

Most Negotiated Terms 2024

Including exploration of the distinctions
between big businesses and SMEs



Supported by



In conversation



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Legal and contract practitioners low regard for contracts:

Only 39%

believe that contracts
support successful
business outcomes

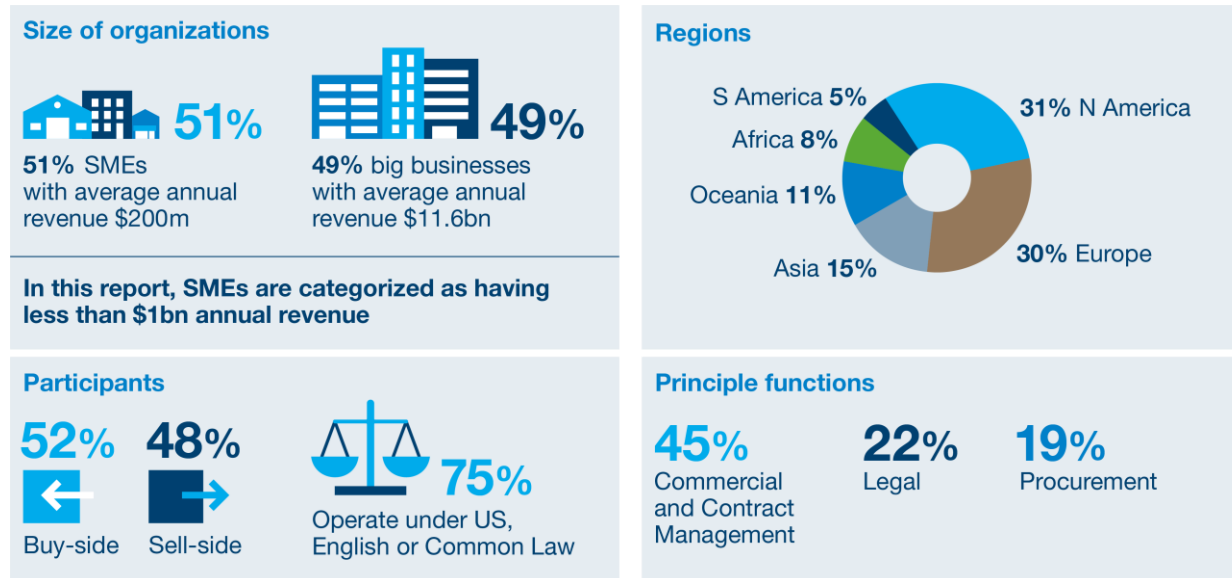
Only 16%

believe that today's
negotiations focus on
the right topics

About the report

This study examines the key terms negotiated in contracts across businesses globally, providing insights into the challenges faced by both big businesses and SMEs.

Demographic breakdown of 937 respondent organizations



Most Negotiated Terms 2024

	Overall	Big businesses	SMEs
1	Limitation of Liability	Limitation of Liability	Limitation of Liability
2	Price / Charge / Price Changes	Price / Charge / Price Changes	Indemnification
3	Indemnification	Scope and Goals / Specification	Price / Charge / Price Changes
4	Termination	Indemnification	Payment / Payment Options
5	Payment / Payment Options	Liquidated Damages	Scope and Goals / Specification
6	Scope and Goals / Specification	Intellectual Property	Termination
7	Warranty	Payment / Payment Options	Warranty
8	Intellectual Property	Warranty	Intellectual Property
9	Delivery	Delivery	Responsibilities of the Parties
10	Liquidated Damages	Termination	Liquidated Damages

The big movers

FALLERS

Liquidated damages (6)

Cybersecurity (4)

Term (4)

Force Majeure (3)



RISERS

Dispute resolution (4)

Delivery (3)

Acceptance (3)

Invoices / late payment (3)

Rights of use (3)

Most Disputed Terms 2024

	Overall	Big businesses	SMEs
1	Price / Charge / Price Changes	Price / Charge / Price Changes	Price / Charge / Price Changes
2	Scope and Goals / Specification	Delivery	Scope and Goals / Specification
3	Delivery	Scope and Goals / Specification	Invoices / Late Payment
4	Invoices / Late Payment	Service Levels	Delivery
5	Service Levels	Invoices / Late Payment	Responsibilities of the Parties
6	Payment / Payment Options	Payment / Payment Options	Service Levels
7	Responsibilities of the Parties	Responsibilities of the Parties	Payment / Payment Options
8	Amendments / Changes to Contract	Liquidated Damages	Amendments / Changes to Contract
9	Liquidated Damages	Amendments / Changes to Contract	Warranty
10	Termination	Warranty	Liquidated Damages

