

Conflicts and disputes

in commercial and
contracting relationships

In partnership with

resolution

 **World Commerce
& Contracting**

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Foreword

The economic cost of disputes runs into trillions of dollars. Even if we narrow calculations to only include direct costs and published data, the estimate is almost \$900bn.

That's a lot of wasted money, effort and damaged relationships – especially when so much of it is avoidable. Yet even though we know the typical triggers; even though we have evidence of the part that culture plays; even though there are proven mechanisms to reduce frequency and impact – in general, we do little or nothing to fix the problems.

This lack of action is what has driven production of this report. It provides a global, cross-sector view, reflecting the experience of both buyers and suppliers. It reports the facts – the causes, their frequency, how we react.

It confirms that damaging disagreements are far more frequent than any existing study suggests. And it sets out a compelling and practical call to action. Quite simply, let's break the bad habits. Let's stop thinking that disputes are inevitable. Let's start acting differently.



Tim Cummins
President
WorldCC



Fayola-Maria Jack
Chief Executive Officer
Resolution

Executive summary

Most organizations aspire to build collaborative relationships with customers and suppliers, and many believe that their efforts are effective. This report challenges that perception by revealing the frequency of ongoing conflicts and the extent to which they are allowed to damage performance.

Communication breakdowns and misaligned objectives often lie at the heart of these tensions and, with the volatility of today's market conditions, the potential for conflict is increasing. It is important to understand why these issues arise and to explore the underlying factors that shape perceptions and behaviors on both sides. However, the real purpose of this report is to set out ways that evolving contracting processes, from initial agreement to post-signature interactions, can be optimized to drive more effective, long-term partnerships.

Our research confirms that the volume and severity of disputes varies by sector and, to a degree, by culture. The question of culture is also significant in the way that disagreements are resolved – for example, disputes that occur in the United States are far more likely to lead to litigation than in any other geography; those in Japan are very unlikely to result in litigation.

It may seem obvious that conflicts and disputes represent a core indicator of relationship health, yet our research confirms that few organizations actively monitor their frequency, their underlying causes or ways that negative consequences can be diminished or avoided.

Ultimately, this report challenges businesses to rethink how they approach conflict. By moving away from transactional thinking and toward a more relationship-driven approach, companies will create stronger, more resilient partnerships that deliver better results.

The insights provided in this report not only capture the current state of the commercial and contracting relationships, but also offer valuable data to anticipate future trends so that businesses can adapt for sustained success.



Conflicts and disputes in commercial and contracting relationships are a core indicator of relationship health, yet are often not monitored.

Introduction

In this report, we use the term ‘dispute’ to mean an escalated disagreement, rather than litigation. But even here we do not have consensus. The meaning of the term ‘dispute’ varies across sectors. In some, it is synonymous with litigation, while in others the meaning is much broader and points to a protracted or sustained disagreement that can be long-term. Where we can agree is that disputes, if left unchecked, erode trust, stifle innovation, and slow down progress.

Conflict in business is often seen as a disruptor. But is it? According to the Oxford Dictionary, conflict is defined as “a serious disagreement or argument, typically a protracted one”. But what if this definition is limiting? What if we viewed conflict not as something to avoid, but as an inevitable element of commercial relationships that must be managed intentionally, and collaboratively, for positive outcomes?



Constructive conflict involves an open exchange of differing ideas, with a shared goal of finding a beneficial solution.

Disputes: a victim of optimism?

When it comes to the quality of relationships, it seems there is no such thing as ‘average’. 75% of buyers believe that their supplier relationships are better than those of their sector competitors. And while that’s clearly an over-optimistic view, it is relatively modest when compared to the 87% of suppliers who are confident that they are better than their competition. Remarkably, just 3% of buyers and 2% of suppliers acknowledge that they may be below average.

While a significant proportion of buyers and suppliers are under the delusion that they operate with above-average strong, trusting relationships, this doesn’t prevent them from also admitting that serious disagreements are relatively frequent. However, there is an interesting disparity in that buyers indicate that approximately one in every six contracts suffers from one or more serious disagreements, while suppliers put the ratio at one in four. There is also some difference in the perception of triggers and focus, with suppliers more likely to point at ambiguities in the contract and disagreements over scope, whereas buyers point to problems with performance and changes in requirements.

However, there is a relatively consistent view of what goes wrong, so it should be easy to tackle the problems and reduce their frequency – but the ‘conspiracy of optimism’ means that most organizations are not making the investments needed to do this.

What does psychology tell us?

Even though many individuals give themselves and their relationships high marks, the reality of business relationships – especially in contract-heavy, high-stakes sectors – is that conflicts do occur, sometimes quite regularly. These psychological tendencies (especially illusory superiority and optimism bias) help explain why the subjective belief in ‘better than average’ relationships can persist, despite objective evidence of significant conflict rates.

Overall, psychology tells us that human beings are not purely rational; we continuously filter, interpret, and recall experiences in ways that favor our self-image and preserve a positive narrative of our own behavior and capabilities. This can create a disconnect between the ‘big picture’ of conflict statistics and people’s personal perceptions of their business relationships.

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Introduction (continued)

The characteristics of strong relationships

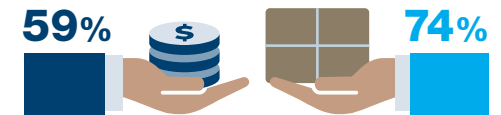
In our survey, 59% of buyers and 74% of suppliers state that their levels of trust in each other are high or very high. In both cases, around 60% believe that in future their relationships will become more collaborative. Where contracts are shorter-term and switching costs are lower, there is a divide between the buy-side and sell-side, with 22% of suppliers but only 14% of buyers believing that behavior will become more transactional.

Overall, these findings could be taken to imply an increasingly positive environment, since strong, collaborative relationships are built on trust. But trust is earned, it is fragile, and it is also highly variable across different cultures. To make sense of this data it is important to understand and assess the factors that induce or undermine trust and to assess to what extent these factors are changing. Honesty, transparency, ensuring open communication and reliability top this list – and immediately we begin to see cracks appearing. For example, our research shows an unwillingness to be open about cost data, or sources of supply, or even to share forward-looking business strategies. There is limited evidence of a decline in the use of regular competitive bidding, which generally reflects a focus on input costs rather than relationship value.

