



AGC
THE CONSTRUCTION
ASSOCIATION

Construction Risk Outlook: Short-term and Intermediate Risks and Strategies for Addressing Them



**AGC's 2021 Construction Risk
Management Two-Part Program**
2021 First-Half Outlook: Key Construction Risks

#AGCRisk2021
risk.agc.org

Key Research Themes

1

Top Risks and Concerns

2

Future-Proofing Your Organization

3

**Technology-Focused Strategy
and Cybersecurity**

Study – Quick Facts

Results are based on responses from members in AGC's Surety Bonding and Construction Risk Management Forum.

Data was collected in Dec. 2020.

Contractor types represented:

- GC (72%)
- CM (20%)
- Specialty Trade (14%)

56% of participants have revenues of \$500 million or more.

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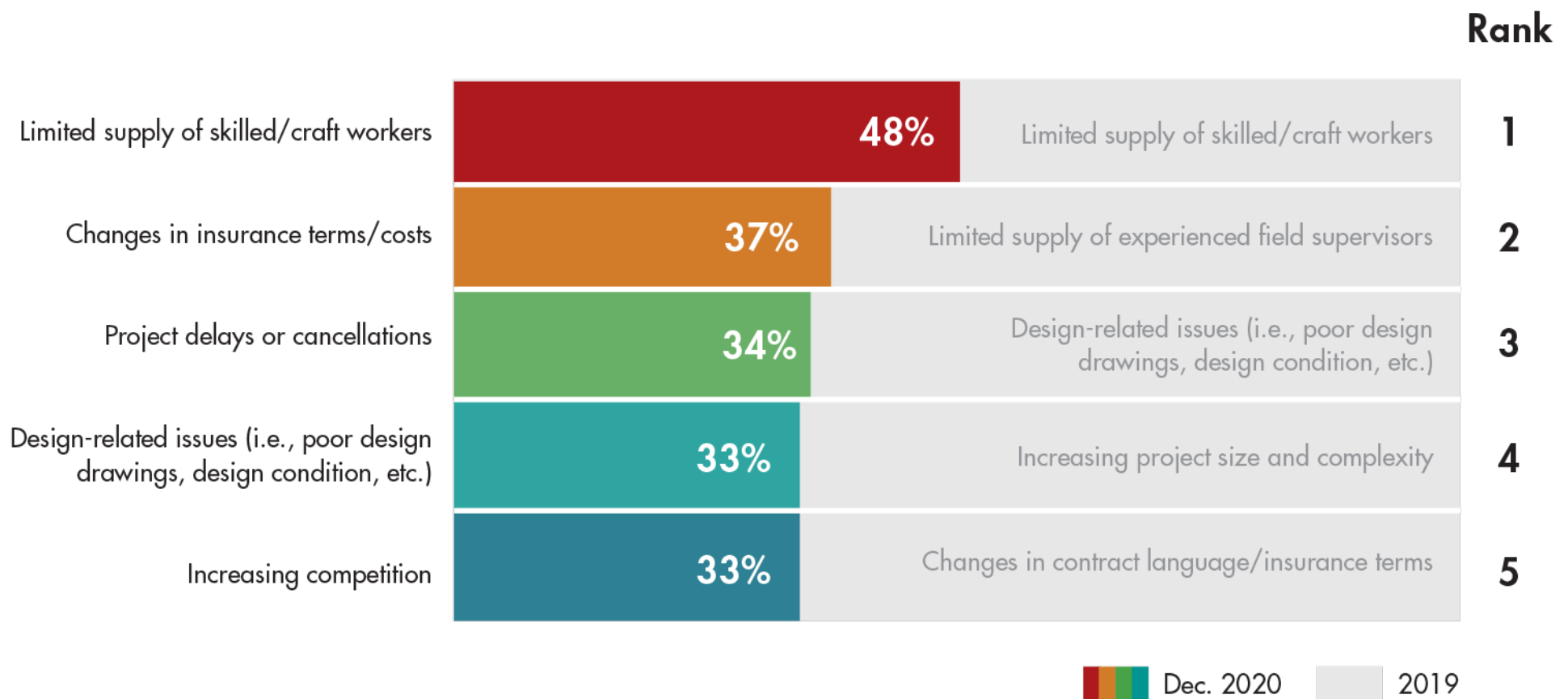
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Top Risks and Concerns



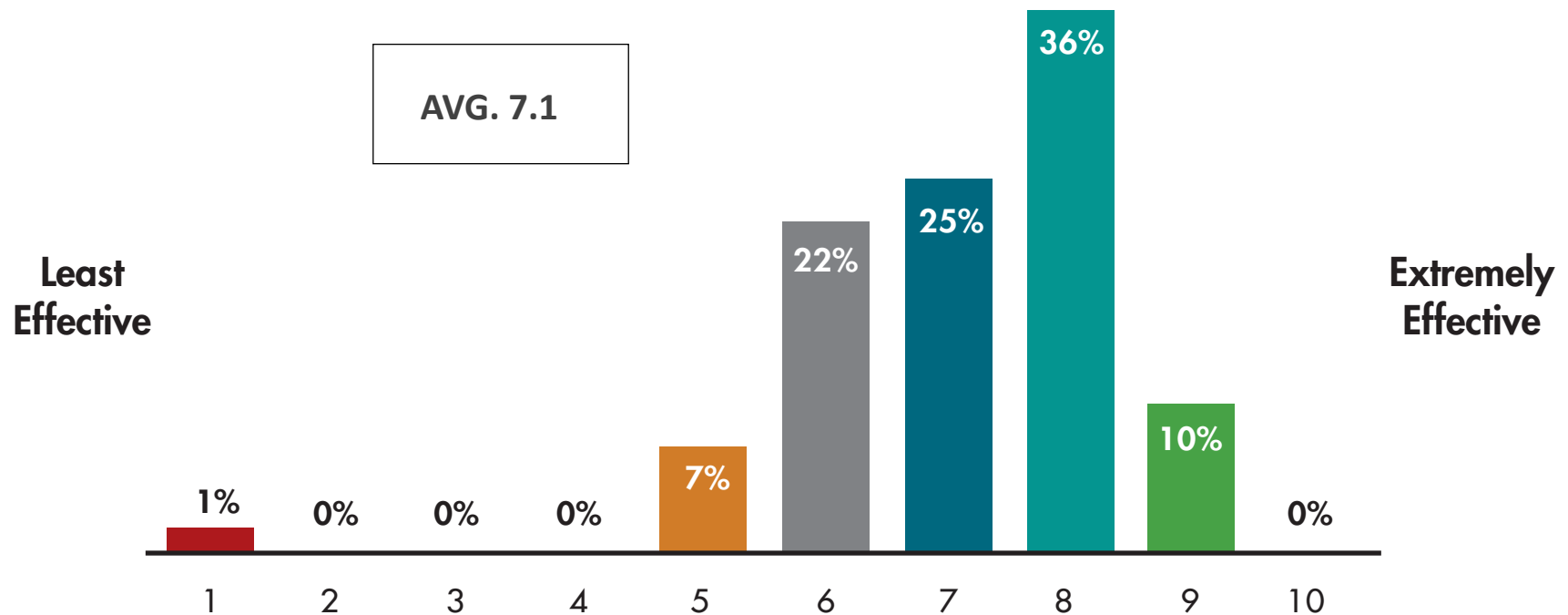
Managing Risks

Identify the top-five risks you are encountering today.



