

K-Notes: MASTER SERVICE AGREEMENT

From Salesforce

Auto Renewal = Big Cost

Often, the way a company like Salesforce gets into an organization is by giving a first year discounted fee. But auto renewal in the contract could mean you will pay double the next year. You can help minimize the impact of that by pre-negotiating in the order form for some reasonable uplift.

“The contract is one tool in the overall risk-management equation.”



Darlene Tonelli
Founder & Lawyer at
Inter Alia Law

“Some of these huge documents, you’re flipping back and forth between the pages so much...I’m not sure you can do as great a job at that if it’s not printed. I look at contracts as a puzzle, so it all fits together.”

KEY TAKEAWAYS

• Payment Disputes

Spell out what the client has to do if they are disputing an invoice and add how long they have to resolve the dispute.

• Warranties and Due Diligence

Get the client’s security team to confirm that the Warranties clause meets their standards. The client should do their diligence even if the contract has a representation.

• Indemnification and Liability

If the liability on indemnity is capped in a way that exposes the client, the client should consider getting insurance for whatever is not covered in the contract and using its business team to try to plug in the gaps with technology.

• Customer fees not all at once

Stagger out the payments over time and give yourself a bit of leverage in case you do not like the product.