On the counter-side, organizations are investing in better systems which will support more integrated data flows and more proactive alerts and actions when performance is an issue. The growing use of Artificial Intelligence (AI) in obligation extraction and management is another example of greater quality in the contracting process. But to date, progress is slow and the research tells us that claims and disputes typically have a lasting impact, with around 80% suggesting this is often the case.

The findings of this and other WorldCC surveys make it clear that many relationships are not built on a shared understanding of goals and this creates a lack of alignment, which in turn undermines long-term collaboration. Consistency and accountability are also shown to be missing, and contracts lack mechanisms for flexibility and adaptability – again because they are founded on principles of control, not trust.

Without effective problem-solving and conflict resolution techniques, business relationships lack stability, allowing small issues to escalate and a sense of ‘unfairness’ to emerge. Post-award contract management frequently lacks the proactive engagement and responsiveness needed to strengthen connections and show the genuine interest required for resilience and mutual success.



59% of buyers and 74% of suppliers say that their levels of trust in each other are high or very high.

Respondent demographics

This report is based on input from almost 500 organizations.

Figure 1: Buy-side versus sell-side



Figure 2: Region

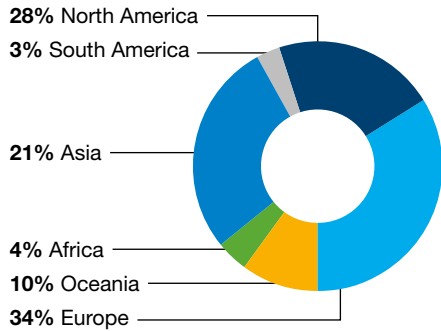


Figure 3: Individual role

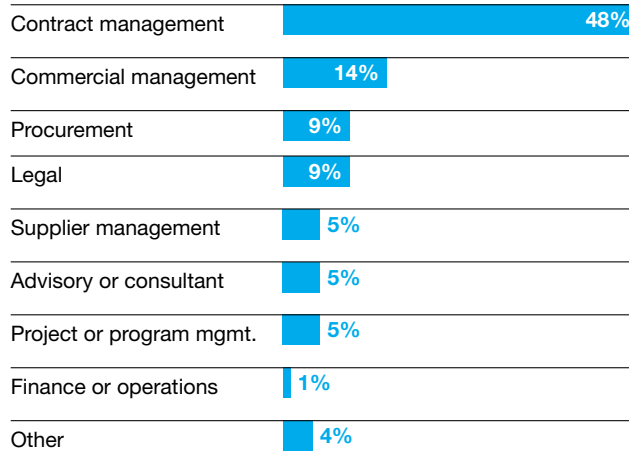


Figure 4: Organization revenue (USD)

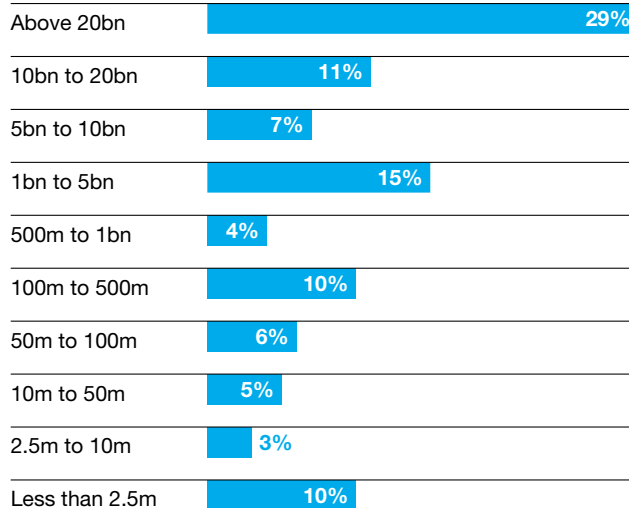
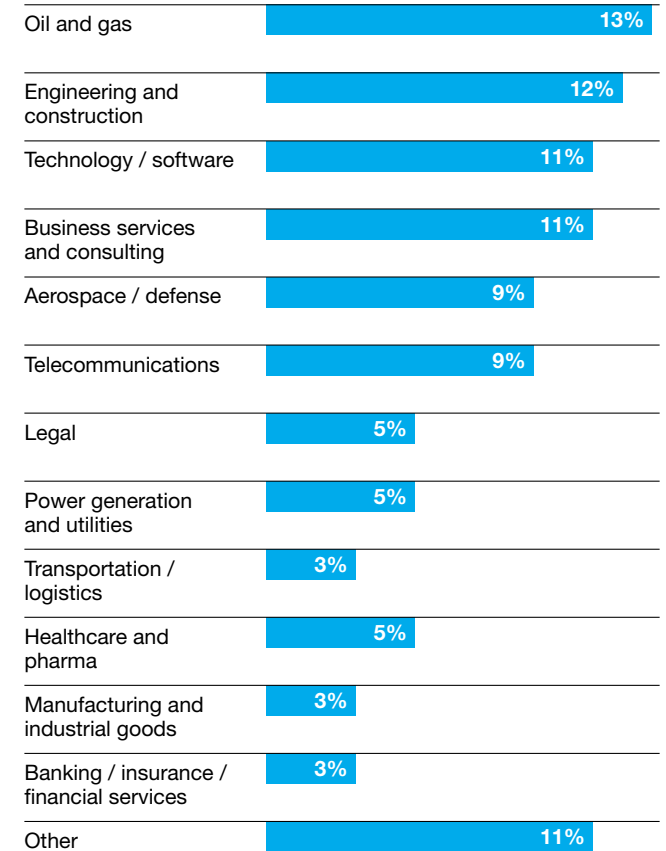


Figure 5: Sector



Third party involvement

In any study of disputes, it is important to recognize the potential role and impact of third parties (law, advisory, or consultancy) who may be involved in the set-up or management of the relationship.

