

Legal Tech: Build Beneficial Relationships, Not Blighted Battlegrounds

Technology, Privacy, and eCommerce



If you are a lawyer who helps an organization work with its customers, employees, investors, vendors, and other business partners, you are a core relationship builder. The approach you take to establishing and maintaining business relationships significantly impacts whether they remain healthy, productive, and profitable, or terse, tense, and ineffective.

Unfortunately, many traditional legal practices often undermine a company's ability to build healthy relationships. For example, some lawyers still write contracts as if they're seeking advantages on an inevitable battleground when today's business partners are better off seeking ways to foster fruitful collaboration.

Consider incorporating these five approaches into your legal practices to create and manage beneficial, harmonious business relationships in which all parties find more ways to create value.

# 1. Help parties see how they're in it together

Integrated partnerships are critical for enabling organizations to co-innovate, co-invest, and build resilience to better serve customers in our rapidly changing, digitally accelerated world.

In HBR's <u>Rethinking Partnerships report</u>, nine out of 10 executives agree that the ability to manage complex business relationships during times of rapid and unpredictable change is becoming an increasingly important source of competitive advantage.



#### Over the next two years:

- 90 percent say employee collaboration will be highly important in achieving customer experience goals.
- 83 percent say external partnerships will be important for product and services innovation goals.
- 89 percent see partnerships with customers also growing.

Many companies are collaborating with technology partners, global suppliers, or smaller startups for the first time. Parties in healthy, modern alliances acknowledge that circumstances can change

unpredictability and commit to working together through change for mutual gain.

That's why lawyers should avoid writing legal jargon-filled documents and contracts with excessive small print that only other lawyers and judges can understand. The parties embarking on a relationship together must knowingly commit to what are often novel collaborations to reach new goals for the first time.

Direct, simple language enables <u>everyone to get on the same page</u> to determine how to thrive together from the start.

## 2. Sharing builds a strong foundation

As you facilitate business relationship building, encourage parties to be open about their stake in the relationship. Doing so helps everyone gain a more precise and thorough understanding of how to improve outcomes for both parties.

"Parties should share their dreams and fears for the relationship," says J. Kim Wright, founder and CEO of Cutting Edge Law and the co-creator of the Conscious Contracts® model. She continues:

"You'll learn a lot about each other's value drivers and current situations. In discussing why you want to work together, you'll discover where shared goals and values intersect, which are the ripest areas for mutual value creation."

## 3. Overcommunicate early and often

Overcommunicate throughout the relationship, especially at the beginning, and be willing to listen. Companies and their customers, employees, investors, <u>vendors</u>, and other partners need the information to help them relate to one another's perspectives.

An abundance of early communications demonstrates your openness and commitment to the relationships. With it, parties find common ground faster and discover more ways to make both sides better off.

Throughout the relationship, consistent status updates and project reports continue to build trust and boost confidence that everyone remains dedicated to the relationship's goals and processes.

#### 4. Overcome conflict without threats of battle

Establish processes and build mechanisms into contracts that show parties how to overcome conflict without threatening battle.

"We live in a complex, volatile world where things can change in a minute, and we need to be able to respond to that," Wright says. "The parties need to create systems for addressing disagreements and engaging change that first interrupts conflict and then opens communication channels."

For example, you may agree that five days of late daily deliveries from a supplier in 14 days requires a phone call — not just to notify that the event occurred but also to discuss the factors causing the issue. Encourage parties to agree to explore solutions such as whether purchasing in bulk could

result in more consistent deliveries.

However, it's not about listing every potential conflict in your contracts. Instead, the point is for parties to commit to an open, non-combative, solutions-oriented approach to conflict.

#### 5. Review and reshape relationships as necessary

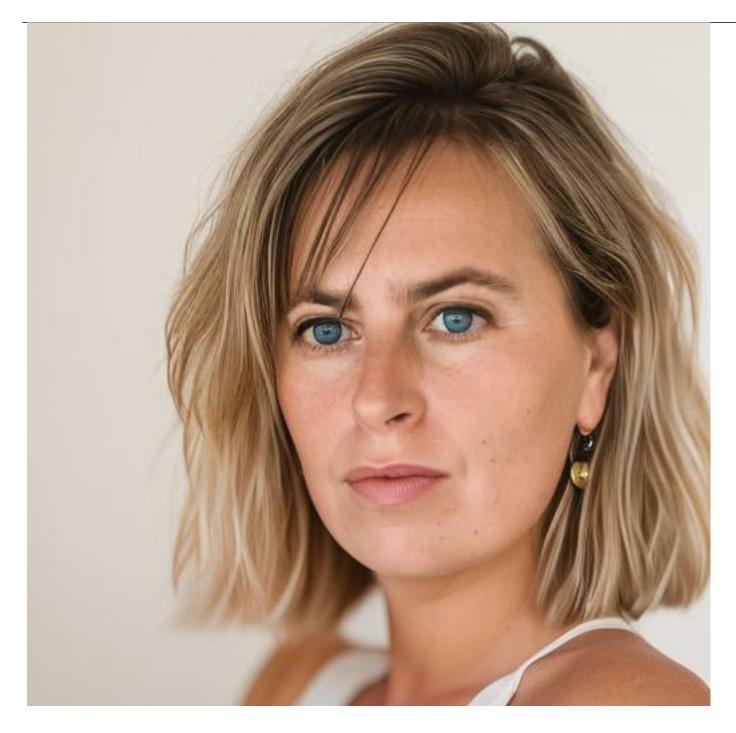
"We used to throw contracts in a drawer and only look at them when we were ready for battle," Wright says. "But contracts aren't meant to be weapons. They're more like shared operating agreements, and you should regularly review how relationships are working for you."

As circumstances change, relationships also evolve. A startup may need to renegotiate its initial supplier agreements once the big dollars start rolling in. Many companies are charting new waters as they support remote workforces and connect with customers in digital communities.

Changes large and small will affect each relationship's goals, interactions, and outcomes. Companies need to periodically review, prune and reshape business relationships to ensure they remain harmonious, healthy, and mutually advantageous.

Lawyers who can manage the strongest yet most flexible relationships will help drive companies toward a more secure and profitable future.

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She has authored numerous books, including Get on Board: Earning Your Ticket to a Corporate Board Seat, Fundamentals of Smart Contract Security and Blockchain Value: Transforming Business Models, Society, and Communities. She is working on her next books: Visual IQ for Lawyers (ABA 2024), The Rise of Product Lawyers: An Analytical Framework to Systematically Advise Your Clients Throughout the Product Lifecycle (Globe Law and Business 2024), and Legal Operations in the Age of AI and Data (Globe Law and Business 2024).