

THE IDEAL ALMANAC

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Mundane, But Highly Necessary

Welcome to the September Edition of the Ideal Almanac!

When I first went into our family business, we used to have an attorney to go over the documents that came in. He was, and still is, very efficient. However, over time and as the document load became heavier I started reading them myself. I was hoping to save time and money. In time, I realized that through repeated readings many of the forms like non-disclosure, purchasing, sales, and rep agreements all tended to follow certain templates. The reason I had to keep reading them was that invariably embedded within the various paragraphs were little time bombs that could bite us later.

For instance, in a purchasing agreement I was reading today there was a section that said they could return anything we sent them at virtually any time. There was another area that stated that if we gave a price reduction for future orders then they could use that price for PO's we already had and even demand credits for invoices already sent. This was just today! I have seen things you would not believe, things like documents saying they own our intellectual property or scenarios where we would be required to pay for a problem for a whole system even if we only had a label involved.



I don't necessarily blame the lawyers. It is their job to safeguard their clients as much as possible. However, we all have to go into any agreement with the philosophy of "buyer beware" in mind. I now don't hesitate to push back. The two agreements from today both had a lot of changes and I will be curious to see if our customers agree or push back. In the end I feel confident that we will come to an equitable agreement, but had we not been watching we could have been "giving away the store."

Reading documents is a pain, they are wordy, verbose, boring and made that way on purpose to get people not to read them but simply agree and sign. Once I or you sign anything

that is it, whether we knew what was in the document or not we are stuck with the results. My advice is to get a caffeinated beverage to help keep you awake and read through whatever is important before you sign. To be honest, while I do it for work I am guilty of not doing it when a warranty pops up for a product at home and I simply press agreed. There are levels of importance, therefore in order to not go crazy I pick and choose what I read. It is much easier to simply sign and send but it can also cause you a lot of future trouble.

Regards,
Andrew

Read more of Andrew's blogs at:
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