

Product on its knees  
financial wise. it  
should



**ASSIGN  
BUSTER**

## **Product Liability**

Products that BGP Technologies avails to the consumers may cause injuries. The company takes full responsibility for such an occurrence. Therefore, all should be done to avoid the escalation of that possibility with regards to BGP goods.

Some of the risks that the company should try to avoid may originate from the design of the product, problems in production (which may cause a defect) or failure to inform the public of the consequences of the usage of the products: marketing defects. In this category, the company may be held responsible if it fails to honor its own commitment or breaches on some other contractual agreements with the consumers. It is also common to experience negligence charges. To avoid all these, it is advisable for the company to put necessary measures that will help it curtail the likelihood of the hazards. Firstly, it should hire experts in its manufacturing department and set up an internal quality-check system. This will ensure that the products that are availed to the market are high quality.

That should be followed by a truthful and honest marketing department. It will be responsible for any information deemed fit for the consumers before consumption of BGP products. This includes expiry dates and potential harmful effects (White, 1996). The company should set up a vibrant legal department to ensure that the warranties drawn up are fair.

This means they do not overstep the company's willingness to repair and do not give room for potential users of products to manipulate the company. The department will also be the handler of legal cases arising from

the usage of the products that the company has. This includes negligence, improper information and possible but inadvertent breach of contract between the company and consumers (White, 1996).

## **Sales Contracts**

These are agreements, just like any contract, that involves the buyer and the seller (in this case BGP Technologies) which are legally binding.

On many instances, the company will involve itself in contract business as it seeks to increase sales and prop up profits. It is obligatory for the parties involved in a contract to abide by the terms of the contract failure to which possible legal ramifications will ensue. To avoid that the company may perform the following activities that entail sales contracting beforehand (Hearnden and Moore, 1999). The company should engage a good team of expert lawyers when entering in any contract to avoid the possible cheating from the other party. This will ensure the terms are fair to both. In particular, the company should be interested in the terms of the contract and the legal implications of the failure to honor its terms. Therefore, the company should carry out a study of the capability and capacity of the company in terms of delivery of the terms: quality, timeliness, quantity and general logistics.

The company should also go the extra mile to look up the other party's reputation in terms of payment before agreeing to the contract. This will involve looking up bank records, financial standing and previous contracts, if any. This will greatly avoid the delay in payment that may be associated with a legal process after the other party's failure to honor his side of the deal. A

back ground may be considered uncouth but it is absolutely necessary in this case.

A contractual payment should be seen to make business sense. There is no need to enter into a contract that leaves BGP technologies on its knees financial wise. It should meet all the costs associated with it and make some profit (Hearnden and Moore, 1999).

## **Performance of Sales Contracts**

A sales contract is not complete until all the terms of the contracts are met to the satisfaction of both parties. However, in this case where BGP Technologies is involved, it is rather important for it to honor its part of the contract so as to avoid been on the receiving end. This is putting into consideration that all the terms of the contract are legally binding.

The company should do or not do the following. When drawing up sales contracts, it incumbent upon the company to have the capacity for delivery of the products it is promising to deliver. The company should have enough capacity to manufacture that amount of goods it is promising and within a particular timeframe. This is because failure to do that will mean loss of business for the other party which may be duly compensated in the event of failure to deliver.

It will also mean lack of future good will which is paramount in conduct of business in future (Linville, 2002). The goods should be delivered in the agreed upon state and quality. Below-standard goods are not supposed to be availed to the customer as that may lead to legal ramifications. In case unable to deliver the goods on time, the company should inform the other

<https://assignbuster.com/product-on-its-knees-financial-wise-it-should/>

party well in advance so that necessary arrangements may be made for purchase from other suppliers. This will also reduce the imminent legal consequences and will be a sign of goodwill. The subject for delivery (goods) should be in the right amount and quantity.

Failure to do that will mean the company is engaging in cheating the consumers and will lead to possible legal implications (Linville, 2002).

## **References**

Hearnden, K. & Moore, A. (1999). *The Handbook of Business Security: A Practical Guide to Managing the Security Risk*.

London: Kogan Page Limited. Linville, M. (2002). CPAs' Awareness of Litigation Risk. *Academy of Accounting and Financial Studies Journal*, 6(3), 11-21. White, R. J.

(1996). Top 10 in Torts: Evolution in the Common Law. *Trial*, 32 (7), 50-53.