Whether and when to involve third party experts and advisors is often a leading question – and the survey points to a need for caution. In complex acquisitions, many buyers are tempted to introduce a third party to support bidding and negotiation, often because they lack internal resources with the necessary skills and experience. Figure 6 shows 53% of those responding feel that this has a negative impact on the strength of the ongoing relationship. In part, this may be due to an adversarial approach by the intermediary, but it also reflects the difficulty of building collaboration at arm’s-length. If third parties are involved, it is essential that this is not at the expense of relationship-building activities between the buyer and supplier and that behavioral expectations are clearly outlined. Too often, there are examples of client organizations abdicating responsibility to the third party, rather than providing oversight, guidance and expectations on behavior.

When it comes to dispute resolution, the overall outcome may be more positive, but as shown in Figure 7, only 27% believe that the involvement of a third party consistently speeds resolution. In this context, ‘third parties’ were defined as law firms, advisories, consultancies, or institutions such as the International Chamber of Commerce (ICC).

While these external providers offer structured frameworks for resolving conflicts, they often come with significant drawbacks that can undermine business relationships and delay resolution. Our findings point to the fact that traditional models often result in increased costs, extended timelines, and strained relationships, suggesting that the focus should shift toward more proactive approaches that integrate resolution directly into the business’s operational frameworks. An example of this might be the engagement of an independent expert who can be called upon to offer advice and counsel at any point where there is disagreement. While having no formal power, there is evidence to suggest that access to such expertise can support rapid resolution and defuse tension.

In today’s complex business environment, businesses should explore alternative methods that can streamline resolution and maintain strong, collaborative relationships, ultimately driving greater value and faster outcomes.

Figure 6: Impact of third party involvement on customer-supplier relationship

19%	28%	53%
Positive	Varies	Negative

Figure 7: Impact of third party involvement on speed of dispute resolution

27%	35%	38%
Positive	Varies	Negative

Conclusion

This research underscores the critical need for businesses to review their approach to conflict and collaboration within commercial relationships.

While conflict is an inevitable aspect of the business landscape, it does not have to result in negative outcomes. Instead, it can serve as a pivotal opportunity for recalibrating partnerships, addressing underlying issues, and strengthening relationships.

The findings in this report underscore a noticeable gap between the perceived effectiveness of traditional conflict resolution models and the reality of their impact, particularly in terms of slowing resolution processes and potentially damaging long-term relationships. As both buyers and suppliers increasingly recognize the importance of collaboration, the need to move away from adversarial methods toward more cooperative, negotiation-based approaches is clear. Traditional methods – such as those involving law firms, advisories, or consultancies – are increasingly seen as inefficient, often delaying resolution and, more importantly, undermining trust and collaboration. Over a third of respondents indicated that these methods hinder the speed of resolution, and more than half felt they negatively affect the strength of customer-supplier relationships. This highlights the need for businesses to move away from adversarial, formalized systems toward more agile, collaborative approaches that prioritize relationship-building.

The research further identifies the root causes of conflict – such as ambiguous or missing contract terms, misaligned expectations, and evolving business needs – which, if not addressed proactively, can cause long-term strain on partnerships.

Despite the prevalence of disputes, most buyers and suppliers reported strong relationships, suggesting that, when managed effectively, conflicts need not lead to lasting damage. This insight presents a valuable opportunity for businesses to not only resolve disputes but also build frameworks to prevent them in the first place, ensuring smoother, more productive interactions.

Buyers play a significant role in maintaining a fair and effective negotiation process. Therefore, they should ensure that contracts are balanced, and not overly one-sided, as unfair terms can lead to disputes and strained relationships. Buyers must also foster a collaborative and transparent approach, ensuring that expectations are clearly communicated and agreed upon. Additionally, building trust with suppliers through consistency and fair dealings strengthens long-term business relationships and minimizes conflicts.

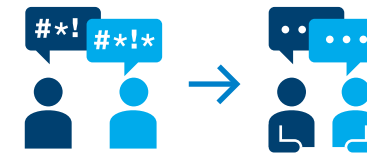
Suppliers on the other hand, must enter negotiations prepared, with a clear understanding of their value and limits. They should assess whether a business relationship is sustainable before making significant concessions. Ensuring that contracts are well-structured and precise from the beginning reduces the risk of future disputes. Suppliers should also be proactive in addressing potential conflicts by maintaining proper documentation, engaging in transparent communication, and securing internal support. Suppliers must stand firm in negotiations, ensuring that any concessions are balanced with fair trade-offs to maintain business viability.

As sectors continue to evolve, there is an increasing expectation for more collaborative and mutually beneficial partnerships, forecasting an evolution in relationships that leans towards greater cooperation. By embracing a more relationship-driven approach, businesses can mitigate the risks posed by conflict and build stronger, more

sustainable partnerships that are equipped to handle the complexities of modern commercial landscapes. Both buyers and suppliers predict a shift toward more collaborative and mutually beneficial relationships in the future, and this shift signifies the growing recognition that partnerships driven by collaboration, clear communication, and shared goals yield more successful long-term outcomes. Businesses must embrace this evolution by refining their processes and frameworks for transparent communication, better contract management, and agile dispute resolution.

Ultimately, this report calls for a shift in how businesses approach commercial relationships. Rather than relying on traditional conflict resolution models that often exacerbate tensions, companies should focus on fostering strong relationships through proactive communication, clearer contracts, and a cooperative mindset. By moving beyond transactional thinking and prioritizing relationship-driven strategies, businesses can build resilient partnerships that not only mitigate risks but also capitalize on opportunities for long-term success. The findings offer a roadmap for navigating the complexities of modern commercial relationships, ensuring businesses can adapt to changing market dynamics and emerge stronger, more agile, and better positioned for sustained success.

Continued over



Buyers and suppliers recognize the importance of collaboration and need to move away from adversarial to cooperative approaches.



Conclusion (continued)

Call to action: Turning insight into action

For executives

To reduce the frequency and impact of claims and disputes across your organization

3 Redefine what success looks like

If collaboration drives success, reward it. Shift away from short-term targets and transactional metrics. Reward shared goals that create long-term value. Align behaviours, measure what matters, and create partnerships that perform.

