

Change Management in Commercial Contracts

While a primary goal of any well-crafted commercial agreement is durability – terms that work for the life of the agreement—the only certainty in the course of a long-term commercial relationship is the inevitability of change, write **Peter M. Watt-Morse** and **Glen W. Rectenwald** for **Morgan Lewis**.

“Once a customer has become dependent on a third party for essential goods or services to operate its business, an unforeseen shift in its business requirements or a change to applicable laws can create holdup problems for customers, leading to costly renegotiations of the original agreement,” they explain. “The right change management mechanisms can manage these risks by allocating the responsibility and costs for changes and creating clear and effective procedures for managing and implementing changes to the agreement.”

They discuss the issues of mandatory changes and allocating the costs of changes.

Read the article.