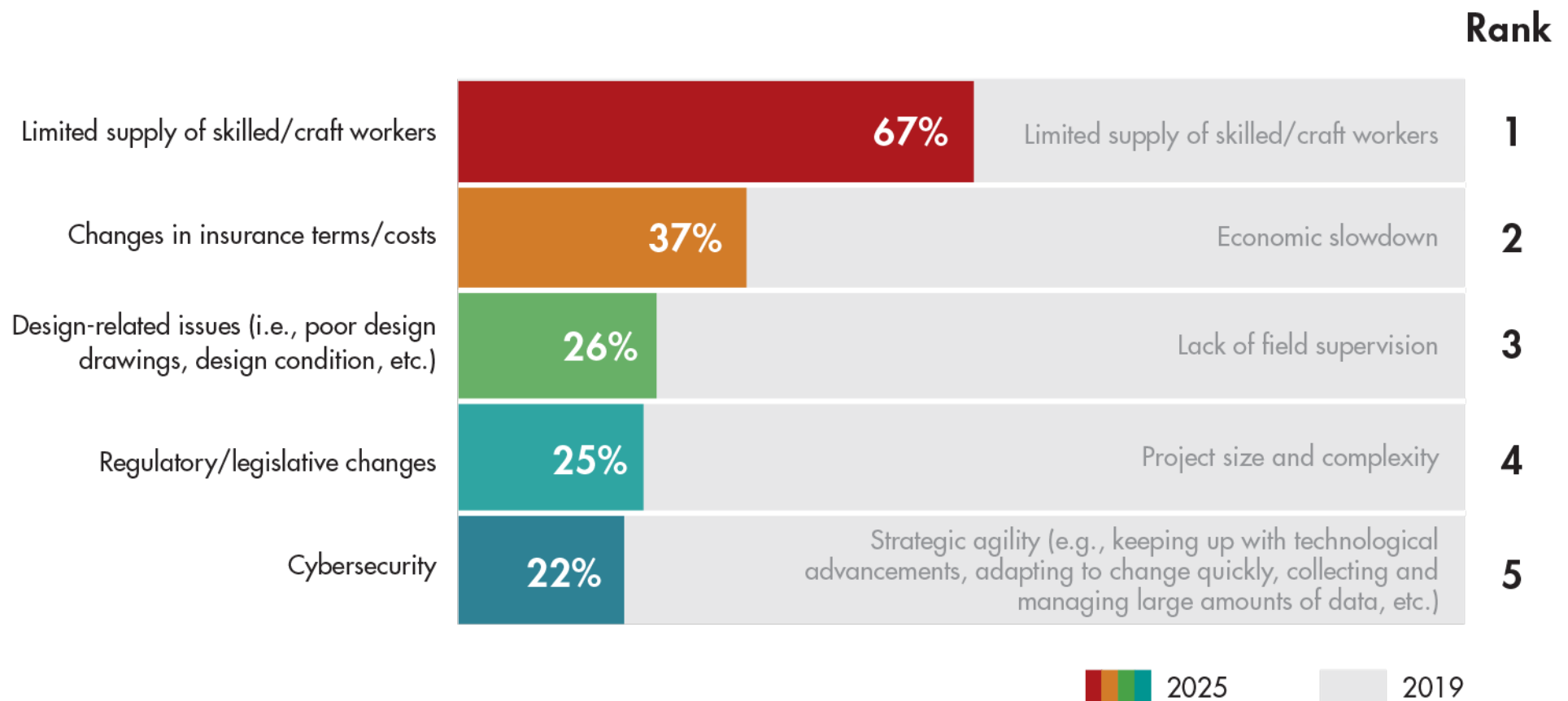
Managing Risks

Please rate how effectively your organization manages those top risks (scale of 1 to 10)



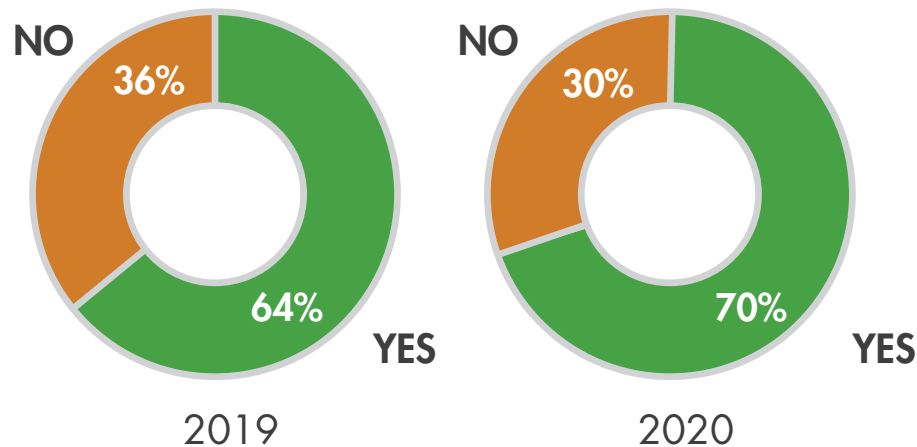
Managing Risks

Looking to 2025, what five risks do you expect to increase the most?

