

# Contemporary management skills

[Business](#), [Management](#)



Contract Non-legal Implications of a breach of contract would include: potential loss of creditably in the marketplace and loss of new/return business for the party who breached the contract. Egg, a company selling goods and services, a damaged reputation could result in the loss of new and existing customer contracts. Egg. A breach of a loan contract, the potential loss of credit rating affecting future credit potential and business opportunities. Flow on effects of consequent outcomes for the party against whom the breach has occurred (Ultimate 2013).

Egg. A contract breach by a car components company against a car manufacturing company would mean the car manufacturing company's inability to meet their customer contracts, potentially leading to a competitive loss in the marketplace and financial ruin if severe enough. A personal example, is when I pre-booked a hotel for a holiday expecting my car to be serviced on time. However the breach of agreement of the car servicing company by failing to have my car ready on time (2 days late) meant I started my holiday late and lost 2 hotel nights.

Flow on consequences also result in loss of competitive position or opportunity for the party against whom the breach has occurred. Egg. If the contract breach meant a company or individual was not paid the monies due to them, there would be lost opportunity to pursue other avenues for investment with those funds. Emotional distress for both the parties. This could be particularly pertinent in instances involving individuals and should not be under-estimated if it involves a significant life impact such as loss of financial position. Self help remedies available: For the party who has breached the contract include:

<https://assignbuster.com/contemporary-management-skills/>

Pursing consultation and negotiation with the contracted party to discuss alternative arrangements and resolution to avoid litigation. For the party against whom the breach has occurred understand the full term and conditions of the contract to determine whether a case for breach of contract is allowed without legal ramifications conduct a cost-benefit analysis of loss of the contract breach vs. the potential legal and non-legal costs before annihilating any litigation. Document a schedule of projected costs/damages and the potential loss as a result of contract breach should a case for compensation be urged.

Expectation / reliance loss - document and outline the position that would have been attained should the contract have been performed that the plaintiff would outcome but minimize damages and legal costs (Ultimate 2013). Explore preventive strategies to minimize damage in the event of a contract breach. Eg. A landlord taking out tenant protection insurance for loss of rent to non-paying tenants rather than taking legal action against tenants that is likely to be more costly overall Ultimate, P 2013, Australian Business Law, 32nd Edn, ACH Australia Limited, Sydney, NEWS.