

# SaaS Contract & Renewal Risk Check

A decision-first screen to answer: "Am I exposed if I sign or renew this contract as-is?"

## What this is

- A fast, structured **risk screen** for SaaS and services contracts.
- Designed for **renewal or signature pressure** when you need clarity, not theory.
- An outcome-oriented approach: **Safe / Caution / Risk**.

## What this is not

- Not legal advice.
- Not a full contract rewrite or redline service.
- Not negotiation representation.

## Fast-use workflow (30–60 minutes)

1. **Context:** contract type (SaaS / services / licence), renewal/signature deadline, annual spend, criticality.
2. **Run the Health Check** (below) to spot obvious traps quickly.
3. **Scan the "Fix First" clauses:** Termination, Liability, IP, Audit, Renewal, Data Protection.
4. **Fill the Risk Matrix:** identify the top 5 exposures and the mitigation ask for each.
5. **Decide:** proceed as-is / renegotiate / escalate internally.

**Tip:** If you're short on time, do only Sections: **Health Check**, **Red Flags**, and **Risk Matrix**. That alone produces a usable "go/no-go" signal.

## 1) High-level contract health check

### Quick scan (5–10 minutes)

- **Parties & authority:** correct legal entities, signatures authorized.
- **Scope clarity:** deliverables, acceptance criteria, and what's excluded.
- **Term & renewal:** auto-renewal, notice window, pricing rules on renewal.
- **Termination:** for convenience and for cause; transition support.
- **Liability:** cap level, carve-outs, exclusions, alignment with risk.
- **Data & security:** DPA/SCCs where needed, breach notice, sub-processors.
- **IP & usage rights:** deliverables ownership, embedded supplier IP licence.
- **Audit & reporting:** licence usage, royalties/support hours, audit scope limits.
- **Commercials:** all-in pricing, indexation caps, hidden fees, minimums.

If 3+ items are unclear or one-sided, assume **Caution** until proven otherwise.

## 2) "Fix First" clause checklist (decision-focused)

Area	Red flags (common)	Target position (good enough)
<b>Auto-renewal</b> Term & Renewal	Short notice ( $\leq 30$ days), renewal uplift at supplier discretion, renewal tied to "then-current pricing".	Non-renewal notice $\geq 60$ – $90$ days; renewal uplift capped (CPI or % cap); clear renewal process and dates.
<b>Termination</b> Exit	No termination for convenience; heavy termination fees; supplier can terminate critical service quickly.	Customer convenience right (60–90 days); no penalties beyond services delivered; transition assistance where needed.
<b>Liability</b> Risk	Very low cap vs exposure; "no liability"; caps apply to IP/data breaches; unilateral liability on customer.	Reasonable cap (often 12 months fees); carve-outs or higher sub-caps for IP/data/security; mutual structure.
<b>IP rights</b> Lock-in	Supplier owns all deliverables; customer licence only during term; unclear data ownership.	Customer owns custom deliverables; perpetual licence to embedded supplier IP; customer data remains customer's.
<b>Audit</b> Disruption	Unlimited audits; no notice; broad scope; customer pays audit costs regardless; confidentiality missing.	Max 1/year; notice 30+ days; scope defined; cost-shift only if material non-compliance; findings confidential.
<b>Security &amp; DPA</b> Compliance	No breach notice timing; supplier can add sub-processors freely; DPA missing when personal data processed.	Breach notice obligation; sub-processor controls; DPA/SCC alignment; minimum security controls referenced.
<b>Pricing</b> Commercial	Uncapped indexation; hidden "reasonable expenses"; ambiguous usage metrics; minimum commitments with harsh true-ups.	All-in pricing; pre-approval for extras; defined metrics; indexation cap; flexible minimums or fair remedies.

## 3) Renewal timing screen (simple, practical)

### High-risk renewal conditions

- Notice window approaching and you lack alternatives.
- Vendor knows you're operationally locked-in.
- Pricing uplift is discretionary or "standard uplift".
- Usage has grown and metrics are ambiguous.
- Budget cycle mismatch (you're renewing in panic mode).

### Low-effort leverage actions

- Ask for uplift cap + extended notice window.
- Get a benchmark quote (even informal) before renewal.
- Ask for a 12–24 month price hold in exchange for term.
- Clarify usage metrics and add reporting.
- Secure termination for convenience + transition support.

## 4) Risk assessment matrix (fill-in template)

Use this to produce your final Safe/Caution/Risk signal. Keep it to the top 5 items.

Area	Description (what could go wrong?)	Impact	Likelihood	Mitigation / Ask	Owner
Renewal		H / M / L	H / M / L		
Liability		H / M / L	H / M / L		
IP / Data		H / M / L	H / M / L		
Audit		H / M / L	H / M / L		
Commercial		H / M / L	H / M / L		

## 5) Negotiation agenda (one-page)

Bucket	Issue	Ask (target)	Fallback
Fix First			
Fix First			
Make Consistent			
Tidy Up			

## Outcome: Safe / Caution / Risk

- **Safe:** no critical red flags; renewal and pricing rules are controlled; exit and liability are reasonable.
- **Caution:** 1–2 material issues OR unclear renewal mechanics; proceed only with mitigations.
- **Risk:** auto-renewal traps, discretionary pricing, weak exit rights, or liability/IP/data exposure misaligned with spend/criticality.

This is a practical decision aid, not legal advice.

## Next steps (optional)

If this screen flags **Medium** or **High risk**, you may benefit from deeper support such as negotiation agenda preparation, clause guidance, or pricing/renewal leverage analysis. Those services are intentionally separate — this document is designed to remain a fast, independent screen.