1 Embed conflict metrics

As with any quality improvement, you need data and this should come from contract governance frameworks: track the frequency, root causes, and resolution timelines of claims and disputes as key indicators of relationship health and consolidate data to support root cause analysis.

2 Invest in post-award capability

Are you one of the many organizations where resources are focused heavily on winning and awarding contracts, rather than managing them? Evaluate whether you have sufficient resources, skills, and tools in place to proactively manage contract delivery, change, and issue resolution.

4 Redesign contracts to drive alignment, flexibility and performance

Institute work to eliminate rigid, control-based contracts and develop frameworks that clearly reflect commercial goals, eliminate ambiguity, and anticipate change – with suitable mechanisms to adapt. Ensure teams are incentivised to improve collaboration.

5 Rethink your approach to external intervention

Before defaulting to law firms, advisors or consultancies, consider whether involvement will create friction, delay resolution, or dilute accountability. Strengthen internal capability to resolve issues swiftly and collaboratively. When external support is needed, set clear expectations: third parties should *enable* resolution, not complicate it.

For practitioners

To prevent disputes and minimize their impact on individual relationships and projects

3 Surface issues promptly

Don't delay acknowledging concerns or problems early through agreed channels, before they turn into disputes. Work with others to propose solutions rather than just highlighting problems.

1 Clarify ambiguities early

Address unclear terms or assumptions before contract signature, not during handover or implementation, or only when unexpected events occur. Bring these issues to the surface rather than allowing misunderstandings or conflict.

2 Document decisions and deviations

Keep a clear, auditable trail of key discussions, changes, and performance concerns to support constructive resolution if issues arise. Where possible, create a shared record to avoid disagreements over what was discussed or agreed.

4 Engage in open dialogue

Create a culture where honest conversation is the norm – not the exception. Build trust by opening up early about expectations, constraints, and future plans. True conflict prevention starts with clarity, alignment, and shared understanding – not just data points.

5 Learn and apply

As you move through every project or contract cycle, review what caused tension or success and adjust your practices based on what you learn.

Appendix 1 – Buyer perspective

Current landscape

For buyers, the top triggers for disputes and for supplier claims are ‘Changing needs and requirements’, ‘Ambiguous or missing contract terms’ and ‘Changing market conditions’, as shown in Figure 8. Given the volatility and uncertainty of market conditions, we can only forecast that the intensity of disputes will grow, unless there are immediate efforts to make contracts and the contract management process more adaptive.

Figure 9 shows that, in terms of current frequency, almost half believe that disputes occur in more than 10% of their contracts, and in many cases a single contract may experience multiple disputes.

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Figure 8: Triggers for disputes with supplier

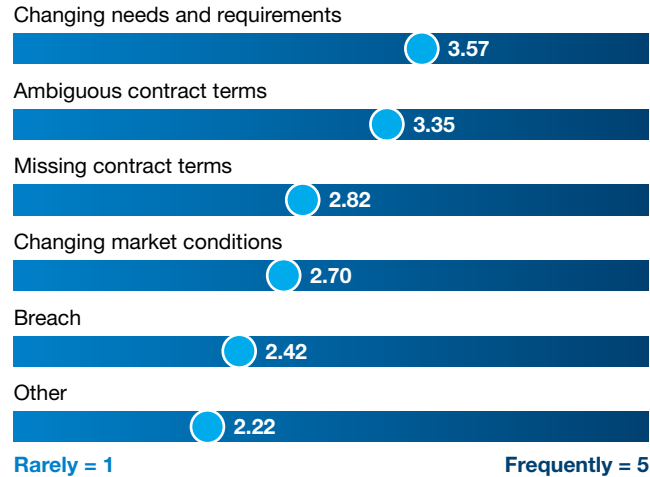


Figure 9: Percentage of supplier contracts experiencing disputes during contract term

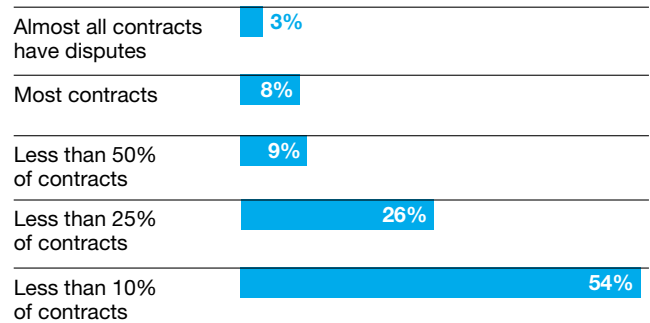
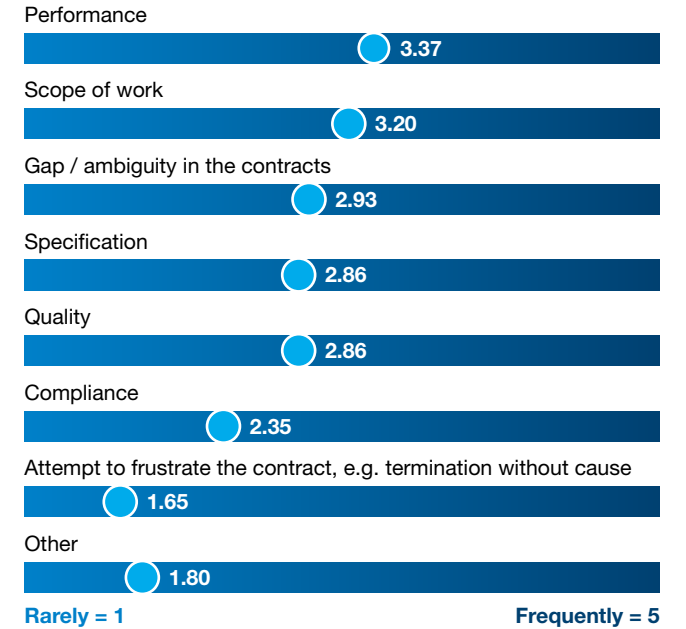


Figure 10: Themes or topics most often the subject of disputes with supplier



Appendix 1 – Buyer perspective (continued)

Current impact on buyers

Figure 13 shows that only 10% of buyers feel that disputes rarely have a lasting impact on the supplier relationship and most of these are from organizations where resolution is achieved faster than average. This illustrates the point that the impact is not solely determined by the dispute itself but by how it is managed. Factors such as executive engagement, sector norms, future business needs, vendor integration, and the nature of the dispute all play a role in shaping the outcome.