Changing focus for disputes

2022	2024
Price / charge	Price / charge
Delivery	Scope & Goals
Service levels	Delivery
Scope & Goals	Invoices / late payment
Liquidated damages	Service levels
<i>Acceptance</i>	<i>Payment / payment options</i>
Amendments / changes	<i>Responsibilities of the parties</i>
<i>Force Majeure</i>	Liquidated damages
<i>Termination</i>	Amendments / changes
Invoices / late payment	Warranty

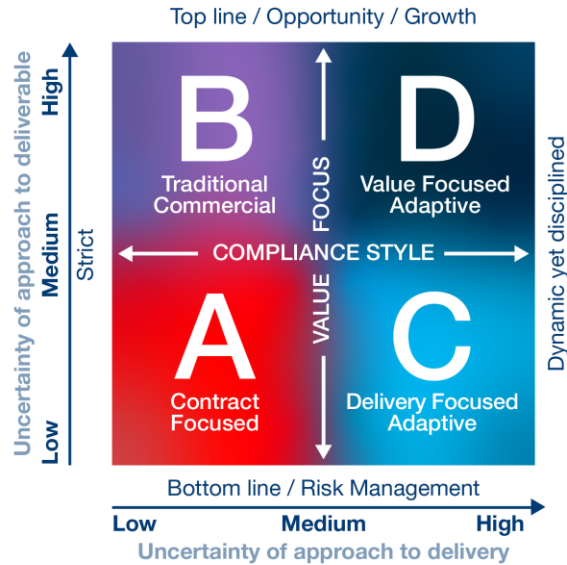
Most Important Terms 2024

	Overall	Big businesses	SMEs
1	Scope and Goals / Specification	Scope and Goals / Specification	Scope and Goals / Specification
2	Price / Charge / Price Changes	Price / Charge / Price Changes	Price / Charge / Price Changes
3	Delivery	Delivery	Delivery
4	Service Levels	Service Levels	Responsibilities of the Parties
5	Responsibilities of the Parties	Payment / Payment Options	Service Levels
6	Payment / Payment Options	Responsibilities of the Parties	Payment / Payment Options
7	Acceptance	Acceptance	Limitation of Liability
8	Product Specification	Product Specification	Acceptance
9	Limitation of Liability	Amendments / Changes to Contract	Amendments / Changes to Contract
10	Amendments / Changes to Contract	Limitation of Liability	Product Specification

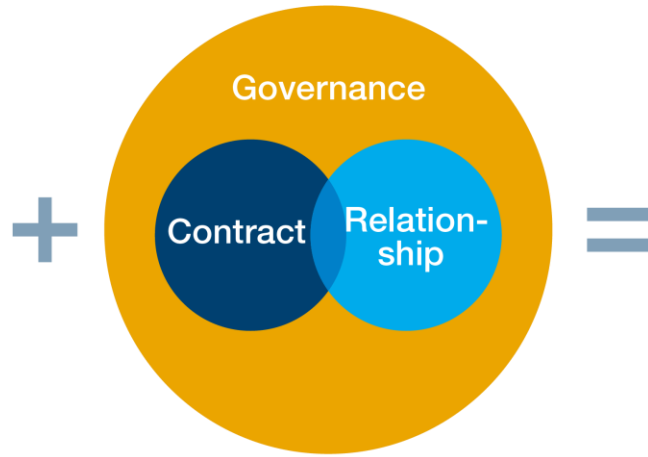
Most Negotiated, Disputed and Important Terms Compared

	Most Negotiated Terms	Most Disputed Terms	Most Important Terms
1	Limitation of Liability	Price / Charge / Price Changes	Scope and Goals / Specification
2	Price / Charge / Price Changes	Delivery	Price / Charge / Price Changes
3	Scope and Goals / Specification	Scope and Goals / Specification	Delivery
4	Indemnification	Service Levels	Service Levels
5	Liquidated Damages	Invoices / Late Payment	Payment / Payment Options
6	Intellectual Property	Payment / Payment Options	Responsibilities of the Parties
7	Payment / Payment Options	Responsibilities of the Parties	Acceptance
8	Warranty	Liquidated Damages	Product Specification
9	Delivery	Amendments / Changes to Contract	Amendments / Changes to Contract
10	Termination	Warranty	Limitation of Liability

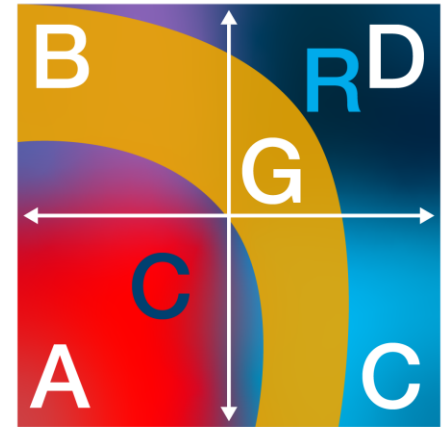
Combating uncertainty with the VCU and CGR frameworks



The WorldCC VCU Framework
 A systematic way to consider and assess the likely uncertainties in relation to value creation.