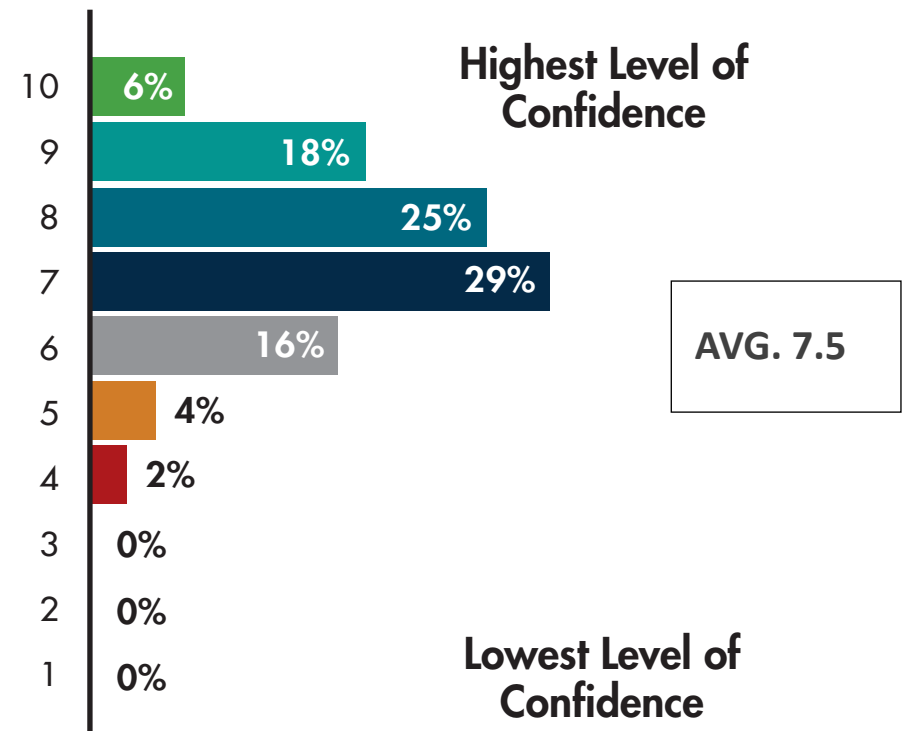


Organizational Plans for Addressing Risks

Does your organization have a formal plan in place for addressing the risks associated with the current economic downturn?

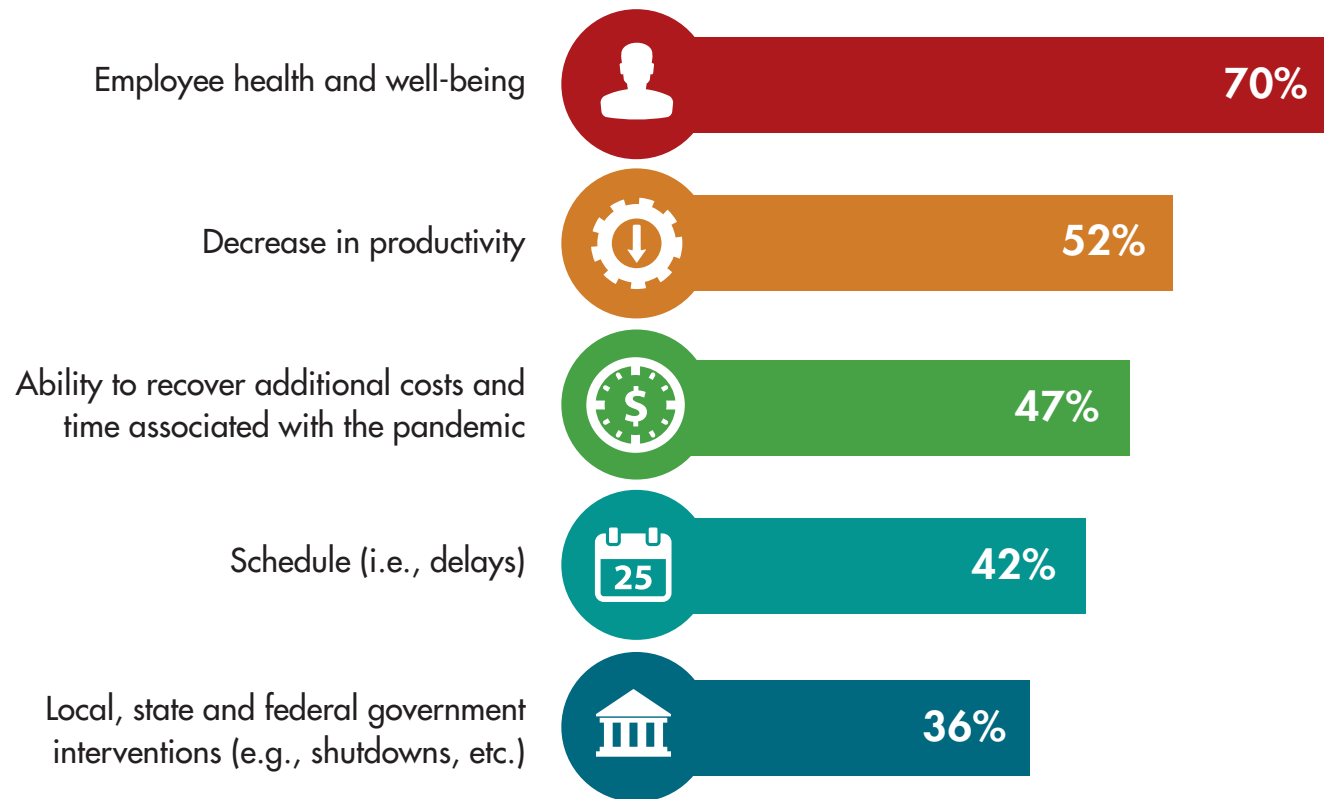


What is your level of confidence that your plan will effectively help you adjust to the current and future business environment?



