

# SMALL Business Times

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## Maintain control

The supplier should write the contract

### Question:

**At the end of a recent negotiation, the other party agreed to write up the contract. I**

**agreed, since it would save me a great deal of time. My boss was critical of me for “pawning” the agreement off.**

**Who's right?**

### Answer:

Your boss. She understands that many of the terms and conditions that appear in a contract are not the subject of the negotiation. By giving the other party the opportunity to craft the contract, they can now use terms and conditions that benefit their situation.

Naturally, the other party recognizes that the contract will be reviewed before signing, so if there are any needed changes in the terms and conditions, they can be corrected. Of course, the other side isn't going to object to a document they write up.

As the supplier, it is always to your benefit to write the contract. You are the expert. You want to be the trusted business advisor. Your contract offers you an opportunity to leverage this expertise in a way that protects and benefits both parties.

Every move you make in a business relationship creates an impression. By forfeiting

the right to craft the contract, not only are you giving up control but, you are jeopardizing your credibility. You risk having the customer walk away thinking, “If they aren't willing to invest effort into writing the contract, what does it say about how they will respond to a problem when it arises?” This is a dangerous signal to be sending at the onset of a new relationship.

Your boss understands that many “minor” items are not significant enough to be negotiated separately. However, when added together, they can substantially slant the benefits to the other party's advantage. She knows that even in situations where terms have been negotiated and agreed upon, if there's room for interpretation, wording can be positioned in such a way that the author's situation is enhanced.

When writing a contract, recognize that it is a summation of the negotiated discussion. It is not an exploration to determine the scope of the project. It should not sell the intervention. Rather, it should summarize the conceptual agreements previously acknowledged, detailing them in writing for review.

A contract should detail the following:

- what is to be accomplished
- how it will happen – the implementation plan
- the timeline
- where it will occur, if appropriate
- who will be accountable
- method of delivery
- verification of the investment and payment terms
- formally consummate the relationship with joint signatures

It should not protect one party at the expense of the other. A contract should protect both the supplier and customer. That includes determining how unilateral changes

during the project are to be handled. “Project creep” is costly and can create ill-will when there is a gap between expectations.

Your boss knows that by authoring the contract, you have yet another opportunity to demonstrate your expertise and professionalism. When you identify unanticipated situations, and communicate information that is in the customer's best interest, you enhance your company's opportunity to be selected as the partner for this project.

When done well, the negotiation should cover all the critical aspects that will influence the buying decision. This will make crafting your contract easier. Since all the key issues have been discussed, negotiated, and mutual agreement has been achieved, your contract now becomes a marketing tool that differentiates you from the competition.

Recognize that the contract is one-step in the selling process. It documents the outcome of the negotiation and is a critical success step in being awarded the project.



**Christine McMahon** is the owner of Christine McMahon & Associates, a training and coaching firm in Milwaukee. She can be reached at 414-290-3344. Small Business Times readers who would like a negotiating situation

addressed in this column can send a fax to 414-290-3330, or e-mail her at: [ccm@christinemcmahon.com](mailto:ccm@christinemcmahon.com). Her column appears in every other issue of SBT.