

Northwestern University
Executive Management for Design and Construction

**Special Topics: Due Diligence Considerations
for A/E/C Firms
PROJ_MGT 465**

Course Objective:

To succeed and move up to the C-suite in any engineering business, it is critical for managers in all areas of the company to understand the firm's strategic plan and areas of potential risk beyond the fundamental challenges of preparing project drawings, bid estimates, and CPM schedules. This course will provide a basic understanding of family business succession planning, exposure from joint venture and partnering relationships, insurance coverages and surety bond issues, cyber security risks, and how to manage a corporate crisis.

Week-by-week description of the course:

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| Week 1 | Family Owned Businesses: Succession Planning (or Lack thereof) Pitfalls <ul style="list-style-type: none">• Failing to succession plan in a family-owned business is planning to fail• Estate planning versus corporate succession planning: key distinctions with a difference• Buy-sell agreements and corporate valuations• ESOP's: what are they and could such a plan add value to your enterprise• Considerations of bringing in private equity, other investors or selling the business• Role of the Board of Directors and family dynamics |
| Week 2 | Introduction to Joint Ventures and Teaming/ Partnering Agreements <ul style="list-style-type: none">• Review of examples of each form of agreement• To be a JV or not to be a JV? That is the question.• Pitfalls and mistakes including failure to plan capitalization requirements and considerations or future projects for the same owner/ client• Confidentiality and exclusivity requirements and risks• First presentation: students will prepare a "pitch" to the Company Board of Directors to have the Company agree to pursue a potential Teaming arrangement and / or Joint Venture, in this week. |

Week 3 Insurance and Surety Bond Primer

- Types of engineering and construction insurance and definition of key terms and policies
- Who and what is covered and who and what risks are not
- Certificate holders versus Additional Insureds: what is the difference?
- Tangible versus intangible losses
- Insurance Captives and pooling risks: what are they and how do they work?
- Types of bonds from bid to payment and performance ones to the actual mechanics of “bonding over” mechanics liens
- OCIP’s/ CCIP’s and increasing SIR’s: can these options result in insurance cost savings

Week 4 Introduction to Cyber Security Threats and Risk Management

- Corporate cyber risks: what are they and exploration of risks specific to construction and engineering firms
- Risks arising out of cyber threats internally and to third parties
- Cyber training and audit compliance programs
- Who should be charged with assessing cyber risks and policing internal compliance policies
- Vendor approval processes and procedures and cyber due diligence issues
- Compliance and role of the legal department

Week 5 Crisis Management

- Case studies and roles of construction executives in managing a crisis
- Considerations of impacts of social media
- Notification and management of governmental authorities
- Handling electronically stored information (“ESI”) including company document retention issues and exposure from litigation holds in ethics investigations
- Second presentation: students share their crisis management plans demonstrating how the corporate risk and avoidance plans they devised have reduced risk and mitigated damage to their company’s bottom line, from a cyber attack

Grade Determination:

Class Participation50%
First Presentation.....50%
Second Presentation50%

NOTE: This course description explains the essence of the material covered. Canvas is the best source for the most up-to-date information about specific details for any given offering of the course

Text:

No text required