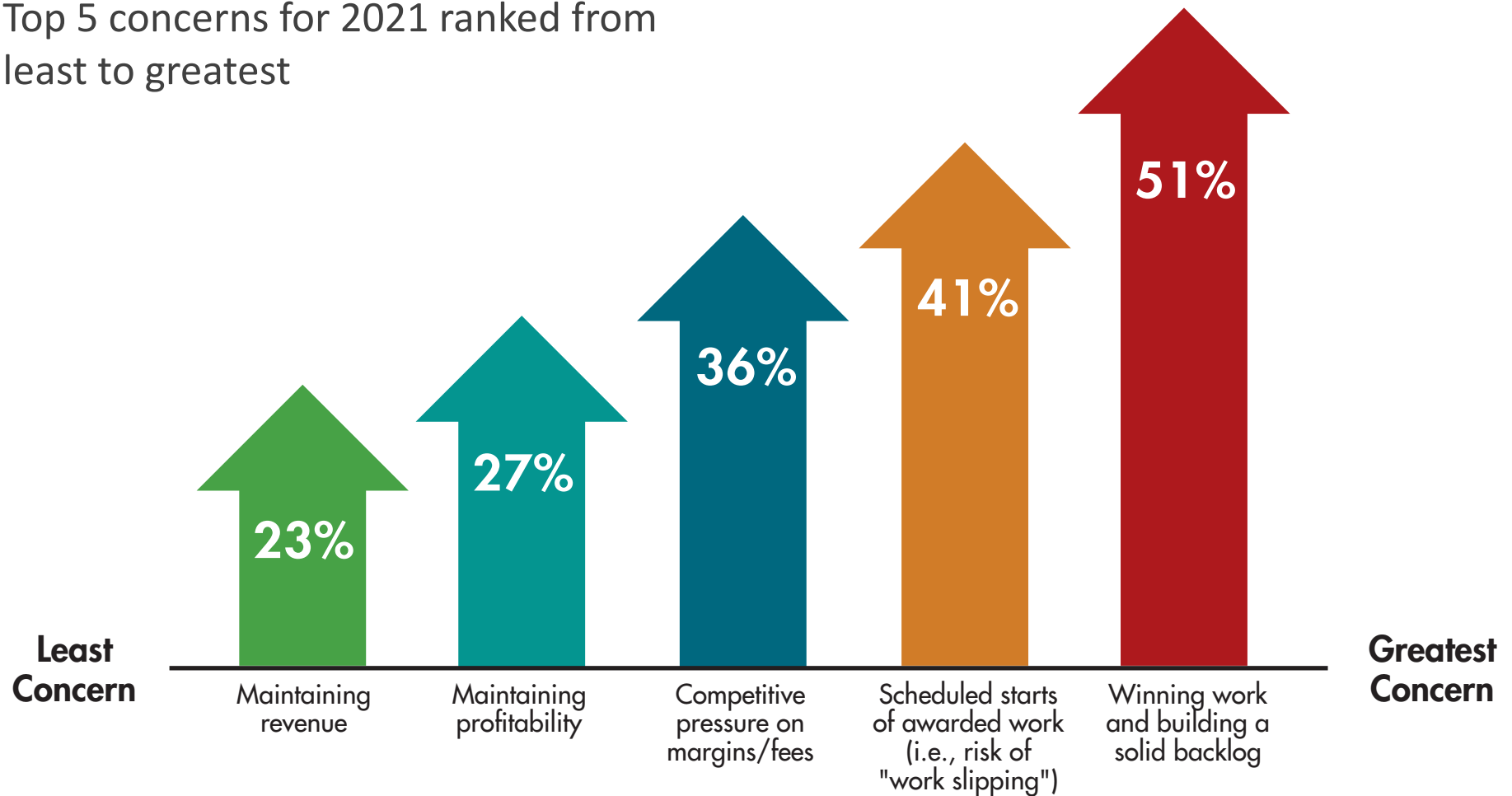
Top 5 New Project Risks Due to COVID-19

What new risks are you facing on your projects as a result of the COVID-19 pandemic?



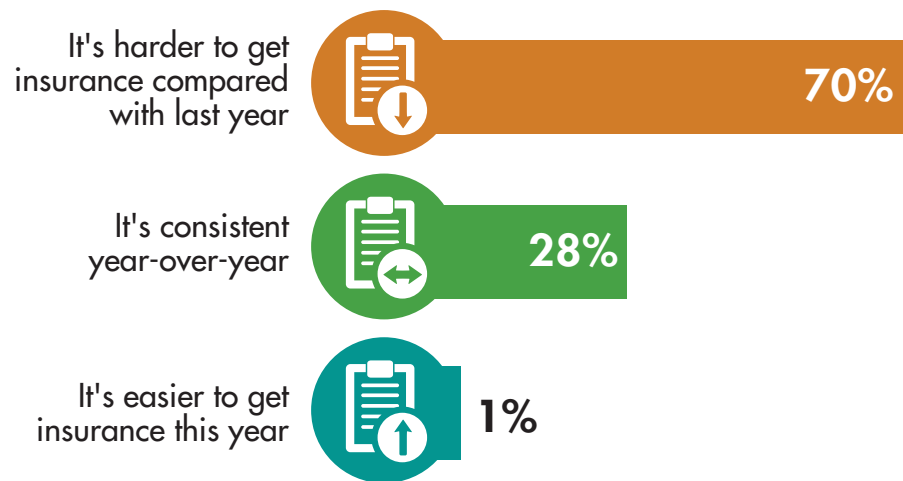
Top 5 Concerns for 2021

Top 5 concerns for 2021 ranked from least to greatest

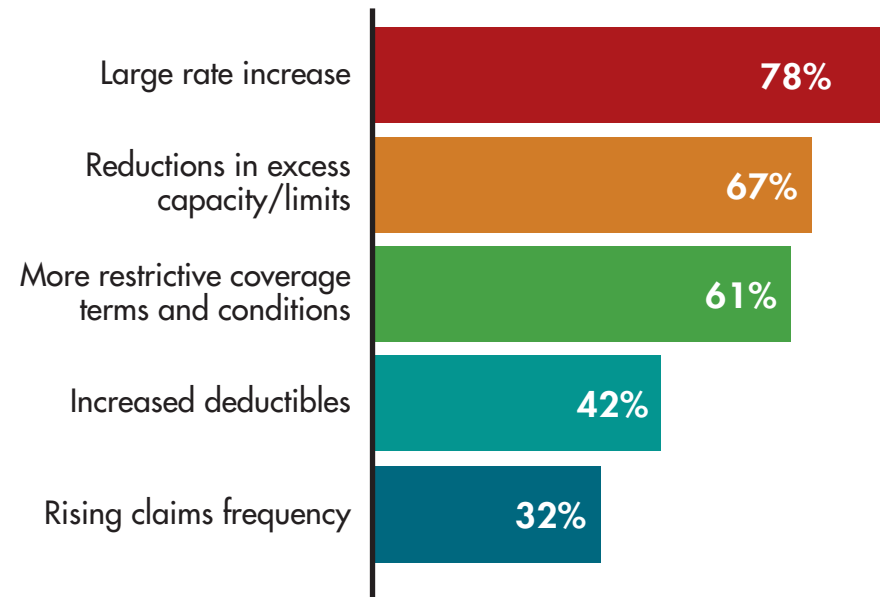


Insurance Market

What is your view on the current insurance marketplace?

