

COMPANION WORKSHEET PACK

Contract Negotiation Tactics

A Clear Contract Is a Healthy Relationship

9 Worksheets · 3 Categories · A4 Print-Ready

High-Volume · Niche-Search · Specific-Case

PT Hibrkraft Kreasi Indonesia · hibranwar.com

PART 1

High-Volume Worksheets

Universal worksheets — what most operators reach for daily or weekly. Run these on a regular cadence regardless of business size or stage.

PART 2

Niche-Search Worksheets

Rare-situation worksheets — high value when the situation hits. Run these only when the trigger appears, but keep them findable.

Termination Cost-Benefit Analysis

Use before deciding whether to exit a contract early or before responding to a termination notice from the other party.

Use before deciding whether to exit a contract early or before responding to a termination notice from the other party.

ITEM	YOUR POSITION (PARTY INITIATING EXIT)	OTHER PARTY'S POSITION	NOTES / SOURCE IN CONTRACT
Early-termination penalty (Rp)			
Remaining contract term (months)			
Monthly value of contract (Rp)			
Penalty as % of remaining value			
Cost of staying (operational impact, Rp/month)			
Cost of exit alternatives (new vendor / lease / partner)			
Notice period required (days)			
Latest date to give notice without additional penalty			
Dispute resolution clause reference			
Net position: exit vs. stay (Rp)			
<p>1. Is the early-termination penalty proportionate to the remaining term, or is it a fixed amount the same whether the contract has one month or twenty-three months left? If fixed: that is the clause to renegotiate before signing the next one.</p> <hr/>			
<p>2. If the other party is initiating the termination: does their notice comply with the procedure in the contract? If not, document the non-compliance now — it becomes relevant if the dispute escalates.</p> <hr/>			

Indemnification Cap Negotiation Worksheet

Use when drafting or renegotiating a liability limitation clause. Maps the exposure both parties face if the cap is set too low, too high, or absent.

Use when drafting or renegotiating a liability limitation clause. Maps the exposure both parties face if the cap is set too low, too high, or absent.

SCENARIO	YOUR ESTIMATED LOSS (RP)	OTHER PARTY'S ESTIMATED LOSS (RP)	PROPOSED CAP (RP)	CAP AS % OF ANNUAL CONTRACT VALUE	ACCEPTABLE? (Y/N)
Service failure causing direct loss only					
Service failure causing operational disruption (indirect loss)					
Breach leading to third-party claim against us					
Consequential loss — lost profits					
Maximum realistic worst-case scenario					
Cap currently in the draft contract					
Cap proposed after this analysis					
<p>1. Is the current cap symmetric — the same ceiling for both parties? If not: write who benefits from the asymmetry and what argument supports equalizing it.</p> <hr/>					
<p>2. Is consequential loss (lost profits, reputational damage) included or excluded? 'Under any circumstances' in a liability clause typically excludes everything. That phrase must be located and read before accepting the cap.</p> <hr/>					
<p>3. What is the annual contract value? A cap below 12 months of contract value gives the aggrieved party less protection than the contract itself is worth. Is that the position you intend to accept?</p> <hr/>					

Force-Majeure Invocation Worksheet

Use when a force-majeure event has occurred or is imminent — either to invoke it on your side or to evaluate whether the other party's invocation is contractually valid.

Use when a force-majeure event has occurred or is imminent — either to invoke it on your side or to evaluate whether the other party's invocation is contractually valid.

CHECK ITEM	CONTRACT CLAUSE REFERENCE (ARTICLE / PAGE)	MET? (Y/N / PARTIAL)	ACTION REQUIRED	DEADLINE
Event qualifies under the contract's defined force-majeure list				
Event is outside both parties' reasonable control				
Notification deadline from contract (days after event)				
Written notice sent / received (date and method)				
Consequence defined: contract pauses / adjusts / terminates				
Obligation to mitigate damages despite force-majeure status				
Estimated duration of the qualifying event				
Contract restart or termination trigger (if event exceeds X days)				
Evidence gathered to document the event (type and location)				
<p>1. If the contract has no explicit force-majeure definition: Articles 1244–1245 of the Civil Code provide a general basis, but 'force majeure' without a defined list in the contract is a source of dispute, not a solution. Document every communication and gather objective evidence from the first day of the event.</p> <hr/>				
<p>2. If the other party is invoking force majeure: check the notification deadline in the contract. A force-majeure claim submitted after the contractual notice period has expired may not be valid — that is a factual, not emotional, argument.</p> <hr/>				
<p>3. What happens to payment obligations during the force-majeure period? Does the contract pause them, defer them, or leave them running? If it leaves them running while performance is suspended, that asymmetry needs to be documented and challenged.</p> <hr/>				

PART 3

Specific-Case Worksheets

Pre-framed scenarios — each worksheet walks you through a single, concrete situation. Read the scenario, then fill in your version of it.

Counterparty Proposes Binding 5-Year Exclusivity

Scenario: A distributor has offered to take your product or service exclusively for five years across a defined territory or category. They want the exclusivity written as binding and non-negotiable in exchange for volume guarantees. The offer looks attractive in the near term. You need to assess whether accepting costs more in foregone optionality than the guaranteed volume is worth.

Scenario: A distributor has offered to take your product or service exclusively for five years across a defined territory or category. They want the exclusivity written as binding and non-negotiable in exchange for volume guarantees. The offer looks attractive in the near term. You need to assess whether accepting costs more in foregone optionality than the guaranteed volume is worth.