Figure 14 illustrates that 70% of buyers believe that disputes rarely or never result in legal claims / litigation, and Figure 15 shows that 61% say that disputes rarely or never result in contract termination. This confirms that while disputes are common, they rarely escalate to the point of legal claims or contract termination. In many cases, it is also the case that fault may be difficult to attribute, with neither side operating in full compliance with the contract. This generally leads lawyers to conclude that commercial settlement is the wise path to follow. Court proceedings are very much a last resort due to cost, intensity of demands on resource, loss of control by both parties to the relationship, and the potential for reputational harm.

47% of buyers say that they measure the financial cost of disputes, see Figure 16. Given the lack of data on these costs, this represents an area where further research is required to establish what methods are used and to give greater insight to financial impact.

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Figure 13: Frequency of lasting impact on supplier relationship as a result of dispute

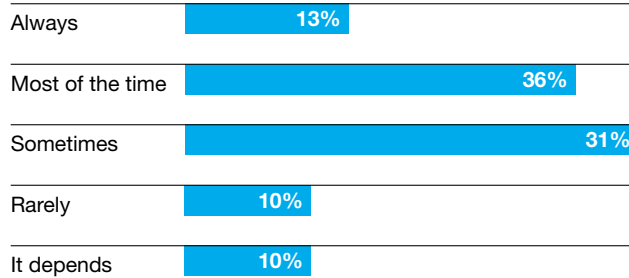


Figure 14: Frequency of legal claims / litigations as a result of dispute with supplier

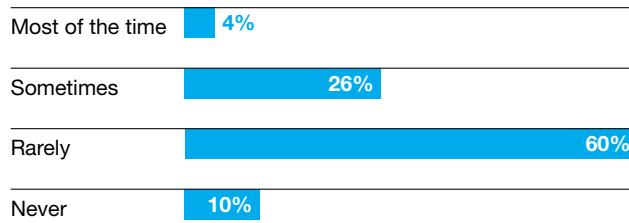


Figure 15: Frequency of contract termination as a result of dispute with supplier

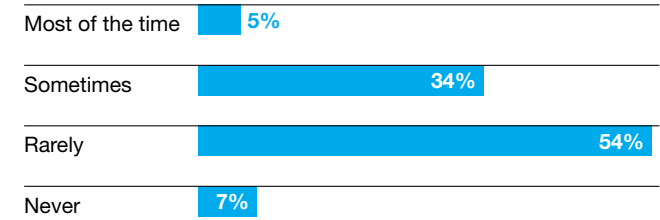
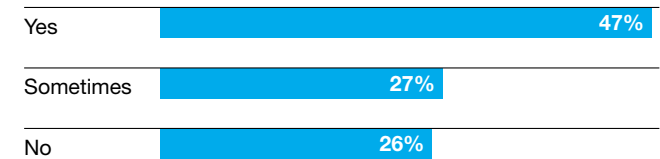


Figure 16: Do you measure the financial cost of disputes with supplier?



Appendix 1 – Buyer perspective (continued)

Relationships with suppliers

When asked to compare against others in their sector, 75% of buyers rate themselves above average, see Figure 17. Since this is clearly not possible, we must question to what extent buyers seek objective feedback on the relative health of their supply relationships. This is important in the context of disputes, since a strong relationship lessens the likelihood of conflict and is more likely to provide a framework for amicable resolution when disagreements do occur.

Trust is also recognized as a critical factor in the quality of a relationship and here again, as shown in Figure 18, we find 59% of buyers rating the level of trust with their suppliers as high or very high and just 7% acknowledging this as an area of weakness.

Figure 17: Quality of relationship with suppliers

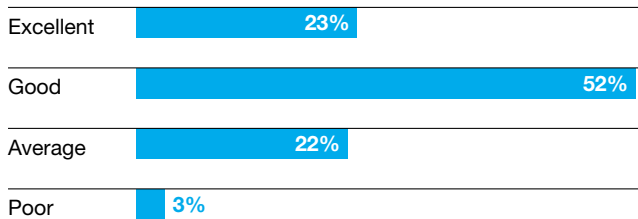
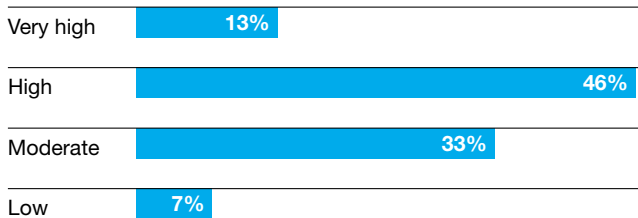


Figure 18: Level of trust with suppliers



Taken together, these findings suggest a level of complacency – and there is widespread research to show that complacency is directly associated with relationship breakdown.

Managing conflicts

Buyers understand that early identification, clear communication, and a structured approach to resolution are critical factors in sustaining long-term relationships. However, in many cases, organizational capabilities are lacking. For example, roles and responsibilities are often unclear; those who perform contract management roles (especially on the buy-side) often lack training; data is fragmented, meaning that problems are often identified only after they have happened; and escalation paths may not be well defined or are not consistently followed. A further factor is that contracts themselves are rarely designed for ease of use and understanding, so business units and project teams may have limited appreciation of their rights or obligations.

While there may be an overall appreciation of what should be done, the reality of what *is* done is typically quite different.

