



Legal Edge

ORisk Online Program Nears Completion

by Kent J. Pagel

WTCA is hard at work to bring you the latest in Risk Management tools and training—ORisk!

Over the last several months, an eager team of WTCA staffers and I have been working feverishly to deliver a program directed toward component manufacturers that has been in development for years. We call this *Online Risk and Liability Management Best Practices for the Structural Component Manufacturing Industry*, or ORisk for short. In the January/February issue of **SBC**, I announced that this program was finally in the works and due to be released at least in part in the fall of 2005. As promised, I'm delighted—and somewhat relieved—to report Phase 1 is indeed in the final editing and production stages and will be available to component manufacturers in the next few weeks.

How?

ORisk will be delivered via the WTCA Truss Knowledge Online (also known as TKO) training platform. If you have viewed any of the WTCA Truss Technician Training or Operation Safety courses, you are familiar with this web site. Visit www.wtcatko.com for more information.

ORisk User Tools

- Recommended best practices for component manufacturers
- Interactive glossary of defined terms
- Applicable industry-specific examples to illustrate concepts
- Free downloadable and printable material that corresponds to content covered in the course

Online Risk
and Liability
Management

ORISK™

at a glance

- ❑ *Online Risk and Liability Management Best Practices for the Structural Component Manufacturing Industry*, or ORisk, is currently in development and scheduled to be released within the next month.
- ❑ Phase 1 of ORisk contains the foundation content necessary to understand more advanced risk management.
- ❑ Any employee who works closely with risk management, claims handling, insurance, safety and customer contracts should consider viewing Phase 1.
- ❑ If you have specific questions about ORisk, visit WTCA Legal Counsel Kent Pagel in the BCMC booth on the show floor October 12-14.

What?

You may wonder what type of content is contained in ORisk generally and in Phase 1 specifically. You may also wonder who within your organization ought to view all or part of the Phase 1 tracks. Before answering these questions, you should learn more about the format of the course. The ORisk program in its entirety will consist of four specialties:

- Risk Management Techniques
- Insurance
- Customer Contracts
- Claims and Litigation Handling

We have created these specialties with the expectation component manufacturers may want to give particular managers and employees the opportunity to increase their breadth of knowledge in a particular area. Thus, each specialty will contain at least three and as many as five separate tracks.

A track contains detailed discussion of a particular topic within a specialty. For instance, the topic of Customer Contracts is one specialty; within it is one track devoted to bidding and terms and conditions of sale while an entirely separate track is devoted to understanding customer indemnification and insurance requirement provisions. Each track will further be broken down into as many as 25 separate

O Risk: Online Risk and Liability Management

| Risk Management Techniques | Insurance | Customer Contracts | Claims Handling |
|---|---|--|---|
| Risk 101 | Insurance 101 | Bidding and Terms and Conditions of Sale | Claims Handling best Practices |
| Risk management Techniques/Best Practices | Broker Selection and Use | Successful Negotiation Recommendations | Truss Collapse and Product Performance Investigations |
| Risk Management: Vehicle Liability | Commercial General Liability Insurance | Understanding Indemnification and Insurance Requirement Provisions | Litigation Management |
| Scope of Work/Design Responsibilities | Other Insurance: Automobile, Property and Worker's Compensation | Demonstration of Actual Customer Contact Negotiation | |

rate modules (each between 8 to 15 minutes in length) that are devoted to distinct subjects that fall within a track. For example, in the bidding and terms and conditions of sale track, one module deals specifically with credit applications and recommendations of what ought to be included.

The diagram above outlines the entire ORisk program with the five tracks of Phase 1 shaded. Think of the Risk 101 and Insurance 101 as building blocks for the entire ORisk program. They contain core risk and liability management terms and concepts that serve as the foundation for all other tracks. The three customer contract tracks have been included in Phase 1 by request of the WTCA membership. Many component manufacturers continually struggle with the very one-sided contracts provided to them by their builder and general contractor customers. At least one of our goals with the Phase 1 tracks (and the remaining customer contract track), is to help component manufacturers navigate through some very complex subject areas typically involved with reviewing, negotiating and modifying a customer's form contract.

