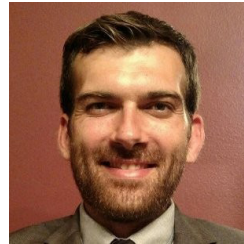

K-Notes: Terms of Service

from Waste Management

Fair Contract = Competitive Advantage

In an industry where you stand out by how you treat your clients, drafting a fair contract that is not one-sided will lead to good-will and good reputation.



"I try to tell my clients never to sign a contract like this. And if they do sign it, the most important thing is to know the real price of the contract."

Josef Mitkevicius
Attorney, Mitkevicius Law

KEY TAKEAWAYS

- **Leave room for negotiation**

Allowing clients to negotiate a contract so that it suits them perfectly will help build loyalty and trust.

- **Don't make terms of the contract too long**

A lot can change in a year or two. Asking clients to sign off on terms and conditions for 12 months might be fine. But 36 or 60 months may be seen as overreaching. Building loyalty in your customers is better than forcing it on them.

- **Make Automatic Renewal Easy to Cancel**

Automatically renewing contracts should be used as a convenience to the customer only, not abused as a way to lock clients into a bad situation. Again, while automatic renewal that is difficult to cancel may have immediate benefits financially, it will have detrimental effects long-term when the public catches on.

- **Outline a Clear Process for Price Increases**

Price increases of modest amounts are not unheard of and are even expected. But the terms and conditions should make it clear to the client how they will be notified of price increases, and how increases typically happen or what they are based on.

"There is a strategic advantage and a sales pitch for smaller haulers to draft contracts that are not shady and provide terms that are clear so [consumers] don't have to watch like a hawk."