



L I N K
FROM Chadwick Lawrence

The importance of written contracts


For the Corporate and Commercial team's MMD debut, we thought we would take it back to basics and explain the importance of companies having contracts in place when supplying or receiving goods or services.

Whilst we understand that for many companies doing business with other parties based on trust may be the norm, by conducting business in this way, you are leaving your company susceptible to issues that a signed and mutually agreed contract would eliminate.

Putting a contractual arrangement in place with your customers and/or suppliers could provide the following benefits to your company:

- It provides both your suppliers and customers with proof and certainty in relation to their obligations, rights, duties and how long the contract will bind them.
- If the business relationship deteriorates, a contract outlines the previously agreed upon steps required for how to move forward. If a written contract is not in place, then the parties may be left piecing together bits of correspondence or verbal communications and legally implied terms to determine the terms that govern the relationship. This approach lacks certainty and can result in costly and time-consuming disputes between parties.
- It allows your business to operate on its terms rather than relying on complex statutes and guidelines to govern your working relationships.
- If your company needs work performed by a specific deadline, a contract binds the party to that time frame. For example, if you require a party to deliver goods by a specific date, a clause in a contract can be added to ensure delivery on or by that date. In the event that delivery hasn't taken place by the specified deadline, a contract will outline what remedies are available to your company.
- A binding contract can establish how and when your company is to be paid for services rendered. Should a party refuse or fail to make payment, legal action can be brought to recover payment.

It is important when putting a contract in place to ensure that the obligations are watertight and that what has been agreed verbally reflects what is in writing. It is also important before entering into a contract that your company has not drafted, that you fully understand your obligations, rights and duties and that there are no onerous clauses which place unnecessary burdens on your company.



If you require any initial advice regarding drafting a contract, reviewing an existing contract or reviewing an agreement prior to your business entering into it, our expert team of lawyers offer various services that range from one off reviews to, LINK, our bespoke in-house retainer package that you can customise to cater for your specific commercial law needs which can include the following services:

- A review of your commercial contracts
- Drafting/amending commercial contracts
- Commercial review of your terms and conditions
- Unlimited telephone advice relating to your commercial contracts
- Personal invitations to exclusive networking opportunities

Should you require our services or any further information, please contact NewEnquiries-CoCo@chadlaw.co.uk.