

RISK MANAGEMENT FOR CONTRACTORS

Jason Smiley, an attorney at Gunderson, Palmer, Nelson & Ashmore, LLP, shares with you his top 10 ways to help monitor risk management for contractors.

#1 IDENTIFY PROBLEMS EARLY

To do this you need to encourage open communication with your work force. When unfortunate events take place, the last thing you want is reticent employees who are afraid to give you the bad news.



#2 MANAGE STAFF APPROPRIATELY

It doesn't do any good to have a system in place to identify problems if you have the wrong people responding to the problems once identified. Indeed, this can exacerbate the issue by making the other party feel ignored, insulted, etc.



#3 DOCUMENT EVERYTHING

Memories fade with time, and some issues do not become apparent until long after the events that precipitated them. In such a situation, the party with the best documentation is in a much better position should it come to formal proceedings.



#4 READ AND UNDERSTAND EVERYTHING

It is no defense to a claim of breach of contract that you didn't really understand the deal



#5 HIRE PROFESSIONALS

You can't be an expert at everything. If you don't understand the transaction being proposed, hire someone to assist you.



#6 CONSIDER A BUSINESS SOLUTION

When disputes arise between ongoing business relations, it may make little sense to throw the baby out with the bath water. Consider how to make up the losses as part of the ongoing relationship.



#7 DON'T DABBLE

Do what you are good at and avoid undertaking responsibilities beyond your expertise.

#8 DON'T DATE THE STAFF

This much-ignored advice is one of the leading causes of lawsuits by employees when the personal relationship sours.



#9 IF IT IS TOO GOOD TO BE TRUE, IT PROBABLY IS

Many disputes arise as a result of a lack of due diligence. Almost all of them could be avoided by a little investigation.

#10 FOLLOW THE GOLDEN RULE

Treating people the way that you want to be treated will help you avoid disputes of every kind and lawsuits in particular.



Risk management is incredibly important to contractors, and there are many different kinds of risks to be considered. Those risks are both internal and external. When it comes to the management of legal risks, practical, actionable steps may be helpful. Advice is needed.

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