Who?

ORisk should benefit all component manufacturers, from small to large in terms of revenue, those with single and multiple locations, those owned by pro-dealers or framing companies, and those with and without regular attorneys and/or risk managers. The only requirement is an interest in better educating your employees and a strong interest in learning of and implementing recommendations and techniques that will benefit your company from a risk and liability management perspective. The more important question is who within a particular company should view the Phase 1 tracks.

Given that the Risk 101 and Insurance 101 tracks are building blocks, I recommend that any individual within your organization involved at all in risk management, claims handling, insurance, safety and customer contracts view these tracks. For the smaller companies, this will probably include all active owners and managers. For the larger companies, various department managers and personnel will benefit from these tracks. After these tracks are viewed, those persons should be ready to move on to the particular specialty in which they have further interest.

As to the three customer contract tracks that are part of Phase 1, absolutely anyone in your company involved in selling, preparing bids, and reviewing, modifying or negotiating customer contract forms should consider reviewing these tracks.

Last, anyone who may think they do not need to view these tracks because they

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have attended a WTCA risk management seminars should reconsider. Attendee feedback proves time and again that the seminars are truly beneficial, but there is only a certain amount of material that can be covered and absorbed in a single day. It is true that viewing the content online does not allow the viewer to ask questions of the presenter. However, so much more content can be covered in an online format. Another advantage of the online course format is the ability of the viewer to revisit modules as many times as is necessary within their access period. Furthermore, my live seminars can and should continue in the future.

Why?

Why component manufacturers should strongly consider viewing the ORisk program—Phase 1 in particular—is in my opinion the most important question to ask yourself. Today's ever changing construction market presents new and unforeseen risks to component manufacturers, both large and small. Understanding and assessing such risks is difficult to do, especially without the benefit of education and training. Today's component manufacturer should structure a risk and liability management program that contemplates the level of risk they find acceptable and at the same time otherwise reduces the risks and liabilities they find unacceptable.

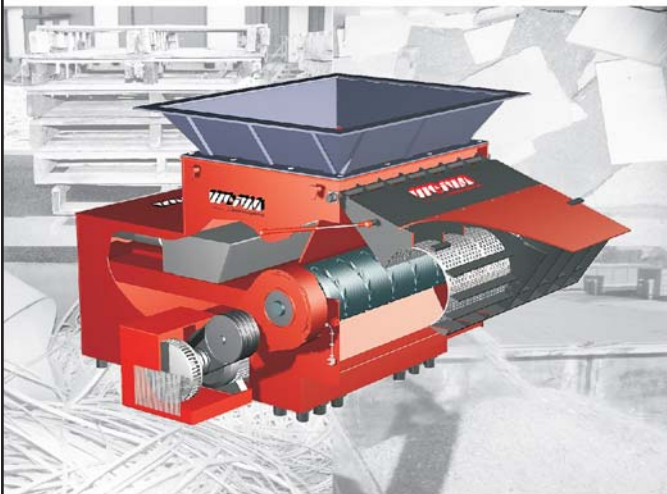
Risk management should not be viewed as something component manufacturers "don't have time to fool with." A risk management and liability avoidance program is something component manufacturers simply cannot afford to operate without. Risk management is about both running a truss plant without being crippled by losses, as well as increasing profitability through reduced workers' compensation and liability insurance premiums, improved health and safety of workers, and increased productivity. Risk management is essentially a series of decisions, policies and other tools the component manufacturer can use to reduce the likelihood that it will suffer financial losses. The ORisk program and Phase 1 can easily lay the groundwork for a risk and liability management program in your operation.

If you are interested in learning more about ORisk and how it can help your company achieve an effective risk and liability management program, visit me in the BCMA booth October 12-14 in Milwaukee. I'll be presenting a demo of the program and will be available to answer all your questions. You can also visit www.woodtruss.com to read more about the program, its content, the cost structure, and the general timeline of the entire project. **SBC**

Kent J. Pagel is the President and Senior Shareholder of Pagel, Davis & Hill, a professional corporation. Mr. Pagel serves as the outside counsel for WTCA.

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