

Working with Contracts

By Sydney Schwartz Hardiman

I recently received a panicked email from a woman I had been wooing for several months to bring on board as a client. She had received her estimate and a Christmas card from me, thanking her for being such a great client. Unfortunately, the estimate was way outside her budget, and she was concerned I had already ordered her fabric and was sewing away on a project she didn't want to do. I was able to calm her down and assure her with great confidence that, "No, I hadn't ordered anything because I never start a job until I receive a check for supplies AND a signed contract."

The subject of clients and contracts makes many workrooms squirm, but it shouldn't. Some of the concerns are that clients will refuse to sign, that they won't want to work with you if they have a contract, that it's awkward to ask them to sign, and that it's just one more thing you have to add to your endless list of things to do.

Yet, instead of worrying about the above items, your number one concern should be to protect you and your business. Without a contract you are not protected. Sure, there is a verbal contract between you and the client. But, if you end up in small claims court because your client decided she didn't like the design (which she picked out) and refused to pay the \$1,000 owed, you are a lot more likely to win if you have a signed contract.

WHAT IS A CONTRACT?

A contract is a signed agreement between two parties for work to be done. It can also be described as a promise that will be enforceable by the law, if needed.

WHAT ARE THE ELEMENTS OF A CONTRACT?

There are several basic elements that make up a contract.

- 1) The parties are you and your client. It is important that both of you also have the "capacity", competency, and legal ability to enter into a contract. (A contract signed by your client's three-year old daughter is not valid.)
- 2) The agreement is where both you and your client agree to all the conditions of the contract. It is a voluntary agreement. Everyone must agree to sign of their own free will. For instance, you cannot beat your client over the head with a drapery rod to get them to sign the contract.
- 3) Legal consideration. This is where everyone agrees on the pricing and the work to be done.
- 4) Legality. The contract cannot be written to perform a criminal act (no matter how bad you think the client's choice of fabric is...it's not illegal.)
- 5) Pricing is, of course, what will be charged.
- 6) A date. The contract should state when the work will begin and the date it was signed. It should also include how long the contract is good for.
- 7) Signatures. The contract should include you and your client's FULL names.

WHO CAN WRITE A CONTRACT?

Basically anyone can write a contract. It is strongly recommended you spend the money to have one done by an attorney. It will be much more difficult to question the legality of a contract that was professionally prepared. An attorney can also tailor the contract to your specific business needs.

THE DIFFERENCE BETWEEN TERMS AND A CONTRACT

Many wholesale workrooms have a short list of terms and information they provide to their designers, which cover

the basics of how they run their business and their general fabrication techniques. Some of these may include:

- "All treatments are fabricated following the latest in industry standards." (Example: 4" double hems on panels.) "Changes to the standard should be in writing on our work order."
- "Payment to be paid in full upon client receipt of completed treatment."

It is important to realize these terms of agreement are NOT a contract. They are only guidelines for doing business that are in written form. You can go over the guidelines with your client and have yourself and your client initial them. This does not turn the terms into the type of contract discussed above, but it does become a potentially enforceable document.

Working with a contract should become a regular part of your business. Clients WILL sign your contracts and will perceive you as a true professional for using one. If it seems as if using one will just add to the many things you need to do, set a policy of never beginning a job with one. You will eliminate the hundred things you'll have to do if your client defaults on the payment and you have to go to court. Consult your attorney for more detailed guidelines.



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