ASSESSMENT ITEM	YOUR CALCULATION / FINDING	NEGOTIATION LEVER AVAILABLE?	NOTES
Annual guaranteed volume from this distributor (Rp)			
Annual volume from alternative channels currently (Rp)			
Revenue opportunity cost of locking out alternatives for 5 years (Rp, estimated)			
Exclusivity scope: geographic? category? channel?			
Minimum volume commitment offered by the distributor (Rp/year)			
Compensation if the distributor fails to meet minimum volume			
Your right to exit if volume falls below the minimum			
Change-of-control clause: does majority ownership change trigger termination?			
Breakeven point: at what year does the cumulative guaranteed volume exceed the revenue opportunity cost?			
Proposed counter: limited exclusivity (geographic or category only, not both)			
1. Exclusivity without proportionate compensation means giving the other party leverage for free — they no longer need to worry about losing the business to a competitor while the contract runs. Write what specific compensation you are requesting in exchange for each year of exclusivity.			
2. If a change-of-control clause exists: at what ownership percentage does it trigger? If that threshold is below the percentage likely to transfer in a future investment round, this clause must be renegotiated before the exclusivity is accepted.			
3. What is the shortest exclusivity term that still gives the distributor the volume certainty they need to justify the minimum commitment? Propose that term, not five years, as the opening counter.			

Vendor Invokes Price-Escalation Clause Mid-Contract

Scenario: Fourteen months into a two-year supply contract, your vendor notifies you that they are applying the price escalation clause beginning next month. The clause is in the contract and technically valid. The proposed increase is 12 percent — higher than current CPI for the relevant category. You need to evaluate whether the invocation is procedurally correct, whether the percentage is defensible, and what your response options are.

Scenario: Fourteen months into a two-year supply contract, your vendor notifies you that they are applying the price escalation clause beginning next month. The clause is in the contract and technically valid. The proposed increase is 12 percent — higher than current CPI for the relevant category. You need to evaluate whether the invocation is procedurally correct, whether the percentage is defensible, and what your response options are.

VERIFICATION ITEM	CONTRACT CLAUSE REFERENCE	FINDING	YOUR POSITION
Notice sent by the vendor — was it within the required advance notice period?			
Escalation clause type: fixed % or CPI-linked?			
If fixed %: actual BPS CPI for the relevant category in the past 12 months (%)			
Gap between proposed increase and actual CPI (%)			
Escalation ceiling in the contract (if any)			
Does the proposed increase exceed the stated ceiling?			
Financial impact on your gross margin (Rp/month)			
Financial impact over the remaining contract term (Rp total)			
Your BATNA: alternative vendor quotes for the same specification			
Counter-proposal: CPI-based adjustment with ceiling, effective from [date]			
<p>1. If the notice period in the contract was not respected: write the exact clause wording and the date the notice was received. That procedural gap is the first argument — not the percentage, which is harder to contest if the clause is a fixed number.</p> <hr/>			
<p>2. Pull the relevant BPS CPI sub-index for the past 12 months. If the proposed 12% increase is three times the actual CPI movement, that gap is the data-based argument for a counter-proposal. 'Based on BPS data, CPI for [category] rose X% in the past 12 months. Our counter-proposal is an adjustment of X% plus [Y]% to reflect your input cost pressures above CPI.'</p> <hr/>			
<p>3. What is the remaining contract term in months? Multiply the monthly Rp impact by that number. That is the total value of this negotiation — not just next month's invoice.</p> <hr/>			

Key Partner Demands Change-of-Control Termination Right

Scenario: You are in the final stages of negotiating a material distribution or licensing contract with a key partner. They have inserted a clause giving them the right to terminate the contract without penalty if majority ownership of your business changes by more than 30 percent. You are currently in early discussions with a private equity investor who would acquire 40 percent. The clause directly threatens the deal you are trying to close.

Scenario: You are in the final stages of negotiating a material distribution or licensing contract with a key partner. They have inserted a clause giving them the right to terminate the contract without penalty if majority ownership of your business changes by more than 30 percent. You are currently in early discussions with a private equity investor who would acquire 40 percent. The clause directly threatens the deal you are trying to close.

ITEM	CURRENT DRAFT POSITION	YOUR COUNTER-PROPOSAL	JUSTIFICATION
Change-of-control threshold in draft (%)			
Planned ownership transfer in the investment round (%)			
Does planned transfer trigger the clause? (Y/N)			
Annual contract value at risk if clause is triggered (Rp)			
Partner's stated reason for the clause			
Alternative protection you can offer: performance guarantee? financial covenant?			
Counter: raise threshold to 51% or require new majority owner to affirm contract			
Counter: convert termination right to renegotiation right within 60 days of change			
Counter: retain clause but cap severance compensation at 3 months of contract value			
Consequence of failing to resolve before investment round closes (Rp / process risk)			
1. The partner's real concern is continuity of service and credit risk if ownership changes to an unknown entity. Address that concern directly rather than fighting the clause: what specific assurance can you offer — personal guarantee, performance bond, key-person continuity clause — that makes the change-of-control protection unnecessary?			
2. If the clause cannot be removed: a 30% threshold will be triggered by almost any meaningful investment round. A 51% threshold or a 'new majority owner must affirm the contract within 60 days' mechanism gives the partner protection without blocking your capital-raising options. Write the specific counter-clause language here.			
3. If this contract is already signed and you are now in the investment process: calculate what emergency renegotiation under time pressure will cost in concessions and delays. Then calculate what a proactive renegotiation 12 months earlier would have cost. The difference is the price of not having a contract review system that flags change-of-control clauses in advance.			

Companion to:

Contract Negotiation Tactics – A Clear Contract Is a Healthy Relationship

by Ibrahim Anwar

PT Hibrkraft Kreasi Indonesia

hibranwar.com