Overcoming challenges to maintain strong supplier relationships

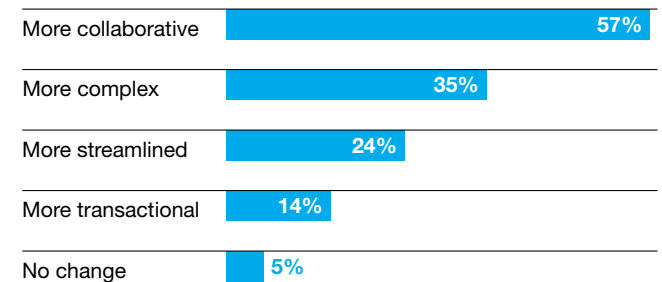
The survey findings point to the need for executive focus on the quality of supplier management. Without this, differing views on supplier performance and ineffective coordination between departments make it hard to align with the supplier, and internal disagreements or lack of accountability quickly translate to external disputes.

The growing presence of AI provides an opportunity to think and to organize in new and different ways. One fundamental shift is to start thinking and planning based on the depth of the relationship needed to achieve successful business outcomes. In many transactional activities, AI should enable a high level of business empowerment, freeing resources to focus on the strategic relationships where the quality of performance is critical to results.

Shaping the future of buyer-supplier relationships

Figure 19 shows that buyers expect supplier relationships to evolve in a more cooperative and mutually beneficial direction over the next five years. 57% anticipate a more collaborative approach, driven in part by the 35% who anticipate greater complexity and the 24% who recognize the importance of streamlining. As this report highlights, greater collaboration will only occur if organizations tackle the sources of contention and friction. They have to build mechanisms to better manage their external relationships, including ways to become more flexible and adaptive – ways to reduce and avoid damaging disputes.

Figure 19: Anticipated change of supplier relationships over next five years



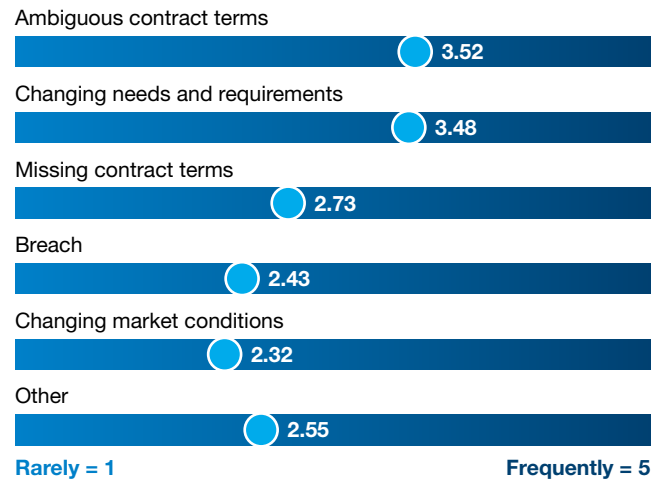
Appendix 2 – Supplier perspective

Current landscape

Views on the frequent triggers for disputes vary slightly between buyers and suppliers. Figure 20 shows that, for suppliers, ‘Ambiguous contract terms’ emerge as the leading cause of customer disputes, often creating misunderstandings and misaligned expectations. ‘Missing contract terms’ is in third place. This is an important finding, in that it challenges the effectiveness of contracts, especially the use of standard templates, which are often provided by the buyer.

A common complaint by suppliers is that buyer personnel often do not adequately appreciate the nature of the supply and seek to impose contracts that incorporate the wrong terms, unnecessary terms or incomplete terms – and the research appears to confirm this issue.

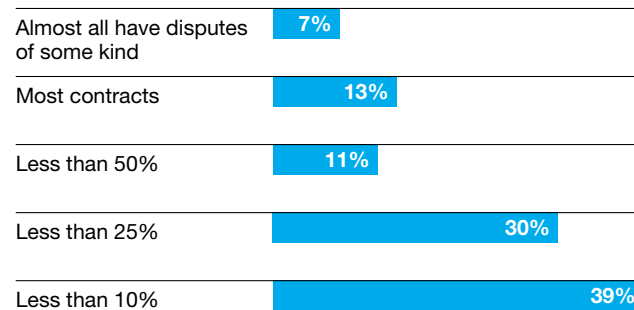
Figure 20: Triggers for disputes with customer



When looking at the frequency of contract disputes, there is a notable difference between buyers and suppliers in the perception of the volumes of contracts that experience a dispute of some kind. For buyers, ‘almost all contracts’ and ‘most contracts’ totalled 11%, as shown on page 10. Whilst Figure 21 shows that for suppliers, ‘almost all contracts’ or ‘most contracts’ totalled 20%. 61% of suppliers report that their contracts experience disputes in more than 10% of cases.

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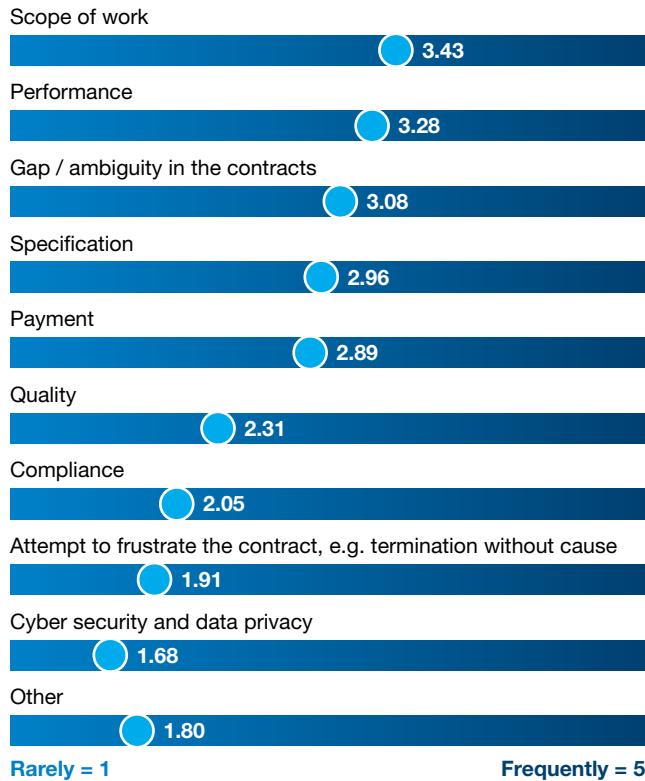
Figure 21: Percentage of customer contracts experiencing disputes during contract term



