



**Are your contracts
reducing your profits?**

A checklist for business owners



Attwaters
Solicitors



Are outdated contracts holding your business back?

Supplier relationships. Sponsorship deals. Product returns. Service disputes. Businesses rely on contracts every day. If the terms and conditions of these contracts are not up to scratch, it can cost you time and money. One study estimates that the average business loses almost 9% of value annually through poor contract management¹.

With business owners and leaders pressed for time, it's not surprising that reviewing contracts sometimes falls to the wayside. This practical guide from the Attwaters Business Law team explains how to give your contracts a health check, so you can trade smarter.

Why is it important to update business contracts?

From technologies and regulations to trading conditions and customer trends, the pace of business change is getting faster. It can be difficult for your business contracts to keep up – especially when you're focused on driving future growth.

Many companies use generic contracts when they start out, but these can leave you and your revenue exposed as activities and relationships evolve. Whatever that age or stage of your business, it's a good idea to regularly review your contracts to ensure the terms remain robust and relevant.

A good contract can help minimise risk and maximise return, but this can be hard to achieve. Only 39% of Business owners say their contracts are effective in delivering the desired outcome¹.

¹World Commerce & Contracting, July 2025
(<https://info.worldcc.com/contract-management-aug-2025>)

Business contract checklist: will yours pass the test?

Use this simple checklist to assess the health of your business contracts. If you spot any areas where you need more help, why not book a free consultation with the Attwaters Business Law team. A quick chat could future-proof your business and income for years to come.

- Is the contract wording specific to your business or from a template?
- Has the scope of work (products, services and/or deliverables) been clearly defined?
- Is there an explicit list of what is excluded?
- Have advance payments or deposits been included where possible?
- Does the contract explain invoice triggers, payment terms and rights to claim interest?
- Have liability caps been aligned to your insurance cover and/or risk appetite?
- Are there exclusions for indirect and consequential losses if appropriate?
- Are data protection obligations clearly explained and enforceable?
- Has a complaints process been included?
- Are warranties, returns and refund terms clearly defined?
- Have sufficient force majeure provisions been included?
- Do consumer and business customers need different terms?
- Have you established a process for updating contracts and sharing revised templates?

What should a good business contract include?

Every business and every contract is different, but there are some common elements to consider. The Attwaters' Business Law team have helped many companies over the years to draft and review their contracts. We've seen good and bad – and the impact it can have on a company's performance and profit.

Here are some key points to consider when creating or updating your business contracts.

- **Scope of work:** clearly define services, products and milestones with any exemptions highlighted.
- **Relevance:** ensure contract wording accurately reflects how your business operates, including any unique services and commercial risks.
- **Scalability:** future-proof growth by allowing for potential increases in activities, team members and customers.
- **Credit control:** protect cashflow by including clauses for advanced payments, service suspension scenarios and late payment charges.
- **Data protection:** address confidentiality concerns by explaining how personal data is used, stored and shared in compliance with legislation.
- **Customer segments:** specify different terms and rights that apply to consumer or business customers as per trading regulations.
- **Warranties:** explain what is guaranteed in terms of quality, service and performance and for how long.

Getting the wording of a contract right is just the beginning. If templates have been created and circulated, then it's important to ensure the right people have access to the right document at the right time. It's a good idea to establish a formal process and owner for managing contract version control.



How can I ensure consistency and quality?

Contracts are essential to every business. They can enable or encumber. Attwaters draws on its experience of working with different types of businesses across multiple sectors to help you achieve consistency and quality.

Our growing team of business lawyers provide the practical advice needed to strengthen oversight, safeguard compliance and drive success and profitability. We offer a friendly and supportive local service based on clear and affordable pricing.

Meet the team

The Attwaters Business Law team combine city-quality service levels with a common-sense approach.

Our partner-led team provides commercially-focused advice designed to help your business thrive.



Nabila Begum, Solicitor

Nabila specialises in business and commercial law, with extensive experience drafting, negotiating and advising on commercial contracts across a wide range of industries and sectors.

Having worked both in-house and in private practice, she brings valuable first-hand insight into the practical challenges faced by business owners and directors. Commercially minded and solutions-driven, she delivers clear advice that safeguards businesses while supporting profitability.

nabila.begum@attwaters.co.uk
0203 871 0018



Mark Stigwood, Partner

Mark leads the Corporate & Business Law team at Attwaters, with extensive experience drafting complex commercial contracts to support a variety of transactions and business operations. He also works closely with clients as part of the project team on multifaceted tender initiatives.

Solutions-focused and bringing a wealth of operational and commercial insight, Mark provides the guidance clients need to navigate today's evolving legal and regulatory landscape.

mark.stigwood@attwaters.co.uk
0203 871 0022

We can help you

Whether you're creating a new contract or refreshing an old one, Attwaters can provide practical support. Book a free consultation with a member of our growing team to find out how we can assist with your business contracts.

Contact us on **0330 221 8855** or via email at **enquiries@attwaters.co.uk**.

Where we are

■ Hertford ■ Ware ■ Loughton ■ Harlow (by appointment only) ■ London (by appointment only)

0330 221 8855 | enquiries@attwaters.co.uk
www.attwaters.co.uk

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