

Contract Management

Contract Types

All contracts are legal documents that establish the right and responsibilities of the parties involved. Contracts can be created for almost any situation, and will ideally involve legal.

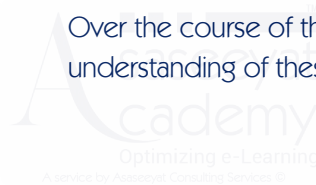
There are four basic contract types, and they are chosen based on the factors and data available. While the list is not exhaustive, it is a good starting point..

What is Contract Management?

Contract management is not just contract administration. Rather than simply drawing up the contracts, the manager works to ensure that the entire process runs smoothly. The contract manager is involved in not just the planning and development but also the execution of the contract, and beyond to the point of renewal. Typical contract management activities include:

- Contract creation
- Negotiation
- Assessment
- Relationship management
- Contract amendment
- Audits
- Renewal

Over the course of this instruction, you will develop a better understanding of these roles.



Risks of Poor Contract Management

Poor contract management is not just weak negotiation; it can occur at any step of the contract cycle. It also costs business relationships, delays projects, causes litigation, and damages the bottom line. Common problems identified by the International Association for Contract & Commercial Management include:

- Over commitment
- Contracts lack full scope
- Agreement disputes
- Pricing arguments
- Subcontractor issues