Appendix 2 – Supplier perspective (continued)

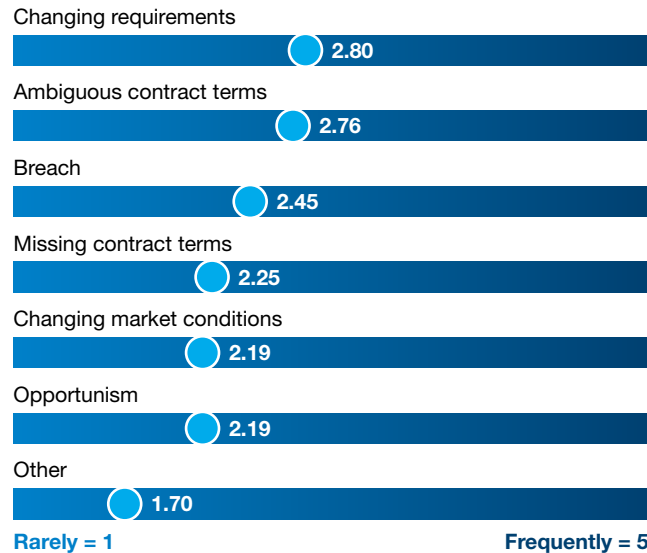
In terms of the top 3 themes or topics that underlie disputes, suppliers state ‘Scope of work’, then ‘Performance’ and ‘Gap / ambiguity in the contracts’, see Figure 22. This top 3 mirrors the buyer perspective, though in a different order. This confirms other WorldCC studies that many disputes arise from misalignment between what is documented in the contract and what the customer expects or perceives as deliverables. Suppliers and customers often have differing interpretations of the scope of work, leading to conflicts over whether certain tasks or services are included.

Figure 22: Themes or topics most often the subject of disputes with customer



Performance issues indicate that customers frequently challenge whether suppliers are meeting contractual obligations to the expected standard, which could stem from either actual shortcomings in execution or unclear performance benchmarks. Key performance indicators (KPIs) often fail to reflect business priorities, or become misaligned over time. Gaps or ambiguities in contracts further exacerbate these disputes by leaving room for multiple interpretations, making it difficult to enforce specific terms or responsibilities.

Figure 23: Triggers for customer claims*



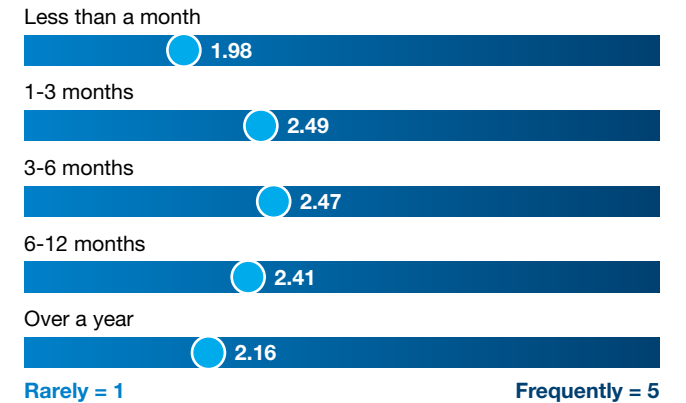
*Claim defined as situation where there is ‘a formal and legal assertion of an issue’

When analyzing the triggers behind customer claims, suppliers identify ‘Changing requirements’ and ‘Ambiguous contract terms’ as the most frequent drivers, see Figure 23. Followed by ‘Breach of contract’ and ‘Missing contract terms,’ which indicate potential failures in fulfilling contract obligations or oversights in the agreement’s initial drafting.

Finally, when considering the speed of resolution, suppliers show a similar distribution to the views expressed by buyers.

Continued over

Figure 24: Speed of customer dispute resolution





Appendix 2 – Supplier perspective (continued)

Current impact on suppliers

Figure 25 shows that 42% of suppliers believe disputes ‘sometimes’ have a lasting effect while 31% believe it to be ‘most of the time’. Again, these ratios have a strong link to the speed of resolution. While suppliers generally invest more in their post-award performance capabilities, many of the weaknesses identified for buyers also apply

– for example, responsibilities are often confused, data is fragmented and skill levels are inconsistent. Internal measurement systems rarely incentivize coordinated action to drive resolution or, more importantly, to avoid disagreements occurring in the first place.

The claimed awareness among suppliers regarding the cost of disputes suggests that they recognize the financial and operational impact, with 52% saying that they actively measure them, see Figure 28. Again, if this is true, it is surprising that there is not greater investment in raising capabilities to reduce or eliminate the sources of disagreement.

Figure 25: Frequency of lasting impact on customer relationship as a result of dispute

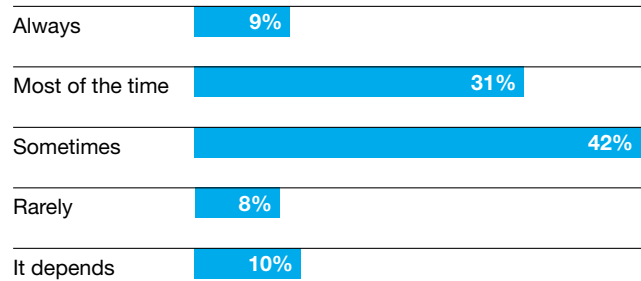


Figure 27: Frequency of contract termination as a result of dispute with customer

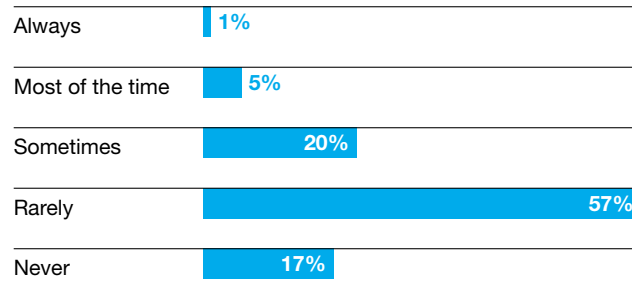


Figure 26: Frequency of legal claims / litigations as a result of dispute with customer

