

# Bird & Bird & The Customer Contract Risk Assessment Tool

*Understanding, managing and minimising legal and financial risks are high on every company's agenda, not least due to good corporate governance and compliance requirements.*

## How risky is your business?

Companies who enter into lots of supply contracts or other B2B contracts are constantly exposed to risk.

In order to understand and manage these kinds of risks, they need:

- An accurate overall picture of the risks inherent in their contracts
- Clearly defined risk parameters for their contracts which are aligned to the company's appetite for risk
- Consistent risk controls to ensure that contracts comply with defined risk parameters and authorisation limits.

Easy to say, but as many legal and compliance teams know, this can be very difficult and time-consuming to achieve throughout a company in practice.

## Could your company benefit from the Customer Contract Risk Assessment Tool?

The Customer Contract Risk Assessment Tool offers a simple and effective solution for assessing and managing the risk of the B2B contracts your company's employees enter into.

It enables you to apply a more standardised approach to contract negotiations which will

- Ensure consistent risk controls for contracts across your business
- Save your legal team considerable time on contract review
- Provide management with a clear overview of the risk of every contractual relationship, irrespective of where in the world the contract has to be performed or which law applies.

The tool can also be used in the context of due diligence, for example to assess the risks inherent in a target company's contracts.



## How does the Customer Contract Risk Assessment Tool work?

- The tool is configured to your company's needs based on an analysis of the top risks arising in your contracts, an evaluation of the risk factors and their relative importance, and on the bespoke risk parameters which are defined and agreed in line with your company's specific appetite for risk.
- Designed for use on a tablet, and accessible on iOS, Android and Microsoft mobile devices, as well as via remote desktop access, the Customer Contract Risk Assessment Tool is portable and easy to use.
- The user enters the variables of a draft contract into the tool, which then plots the risk level of the contract as a dot on a graph.
- The dot is either inside the acceptable boundary or not - in which case the user can examine which element(s) of the contract might need to be re-negotiated in order to bring the contract into the acceptable risk profile boundary.



## Further information

The Customer Contract Risk Assessment Tool was jointly developed by Bird & Bird and Gordon Dadds Consulting for a major manufacturing company to help them define and consistently apply clear authorisation limits for all contracts concluded by their business. The software technology was delivered by eLegal Technology Solutions. All three parties continue to collaborate in tailoring this solution to the needs of further clients.

## Interested? Get in touch

### Dr. Christian Kessel

Bird & Bird, Partner

Tel: +49(0)69 74222 6000

[christian.kessel@twobirds.com](mailto:christian.kessel@twobirds.com)

# twobirds.com

Abu Dhabi & Beijing & Bratislava & Brussels & Budapest & Copenhagen & Dubai & Düsseldorf & Frankfurt & The Hague & Hamburg & Helsinki & Hong Kong & London & Luxembourg & Lyon & Madrid & Milan & Munich & Paris & Prague & Rome & Shanghai & Singapore & Skandaborg & Stockholm & Sydney & Warsaw

Bird & Bird is an international legal practice comprising Bird & Bird LLP and its affiliated and associated businesses.

Bird & Bird LLP is a limited liability partnership, registered in England and Wales with registered number OC340318 and is authorised and regulated by the Solicitors Regulation Authority. Its registered office and principal place of business is at 15 Fetter Lane, London EC4A 1JP. A list of members of Bird & Bird LLP and of any non-members who are designated as partners, and of their respective professional qualifications, is open to inspection at that address.