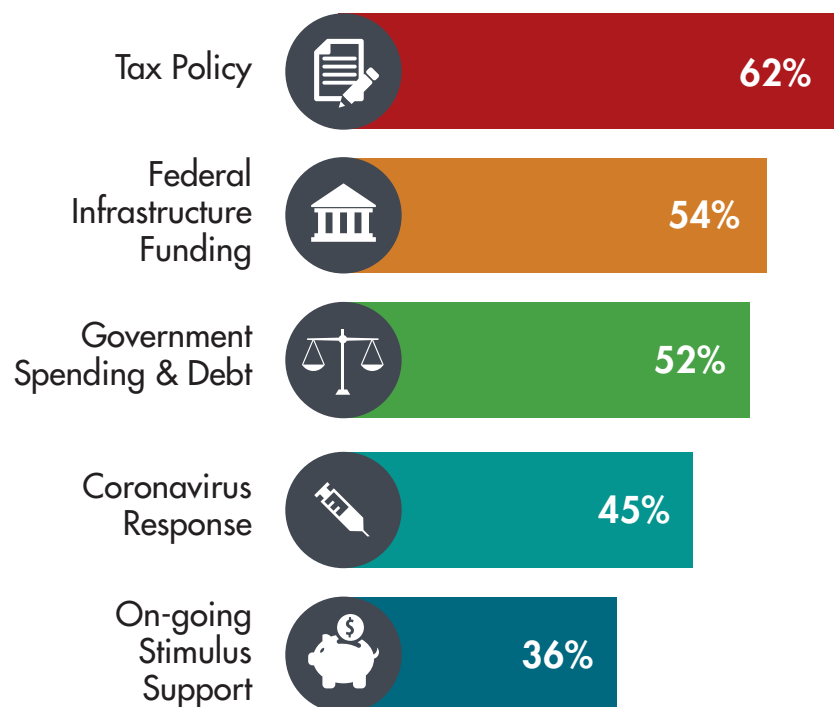


What challenges do you expect related to the insurance market in the next two years? (Top 5)

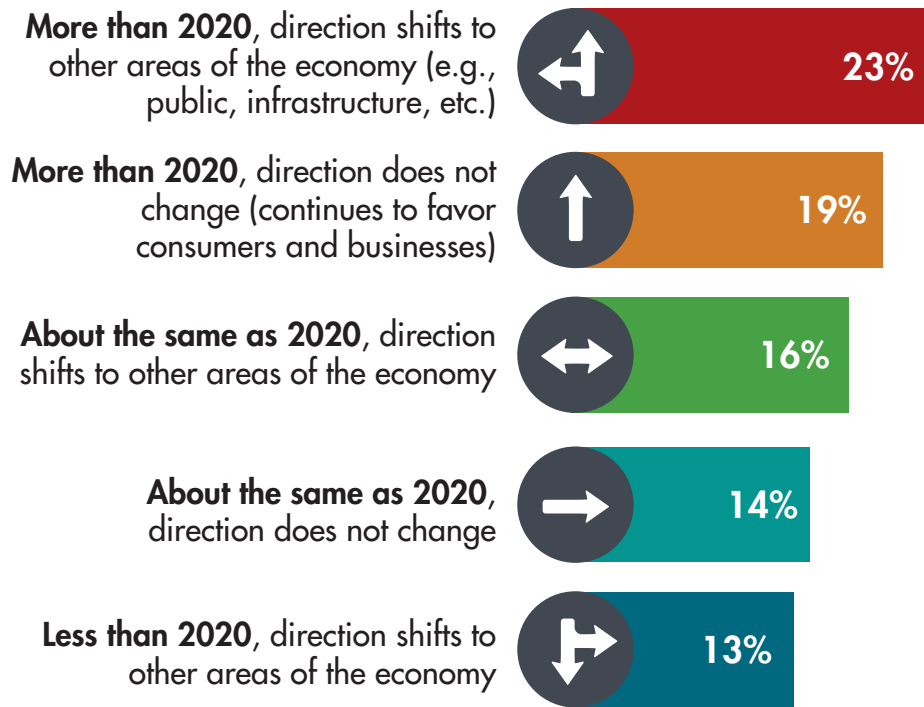


The U.S. Political and Economic Landscape

After the 2020 election, what are your top-three political or regulatory concerns for 2021?



What do you expect stimulus and government-led support to look like in 2021 for the U.S. economy?



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Future-Proofing Your Organization



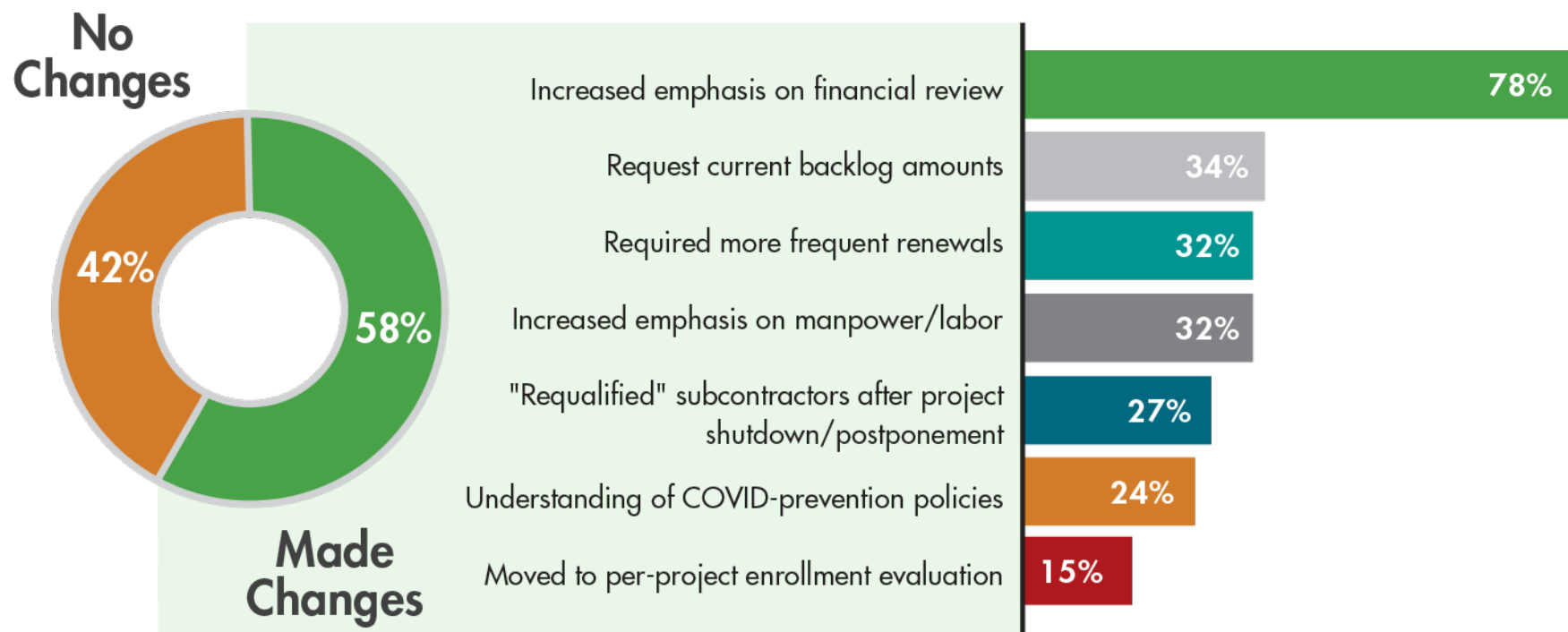


You're either a driver of change or driven to change. We always choose the former.

