



Writing terms of business

It's easy to start business life and even carry on trading without terms of business in place. Once you're up and running and the work is coming in you don't want to rock the boat... and you haven't had any problems so far...

What should be covered in terms of business of sale?

You should include:

- A detailed description of the goods and/or services;
- The agreed price and any deposit (returnable or not);
- Payment terms and what happens if payment is not made;
- When the goods will be delivered, and/or the services provided;
- The expected quality of the goods or services, and the process for deciding whether any goods/services are defective;
- Limitation of liability;
- Force majeure; and
- The circumstances in which the agreement may be terminated and what will happen upon termination.

Whilst some of the terms may seem obvious, and things that can be dealt with by a conversation or an exchange of e-mails, written terms and conditions provide the clarity that may be otherwise lacking when a dispute arises.

When should I send them out?

Terms and conditions are a safety net for your business, which, if properly drafted, should provide a solution to most problems that could arise, without the need for costly litigation. Furthermore, they show you are professional and will give your business the right image.

However, the biggest mistake you can make is to think that it's ok to send these out with your invoices. Your terms of business should be set out in writing, sent in advance of work commencing and signed by both parties to confirm agreement. You could even consider speeding up the 'purchasing process' by getting all new customers to open an

account which would require them to sign up to your terms of business.

But remember, now is not the time to be timid. Just because a customer has worked with you well without terms of business is no reason not to send them now you have them. Good customers will recognise that this document is there to protect them as much as you.

Don't forget to review them regularly

Having done the job it's important that you remember to review them regularly. As your business grows you may find that you need to adapt your terms. Don't forget to get all existing customers to agree to these changes so that they are valid for everyone.

For help setting up your business please follow the link wards.uk.com/service/commercial-services or contact Marina Maclennan or Ciaran Keane on 0117 9292811.

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