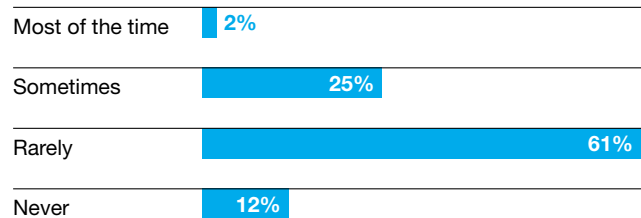
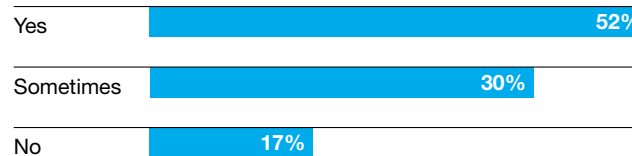


Figure 28: Do you measure the financial cost of disputes with customer?



Continued over

Appendix 2 – Supplier perspective (continued)

Reflection on the relationship with buyers

As previously indicated, the suppliers' rating of their customer relationships clearly shows a level of optimism and a lack of substantive questioning or market awareness. While executives often talk about becoming a supplier of choice and 'ease of doing business', there is little here to suggest that strategic intent translates to operational effectiveness.

Figure 29: Quality of relationship with customers

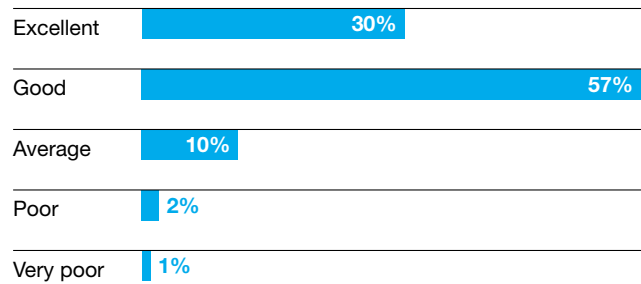
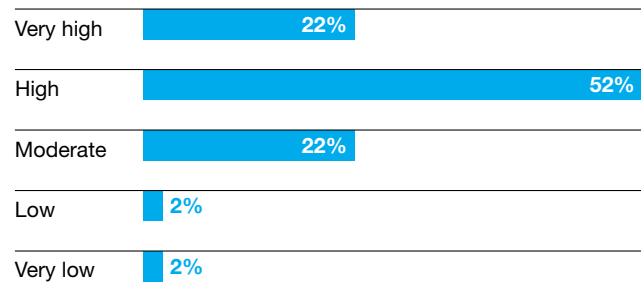


Figure 30: Level of trust with customers



Biggest challenges in maintaining strong relationships with your customers

Maintaining strong relationships with customers requires skilful management of both practical and interpersonal dynamics. Complex challenges often arise from differing priorities, evolving expectations, and the natural presence of egos in business interactions.

As a supplier, delivery teams must anticipate and have plans for handling a number of frequent scenarios:

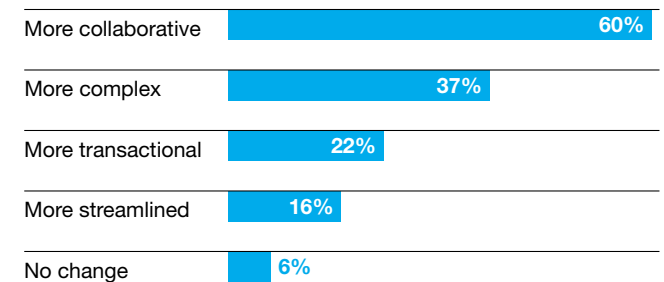
- 1. Managing unreasonable or evolving customer expectations**, which may go beyond the terms of the agreed contract and scope.
- 2. Changing business conditions** alter customers' priorities and needs. Economic pressures, market influences, or internal reorganizations are common factors. This requires a high level of adaptability and resilience to maintain alignment and continue delivering value.
- 3. Regulatory and compliance issues** pose challenges, as jurisdictional standards diverge and increasingly conflict.
- 4. Performance, deliverables, and service levels** are common sources of disagreement, so increase efforts to forecast and anticipate problems, be more open in discussing them – avoiding surprises is an essential element of keeping the relationship intact.

5. Resource constraints such as time, personnel, or budget, limit the ability to meet changing customer needs and should be subject to regular review as part of ongoing risk assessments.

6. Communication breakdowns can occur due to cultural differences, inconsistent messaging or poor communication methods. Research indicates that quality of communication is the most important element in maintaining a strong relationship, so you should ensure a clear communication protocol, both internally and with the customer.

The fact that nearly 40% expect their customer relationships to become 'more complex', see Figure 31, indicates the importance of anticipating these challenges and identifying mechanisms to reduce or eliminate their impact.

Figure 31: Anticipated change of customer relationships over next five years



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Resolitiion helps businesses navigate the complex realities of delivery, performance and relationships – reducing disruption, resolving issues quickly, and preventing disputes before they escalate. Our platform is designed for commercial teams managing supplier, customer and partner relationships across sectors and borders.

We combine sector-specific, country-specific AI with deep human expertise, creating a powerful hybrid solution that delivers tailored, objective support at scale. Our proprietary AI models power a suite of intelligent tools to manage critical commercial activities, guide resolution strategies, and support collaborative outcomes. Whether you're looking to resolve an active dispute or prevent one from arising, Resolitiion gives you the structure, speed and clarity to act with confidence.

This isn't traditional software. This is Agentic AI – purpose-built for commercial relationships. Our platform is designed to do the heavy lifting: automating contract clarity, managing obligations, supporting joint decision-making, and guiding parties through structured, impartial resolution pathways. We augment human teams, not replace them – because people will always sit at the heart of great partnerships.

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Our mission is simple: to help businesses pursue progress through better commercial relationships. With Resolitiion, you're not just resolving conflict and disputes – you're building stronger, more resilient partnerships for the long term.

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