

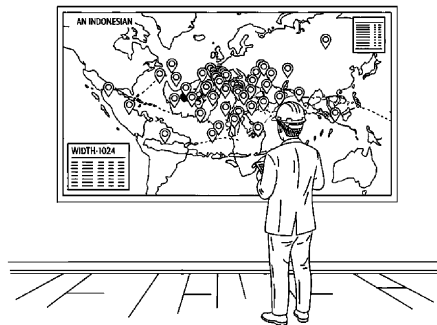
NICHE-SEARCH

WORKSHEET 6 OF 9

# Force Majeure Activation Playbook

---

*A reference document to complete before a force majeure event, not during one.  
Review and update after every major contract renewal or when geopolitical conditions  
shift.*



Complementary worksheet for  
*Supply Chain Risk Mitigation*  
by Ibrahim Anwar

## What This Is For

---

Most procurement contracts contain a force majeure clause. Most of those clauses are so broadly written that a vendor could invoke them for internal production scheduling failures, raw material ordering oversights, or logistics delays that are entirely within their operational control. A clause that wide offers no protection. It only confirms, in writing, that you cannot pursue compensation when things go wrong.

This worksheet maps every critical vendor's force majeure clause before a disruption occurs, identifies which contracts have gaps that need closing, and creates the reference document your team needs to respond correctly the moment a vendor invokes force majeure — not to investigate the contract for the first time in an emergency.

## Benefits

---

What you get when you actually run this worksheet on a real situation:

- Identifies which vendor contracts currently allow force majeure claims for events that should not qualify, letting you prioritize renegotiation before a claim is made.
- Creates the notification deadline reference that determines how much response time you have when a vendor invokes FM — the shorter the deadline, the more lead time the vendor is contractually obligated to give you.
- Surfaces contracts where no qualifying events are listed, which is the worst-case clause: the vendor can claim FM for nearly anything without challenge.
- Provides the document auditors and investors will ask for when reviewing supply chain risk governance maturity (Chapter 5).
- Establishes the ranked renegotiation queue: highest-volume vendor with the weakest FM clause gets the first contract review conversation.

# Framework To Use

---

## — Contract Protection Gap Analysis

*Assess each critical vendor contract on three protection dimensions. A contract that fails any one dimension creates real exposure when a disruption occurs.*

<b>DIMENSION 1 – CLAUSE SPECIFICITY</b>	<b>DIMENSION 2 – NOTIFICATION DEADLINE</b>	<b>DIMENSION 3 – EXCLUDED EVENTS</b>
<p>Does the FM clause list qualifying events specifically? Vague clauses ('events outside vendor's control') allow vendors to invoke FM for internal failures. Specific clauses (natural disasters, armed conflict, government policy changes blocking raw material access) are defensible.</p>	<p>How many hours after a qualifying FM event must the vendor notify you in writing? 48 hours gives you time to activate alternatives. No defined deadline means the vendor can notify after they have already missed delivery – when your response window has closed.</p>	<p>Does the clause explicitly exclude vendor operational failures – late ordering from tier-2, internal production scheduling delays, machine maintenance that was scheduled? Without explicit exclusions, vendors can use the clause against its intended purpose.</p>

## How To Use

---

Follow these steps in order. Each one builds on the previous.

- 1** Pull the actual written contracts — not summaries, not memory — for each critical vendor. Read the force majeure clause in full.
- 2** For each vendor: answer the three dimensions. Is the FM clause specific (qualifying events listed by name) or vague (broad phrase like 'all events outside vendor's control')? Record FM Clause Specific = Y or N.
- 3** Find the notification deadline if one exists. Record the number of hours. If no deadline is specified, write 'none.' A contract with no notification deadline gives you no contractual right to early warning.
- 4** Check whether qualifying events are listed explicitly. Also check whether exclusions are listed — events that explicitly do not qualify. Record Y if both a positive list and exclusion list exist. Record N if the clause relies on a phrase without lists.
- 5** Record the date of the last contract review. A contract signed five years ago when procurement volumes were one-fifth current levels needs reviewing regardless of clause quality.
- 6** In the Gap / Action Needed column: for each N in any dimension, write the specific gap in one sentence. 'Clause allows vendor operational failures to qualify. Request specific exclusion in next renewal.' That sentence becomes the agenda item for the renegotiation.
- 7** Rank vendors by procurement share, highest first. The vendor with the highest share and the weakest FM clause is the first contract conversation to schedule.

## Example Use

*A chemical distributor reviews FM clauses for six vendors after reading about geopolitical tensions that could affect two of their import sources. They want to know which contracts offer real protection and which are administrative fiction.*

Vendor 1 (primary resin supplier, 58% of volume): FM clause reads 'including all events beyond vendor's reasonable control.' No qualifying events listed. No exclusions. No notification deadline. FM Clause Specific = N. Gap: clause is maximally broad, offers no protection against operational failure claims. Action: first renegotiation priority. Request: list of qualifying events, 48-hour notification requirement, explicit exclusion of vendor ordering delays.

Vendor 2 (packaging supplier, 22% of volume): FM clause lists qualifying events specifically: natural disasters, government-declared states of emergency, armed conflict, port closures declared by port authority. Notification deadline: 24 hours. Excludes vendor's own production scheduling issues explicitly. FM Clause Specific = Y. This contract is functioning correctly.

Vendor 3 (chemical additive, 12% of volume): FM clause has no notification deadline but qualifying events are listed. Partial protection. Gap: add a 48-hour notification requirement in the next renewal (scheduled in 4 months).

