

# Businesses Beware: Spend Now to Save Later Avoid the Future Cost of Do-It-Yourself Contracts

By Trish Weaver

Your business has weathered a rocky economy. You have looked for expenses that can be trimmed from your budget. You eye the number entered next to “Legal Expense” and think that maybe you could reduce it by using some form contracts or drafting your own. Most assuredly, you would only think that way if you have never been involved in litigation.

Over the past 20 years, I have litigated many contract disputes. Undoubtedly, the cases that have ended up costing the most to litigate are those where my client did not have an attorney write or review the contract before it was signed. If relevant contract terms are missing or are ambiguous, the cost of litigating increases dramatically. The way that key provisions, such as those dealing with warranties (or exclusion of warranties), indemnification and/or limitations on liability, are worded can have a huge impact on the litigation landscape regardless of fault or breach. Most savvy business executives well understand the value of having an attorney – particularly a commercial litigator – review their contracts.

An ounce of prevention is indeed worth a pound of cure. In the long run, absorbing legal fees for contract drafting and/or review will better serve your financial bottom line.