— Thomas Scarangelo, Executive Chairman
Thornton Tomasetti

Subcontractor Prequalification

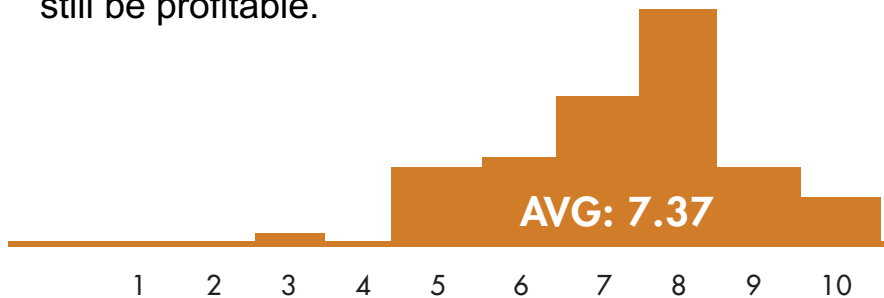
How have you adjusted your approach to subcontractor prequalification since COVID-19?



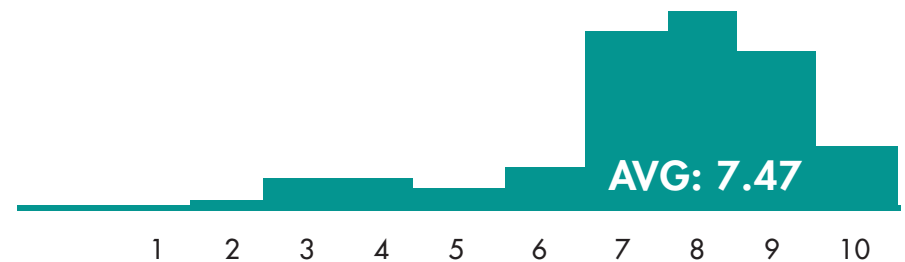
Organizational Achievement

Rate how well your organization is achieving the following:

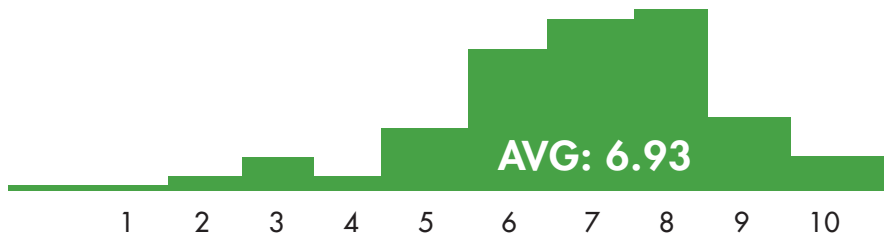
We are tightening up our preconstruction, estimating and pricing practices to be more competitive, while ensuring we can still be profitable.



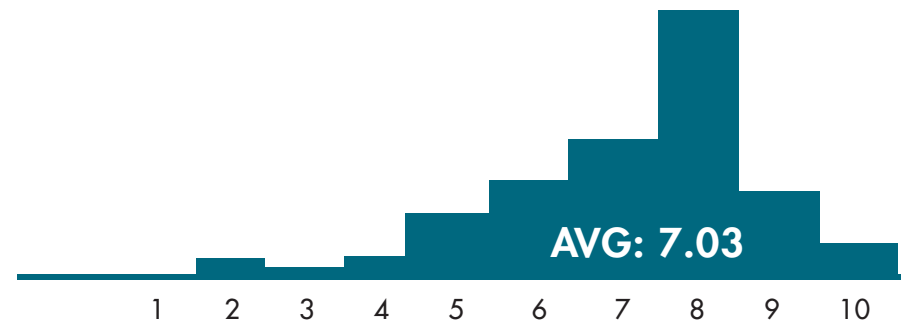
We are focused on the fundamental drivers of profitability in our business, and intentionally working to improve in these areas.



We are tightening up our operations to prepare for increased competition and pressure on margins.



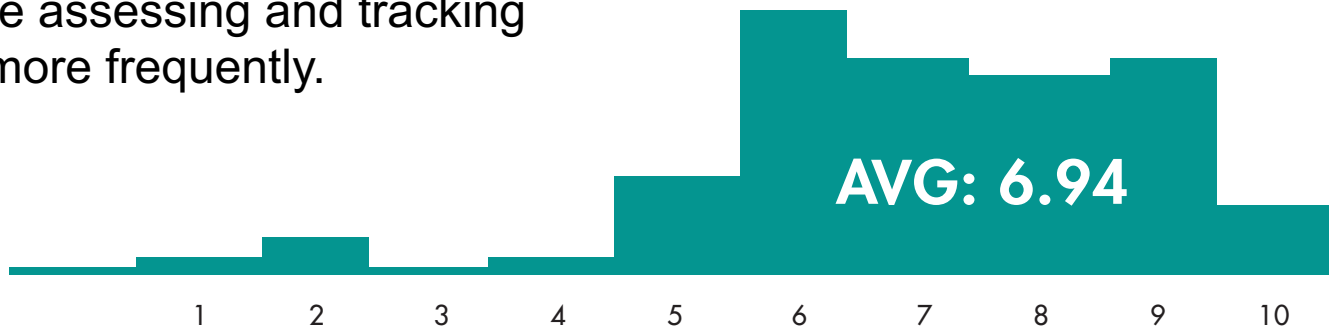
We are focused on supporting our field resources to optimize project performance.