Renegotiation priority order: Vendor 1 (immediate), Vendor 3 (at renewal in 4 months). Vendor 2 (no action needed this cycle). The completed worksheet gives the operator a concrete agenda for each upcoming contract conversation, not a general worry about contract risk.

# The Worksheet

---

*Tear this out, copy it onto a fresh sheet, or fill it in directly.*

## **Force Majeure Activation Playbook**

---

*A reference document to complete before a force majeure event, not during one. Review and update after every major contract renewal or when geopolitical conditions shift.*

<b>VENDOR</b>	<b>FM CLAUSE SPECIFIC? (Y/N)</b>	<b>NOTIFICATION DEADLINE IN CONTRACT (HOURS)</b>	<b>QUALIFYING EVENTS LISTED (Y/N)</b>	<b>LAST CONTRACT REVIEW DATE</b>	<b>GAP / ACTION NEEDED</b>

## Reflection Prompts

---

*After filling in the worksheet on the previous page, work through these.*

1. For each vendor with FM Clause Specific = N: the force majeure clause in that contract may currently allow the vendor to claim FM for internal production problems, scheduling failures, or raw material ordering delays — none of which should qualify. Note this as a contract gap. Prioritize renegotiation by vendor purchase share: highest share first.
- 

2. Rank vendors by Notification Deadline from shortest to longest. The vendor with the shortest notification requirement gives you the most response time. If your highest-share vendor has the longest notification window (or no defined window), that is inverted — the vendor with the most impact on your production has the least obligation to warn you. Flag for contract revision.
-

# Tips and Traps

## TIPS

- Read the actual clause text, word by word. Legal language is specific. 'Including but not limited to' means the list is illustrative, not exhaustive — any event the vendor claims is 'outside their control' may qualify. 'Including only' means the list is exhaustive.
- The best time to introduce FM improvements is at contract renewal, bundled with other updates. A standalone request to renegotiate the FM clause signals concern that may make the vendor defensive. Bundled with a price or volume discussion, it is routine.
- A 48-hour notification requirement is the most immediately actionable clause to add. Frame it to the vendor as: 'We need to know faster so we can plan — this benefits both of us.' Most vendors with functional operations will accept it because they already have processes to detect disruptions within 24 hours.
- Keep a physical or digital copy of each completed row accessible to the person who will first receive a vendor FM notice. That person needs to know the notification deadline and qualifying events without having to read the full contract in the moment.

## TRAPS

- Assuming a contract has adequate FM protection because it mentions force majeure. The presence of the words is not the same as adequate clause design.
- Renegotiating force majeure clauses only after one vendor has already invoked it. By then you have learned the gap through its cost rather than through this audit.
- Filling in FM Clause Specific = Y because some events are listed, without checking whether the exclusion list also exists. A clause that lists qualifying events but does not explicitly exclude vendor operational failures still has a significant gap.
- Letting contracts renew automatically without reviewing the FM clause. Auto-renewal preserves the original clause. Each renewal is the last low-cost opportunity to add improvements before another contract term is locked in.

# Appendixes

## Appendix A – FM Clause Language: Weak vs. Strong Versions

WEAK (no protection in practice):

"Force majeure includes all events outside the reasonable control of the Party."

Problem: covers nearly anything the vendor chooses to characterize as 'outside control.'

No notification deadline, no qualifying list, no exclusions.

STRONGER (partial protection):

"Force majeure events include: natural disasters, acts of war, government-declared emergencies, or port authority closure orders. Vendor shall notify Buyer in writing within [X] hours of becoming aware of a qualifying event."

Problem: does not explicitly exclude operational failures.

STRONG (full protection):

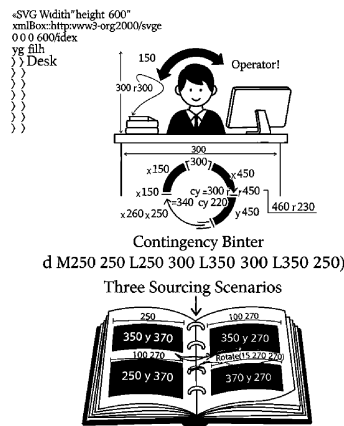
"Force majeure events include ONLY the following: [specific list]. The following events do NOT qualify as force majeure: delays caused by the Vendor's failure to timely place orders with upstream suppliers, internal production scheduling failures, machine maintenance (whether scheduled or unscheduled), or staffing shortages.

In the event of a qualifying FM event, Vendor shall notify Buyer in writing within 48 hours of becoming aware. Failure to notify within this period shall constitute a waiver of the right to invoke force majeure for that event."

## Appendix B – Contract Review Trigger Checklist

Review any vendor's FM clause when:

- Procurement volume from this vendor increased more than 50% since contract signing
- This vendor's share of a component now exceeds 50% (enters Quadrant A or B)
- Contract has been in effect for more than 2 years without review
- A geopolitical event has occurred in a country this vendor sources from
- This vendor was involved in a disputed delivery in the last 12 months
- A force majeure event was invoked by any vendor in your supply chain  
(use it as a trigger to audit all other contracts)
- The business is entering IPO preparation or investor due diligence



WHERE THIS WORKSHEET COMES FROM

# Supply Chain Risk Mitigation

*Disruptions Cannot Always Be Prevented, But Their Impact Can Be Limited*

by Ibrahim Anwar

This worksheet is one of nine in the *Supply Chain Risk Mitigation* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

Available on Google Play Books

[play.google.com/store/books](https://play.google.com/store/books)

PT Hibrkraft Kreasi Indonesia · Cileungsi, Bogor · hibranwar.com