

Checklist for Avoiding Auto Renewals

Contract auto renewals cost financial institutions millions of dollars each year. Flying under the radar, these hidden contract provisions can cause FIs to miss out on the opportunity to negotiate better contract terms or inadvertently extend vendor contracts by years.

Avoid an expensive mistake with this checklist for avoiding unwanted auto renewals.

- 1 Gather all third-party vendor contracts in one place.
- 2 Read contracts closely for all references to pricing, renewals, autorenewals, price increases, advance notice, termination, and other related provisions.
 - Look for phrases like “notwithstanding” and “hereunder” for provisions that may supersede or contradict previous provisions.)
- 3 Draft a master list of all contract autorenewal and advanced notice deadlines.
- 4 Compare master list of deadlines with contract provisions to verify.
- 5 Determine how much time you’ll need to renegotiate each contract.
 - Dependent on vendor criticality, time needed to consider other options, and the ease/difficulty of leaving the vendor, etc.
- 6 Enter all deadlines, both contractual and internal, in a calendar.
- 7 Create automated reminders for all deadlines.
- 8 Assign vendor research/contract negotiation to responsible vendor manager.
- 9 Follow up with vendor manager until deadlines are met.
- 10 Have board approve new contracts for critical vendors.

Looking for a better way to manage and monitor vendors?
Contact us for a demo of our solutions today.