



LEGALISTIC

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## EFFECTIVE USE OF STANDARD TERMS

1

### CLARITY AND SIMPLICITY

Standard terms are intended to avoid/discourage negotiation. Clear, well-written and concise contract language is essential to achieve this. Lack of clarity is not a contracting strategy.

2

### FIT FOR PURPOSE

Are the products or services you are selling appropriate for standard terms? If they require customisation or configuration, or if there are many deal-specific terms, standard terms may not work.

3

### GOLDBLOCKS TERMS

Very one-sided contract terms are counterproductive. The aim is to agree a fair contract with terms that the other party is not likely to breach and which are not onerous for the sake of it. Understand your risk and draft the terms accordingly.

4

### GOVERNANCE AND REMEDIES

Even a contract on standard terms needs to contain adequate and proportional terms dealing with disputes and relationship management. Defusing problems early on saves time and money later.

5

### INCORPORATION

Make sure that the contracting process works and that standard terms are not subject to any other terms. The use of purchase orders, order forms or other ancillary documents can introduce other terms.