The WorldCC CGR Framework
 A holistic approach to designing the contract attributes, the governance approach, and the relationship characteristics.



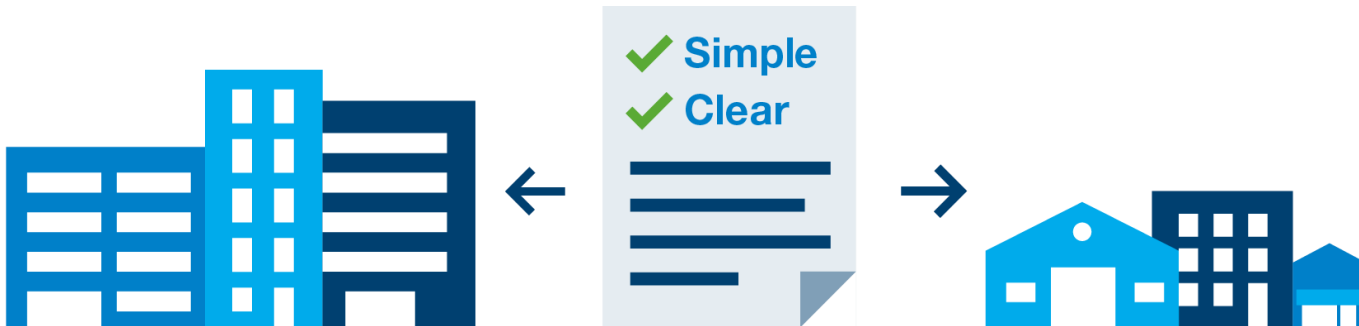
VCU + CGR Frameworks combined
 A dynamic approach to adapting the relative dominance of the contract, the governance, and the relationship based on the levels uncertainty.

SME's Challenges

Negotiating contracts with big businesses can be daunting for SMEs.

Our data shows that **88% of SMEs believe big businesses are inflexible**, and **78% feel pressured to accept unfavorable terms**.

Big and small companies can achieve better understanding and smoother negotiations with simpler, clearer contracts.



Big Business Perspective on SME's

For big businesses, engaging with SMEs presents a different set of challenges.

While **34% of respondents view SMEs as strategically important, only 12% regard them as critical to their success.** Many big businesses recognize the value of working with smaller partners but find issues with financial stability, contract understanding, and compliance capabilities.



Big companies should provide tools and training to help small businesses negotiate contracts.



Adjusting terms to help small businesses can foster stronger, more cooperative relationships.



Large businesses should evaluate the role of SMEs in their strategies and offer more flexibility where possible.

Change is on the way!

- Organizations have grasped the need to simplify processes and map data.
- Growing numbers are re-designing their contracts.
- Digitization provides insight to friction – and opportunities to reduce or eliminate.
- There is a movement towards ‘contract quality measurement’.
- AI is a game-changer for contracting ...

- **Form integrated negotiation teams** to support balanced decision-making.
 - **Align business and risk terms** so that protections are linked to objectives and performance metrics.
 - **Focus on practical outcomes** by addressing areas of risk and enabling change and adaptability.
 - **REMEMBER:** the agreement is more than the contract.
- **Seek solutions** that benefit both parties.
 - **Build trust** through open communication, transparency, and a willingness to understand each other's perspectives and constraints.
 - **View contracts as tools to facilitate successful relationships**, rather than weapons to be used in case of disputes.

**Have you recently overcome
a major negotiation impasse?**

**Apply for the Negotiation
Excellence Award!**

Show how effective communication helped
you navigate through the challenges.

Demonstrate the unique strategies you
employed to achieve a win-win outcome.

World Commerce & Contracting
**INNOVATION &
EXCELLENCE
AWARDS 2025**



A photograph of a diverse group of people in business attire sitting in an audience and clapping. The image has a blue color overlay. The text 'Thank you' is centered over the image.

Thank you