager
Project Principal
Project Manager
RM Team Rep

Broker / Insurance Carrier

- Establish interim agreement to begin services
- Follow established contract review process
- Consider deal makers/deal breakers
- Perform final analysis of risk/reward profile
- Make informed business decisions

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3 Contract Review and Negotiation

Tools:
- Letter of Authorization
- Contract Review Top 10 Checklist
- Available on our website at www.BerkleyDP.com

3 Letter of Authorization
4 Contract Education for the Design Team

Ensure a solid understanding of:

• Scope of Services
• Schedule
• Deliverables
• Budget
• Change management
• Key clauses

3 Contract Education for the Design Team

Tool:

• Contract Business Terms Summary
• Available exclusively to policyholders on www.BDPrisk.com
5 Communication and Documentation

Develop a Communication Plan:
- Recognize that communication issues are a key factor in claims
- Establish responsibility for documentation and its frequency
- Align client and design team requirements
- Recognize value of project record authorship
- Understand client decision-making process
- Thorough and properly filed documentation is critical to claim defense
- Address schedule of meetings, presentations, and approvals
- Include a change management protocol

Tool:
- Project Communications Plan
- Available exclusively to policyholders on www.BDPrisk.com
Change Management Policy

- Identify issues: project changes, risk situations
- Notify appropriate individuals
- Obtain approval/authorization for additional services
- Document change in project file

Documentation Best Practices

For key meetings and presentations:
- Document:
  - Options considered
  - Recommendations made
  - Decisions reached
  - Follow-up required
- Use templates
- Publish minutes
- Distribute with an aging statement

Aging statement:
“It is assumed that this report reflects an accurate account of discussions held and decisions reached unless written notification to the contrary is received within (specific time)"
5 Agenda Templates

Tools:
• Agenda templates
• Available on our website at www.BerkleyDP.com

5 Document Management

• Create a common project file format for your firm
• Know the statutes of limitation and repose
• Set up a project record archive policy
• Establish a document retention policy

Consistently follow your policies!
Email & Electronic Communications

- Email can be effective but also abused
- Legally valid, permanent and discoverable
- Avoid conversational tone and casual or inflammatory content
- Don’t criticize team members or clients
- Pause when you are angry and carefully consider the email you are about to write
- Identify and store email correspondence in project file for future reference
  - Subject line to match content
  - Document management systems

Minimize use of IM and text messaging for business communication; too difficult to record and file

Dealing with Project Problems

Promote Open Communication:
- Early identification
- Response
- Solutions
- Engage senior-level expertise
- Report pre-claim circumstances to your broker and carrier
Practice Management and Project Delivery

Project planning to align:
- Scope
- Schedule
- Deliverables
- Staffing
- Financial goals

Establish a Project Delivery Process

- Framework for project planning, execution, quality management
- Key / critical activities
  - Design and production
  - Deliverables and milestones
  - Presentations and reviews
  - Regulatory submissions
  - Agency approvals
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Quality Management in Project Delivery

- Project Delivery Process establishes your firm’s baseline of services
- Tools and templates
  - Standards
  - Guidelines
  - Procedures
  - Protocols
  - Checklists
- Continuous effort

Practice Management and Project Delivery

Tool:
- BDP Project Delivery Process: 50 Key Activities
- Available exclusively to policyholders on www.BDPrisk.com

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Measuring Performance:

- Responsibility and accountability
  - Internal design team
  - Subconsultants
  - Contractors
  - Other parties in project delivery
- Financial performance
- Post-project evaluation
Training and Development Plan

• Mentor and invest for long-term retention
• Develop and appreciate resources
  • Design
  • Technical
  • Project management
  • Admin, marketing, finance, technical support
• Recognize and capitalize on generational differences with two-way mentoring

Training and Development Plan

• Develop processes and basic training in:
  1. Risk management fundamentals
  2. Risk analysis of client, project, team
  3. Contract review and negotiation
  4. Communication and documentation
  5. Practice management and project delivery
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Training and Development Plan

• Offer opportunities for growth
• Provide additional training in:
  • Leadership
  • Communication
  • Team management skills

Instill quality and risk management as key elements of your firm’s culture

3-Phase Project Manager Training Plan

Planning and Contracting
– Firm strategy, vision, mission
– Risk management basics
– Proposal preparation (scope and fee dev)
– Contracts
– Project team roles and responsibilities
– Work planning and project budgeting

Project Delivery Process
– Project delivery process and quality management
– Communication plan
– Documentation
– Change management
– CA phase management
– Managing project finances

Leadership
– Communication
– Relationship and team building
– Motivating others
– Conflict resolution

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Thank You!

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