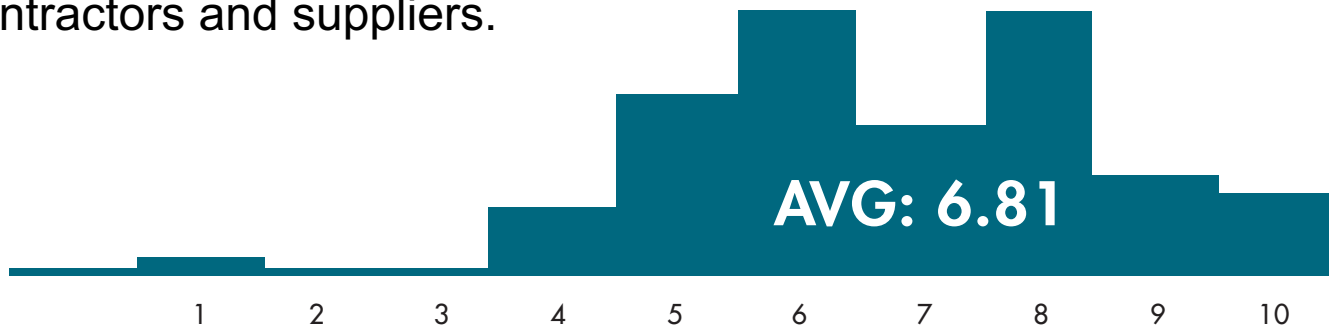
Organizational Achievement

Rate how well your organization is achieving the following:

We are assessing and tracking risks more frequently.



We are closely monitoring the work quality and financial stability of subcontractors and suppliers.



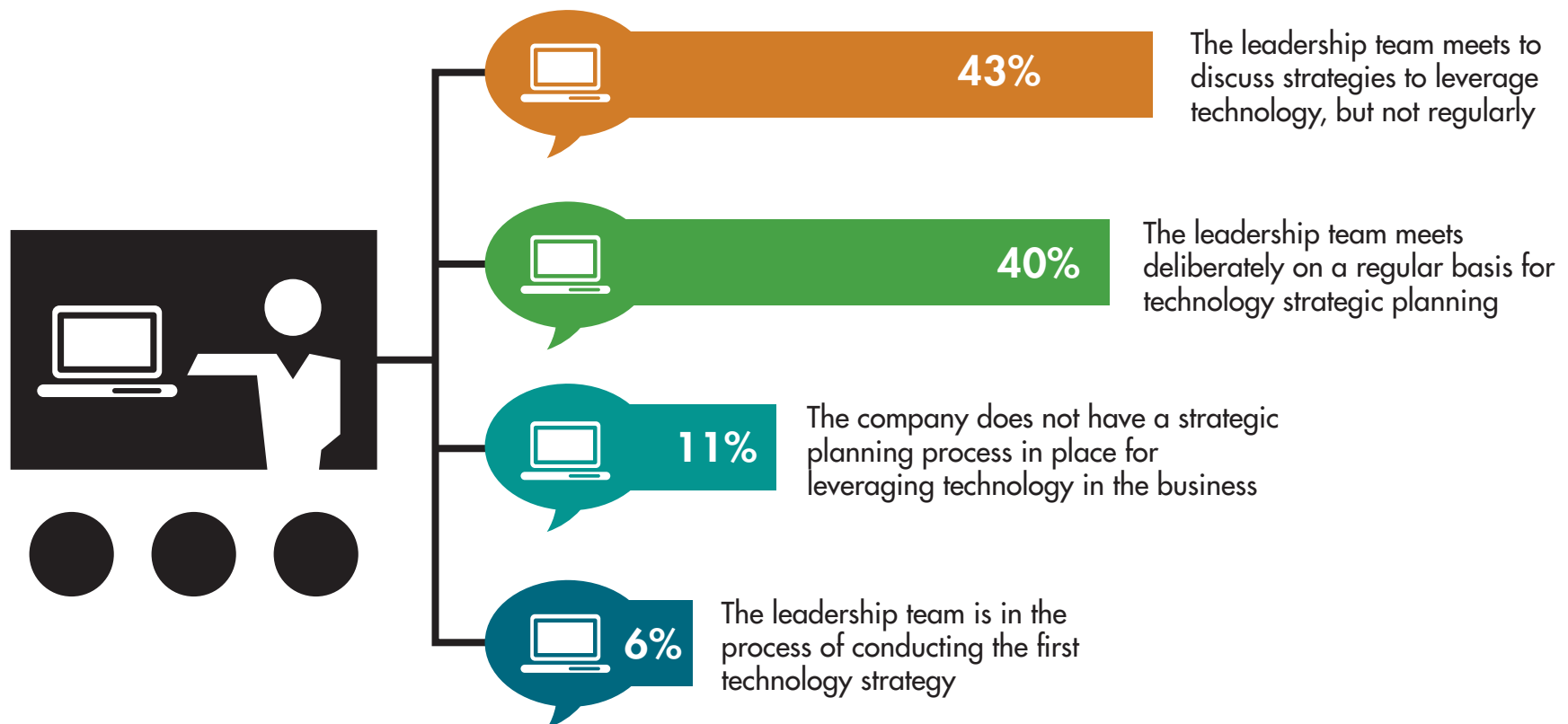
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Technology-Focused Strategy and Cybersecurity



