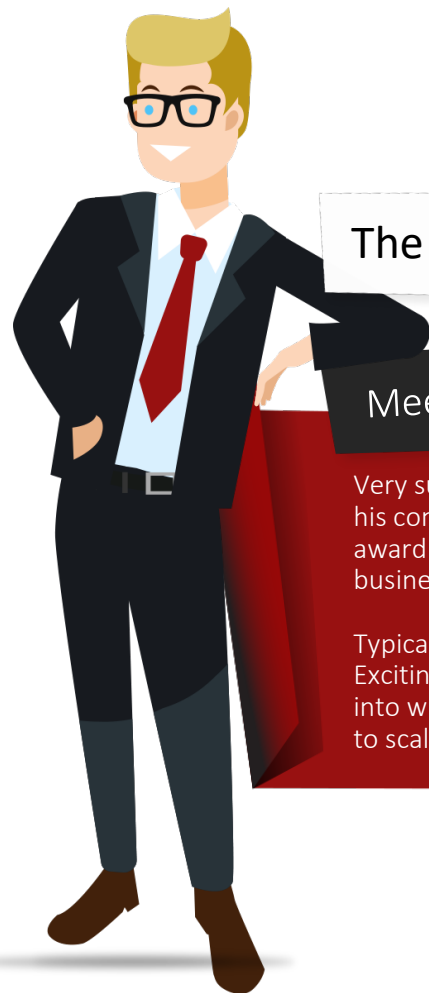


AC-DC Group Ltd



The Story...

Meet Michael Caine

Very successful, self-made man, built his company from the bottom up, award winning multi-sector logistics business.

Typical SME, no more than 10 staff. Exciting new supply contract entered into which would allow the company to scale up its logistics.



The Dilemma

Colleague Piers Brosnan entered into an agreement with the supplier during a typical business lunch meeting in order to meet an urgent delivery deadline. Lots of informal chat happening over a period of time.

The terms of the contract were not carefully reviewed and re-negotiated to fit for purpose. Standard contract terms were used.



What went wrong...

The drivers supplied under the contract started racking up huge PCNs = over £100,000 within a six month period, affecting Michael's company's cash flow.

A dispute erupted as to who was liable to meet these disproportionate costs. Both parties turned to the contract and Michael was not au fait with the terms of the contract signed by Piers.

The supply chain and company was almost brought to a halt as a result of the dispute.

Lack of clarity re: who had authority to sign docs, what the express and implied Terms of the Contract were- legal fall out- company held liable for actions of unauthorised persons.

Our Solution

What Michael should have done...

Establish & Embed Your Service Level Agreements or T&Cs

What it would have cost
£3,000-£5,000

What it did cost
£25,000
+ time + energy

- Establish and embed your inhouse policies and procedures. It also allows you to set the parameters for your key senior members – spelling out the ‘obvious’ that’s on everyone’s mind...
- Establish and embed any agreement to be entered into in a Heads of Terms (HOTs) document. Any informal and minor variations must be followed through formally - an email to crystallise an informal discussion at the bare minimum. Keep proper records/a paper trail.
- Bespoke your service level agreements and bespoke your contracts.

Moral of the story: Be aware that your words can be binding