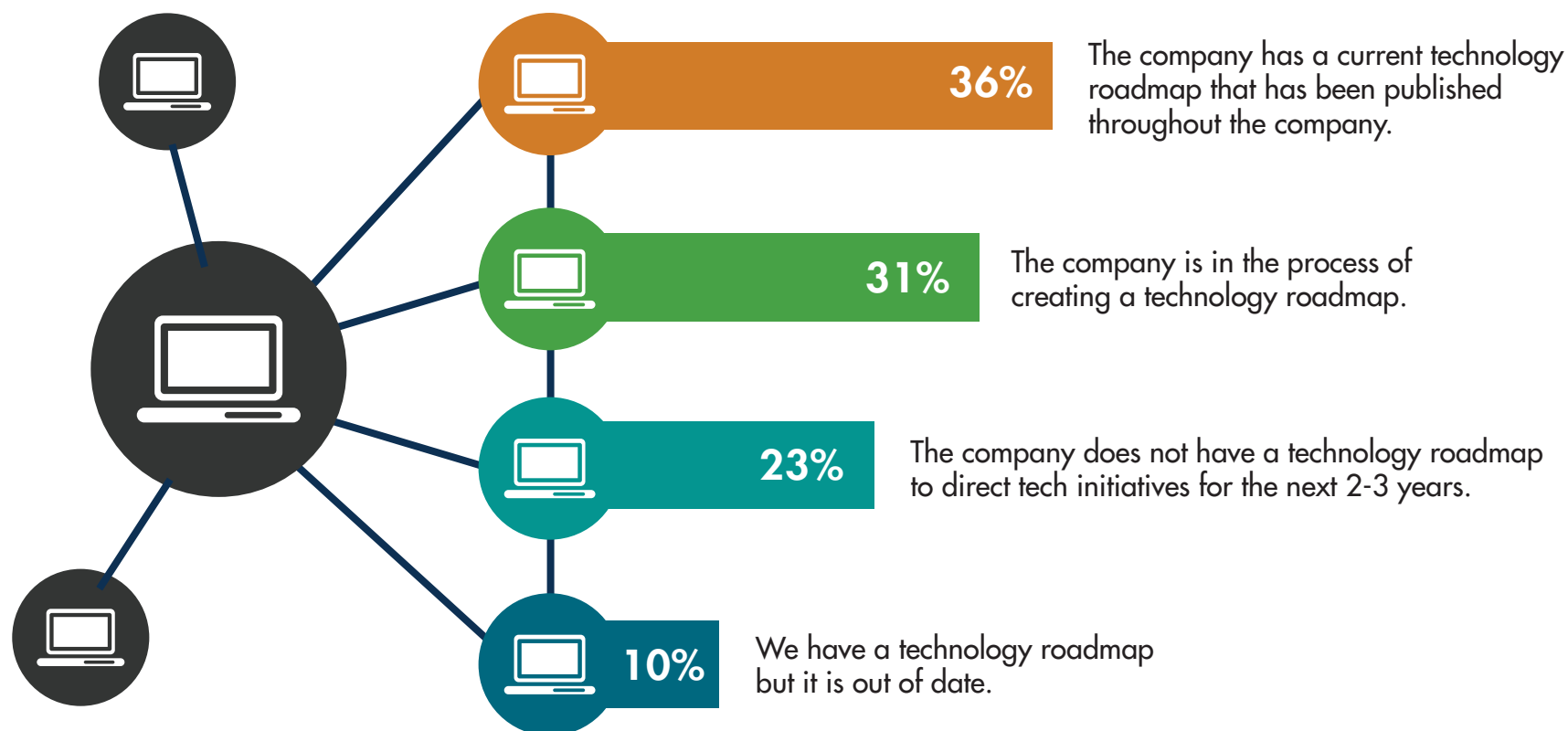
Technology-related Strategic Planning

Which of the following scenarios best describes your leadership team's approach to technology-related strategic planning?



Strategy for Future Technology Initiatives

Which of the following scenarios best describes your company's status in establishing a technology strategy to provide direction for future tech initiatives?



Strategy for Future Technology Initiatives

Which of the following statements best describes your company's utilization of cybersecurity monitoring and protocols to manage defenses and mitigation vulnerabilities?

The company has cybersecurity monitoring and protocols in place to manage defenses and mitigate vulnerabilities



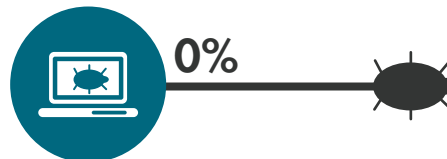
We have cybersecurity monitoring and protocols in place, but they are inadequate.



The company is in the process of establishing and monitoring protocols.

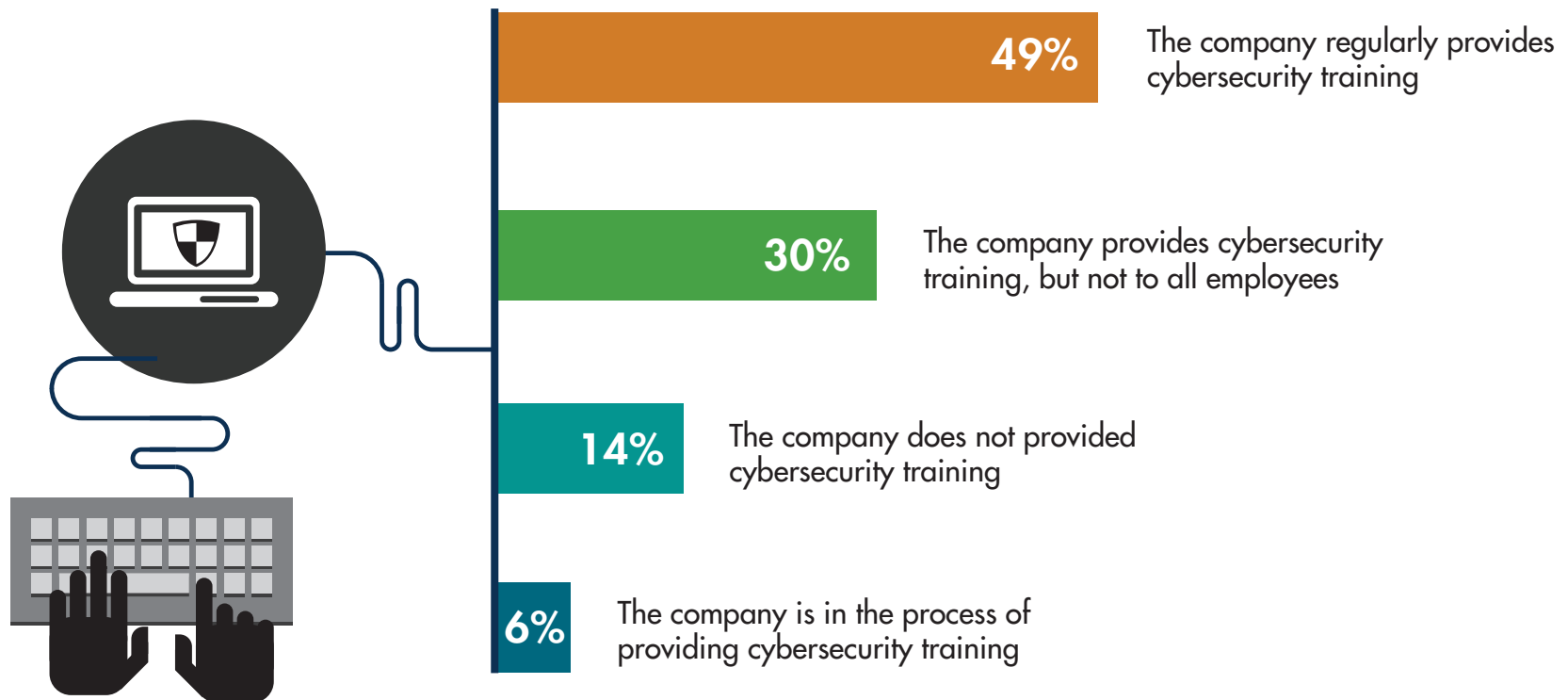


The company does not have cybersecurity monitoring or protocols in place.



Cybersecurity Training Deployment

Which of the following best describes your company's deployment of cybersecurity training?



Learn More

December 2020
AGC/FMI Risk Survey



agc.org/industry-priorities/risk-management/reports-hot-topic-papers

fminet.com/special-reports/

