

# Category: Corporate Design and Communications

## Project: Visual contracts for Shell

### What was the challenge?

Traditional contracts are written in legal jargon and hard to understand. So negotiation takes longer than it should, and no one except the lawyers understand what's in them.

Shell are pioneering a new approach to contracting, in which the speed of negotiating a deal is a key differentiator. Clear, user-centric contracts are a key part of this.

### What was the solution?

Working with the International Association for Contract and Commercial Management (IACCM) we developed a proof of concept for consultation within Shell, transforming a series of typical contract clauses into plain language, with clear navigation and visualisation. Shell's lawyers were supportive and we moved to a full contract for one division – Marine Lubricants.

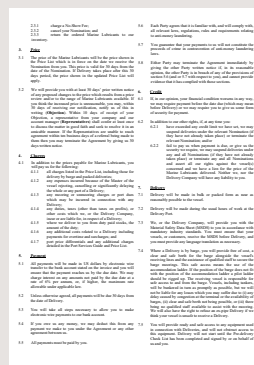
The solution is a shift in genre: we turned a legal document into a user guide. This means making it easy to skim read, and to see the question which each clause is answering. The information architecture prioritises action-oriented information, with any purely legal clauses relegated to the back of the document.

### What was the effect?

The simplified contract has halved the negotiation time for a typical contract, because less time is spent trying to agree what the document says. Shell is now rolling out the design across all similar contracts.

Shell's visual contracts won the FT Intelligent Business award, and was also awarded a Contract Innovation Award by the IACCM.

*right* This is the contract after Shell's lawyers had translated the original one into plain language. But it still wasn't usable.



*below* This is exactly the same text in our visual format, with generous space, and skimmable headings and notes in the left-hand margin.

The design was delivered in Microsoft Word so it can be maintained and adapted by Shell's contracts team.

## Ordering, payment and delivery

### 2 Nominations

A Nomination is a list of what you need, and when

2.1 You will give us, or our representative, your Nomination. Your Nomination will specify

- grades
- quantities
- method of delivery
- type of products (including whether bulk or packed)
- port or place of delivery

for each vessel and expected date of arrival at a Delivery Port, taking into account the Minimum Notice Period.

For confirmed Nominations, we, or the Delivery Company, will make reasonable efforts to satisfy the Nomination but will otherwise have no liability.

What if your requirements change

2.2 If you change your requirements without cancelling or amending your Nomination or if you don't give the Minimum Notice Period you will pay our or our Delivery Company's related expenses.

If the vessel arrives early

2.3 If the vessel arrives earlier than your nominated arrival date, we will try to supply the vessel but our supply obligation remains timed to the nominated arrival date. We will inform you if any circumstances prevent a Delivery.

If a vessel is more than 10 days late

2.4 Your vessel must arrive at the Delivery Port within 10 days after the nominated arrival date.



### 3 Price

We hold the price for 30 days

3.1 The price of the Marine Lubricants will be the price shown in the Price List which is in force on the date we receive the Nomination from you.

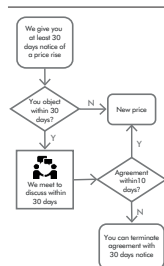
This price is valid for 30 days from the date of the Nomination. If Delivery takes place after this 30 days period, the price shown in the updated Price List will apply.

3.2 We will provide you with at least 30 days' prior written notice of any proposed changes to the price which results from a price review and/or to the range of Marine Lubricants available.

If you think the increased price is unreasonable, you may, within 30 days of receiving our notification, notify us of this in writing (Objection).

Within 10 days of receipt of your Objection, a representative from your company and our account manager (Representatives) shall confer at least once to discuss the matter in good faith and seek to resolve it in an amicable manner.

If the Representatives are unable to reach agreement within ten business days of a referral being made to them then you may terminate the Agreement by giving us 30 days written notice.



**Traditional contracts** are:

**Complex:** complex legal text tries to reduce risk and cover all possible contingencies.

**Adversarial:** traditional contracts aim to outwit the other party into accepting risk.

**Ignored:** they are only referred to during commercial negotiations, and then only consulted during disputes or used in litigation

**Visual contracts** are:

**Simple:** visual contracts are designed so that the commercial agreement is easily understood by the customer.

**Friendly:** contracts are designed to be read and understood by customers during negotiations, not just lawyers

**Actually used:** they are a useful guide to the relationship and consulted regularly to manage the delivery of goods or services.

**Proactive Law and information design**

Visual contracts are inspired by ‘proactive law’ (read Helena Haapio’s work at [Lexpert.com](http://Lexpert.com)). Instead of drafting a contract with a law court as the potential audience when things go wrong, it’s better to design it to be understood by users – so everyone understands what it says, and litigation is avoided.

**Risk and Title**

Delivery will be completed and title and risk will pass to you either:

9.1.1 for bulk Deliveries, when the Marine Lubricants pass the flange connecting the delivery facilities with the receiving facilities provided by you; or

9.1.2 for Delivery in containers:

9.1.2.1 when delivering to a quay or other point on land, when the goods are landed from the delivery vehicle to the ground;

9.1.2.2 when delivering by a barge operated by us and using our barge’s lifting equipment, when the goods are landed on the deck of the vessel;

9.1.2.3 when delivering by barge or vehicle and using lifting equipment provided and operated by you, when the goods are lifted off the deck of the barge or off the vehicle; or

9.1.2.4 when delivering by barge, and you have contracted with a third-party service provider or operator to provide pump ex-IBC service, immediately before the pump ex-IBC service.

9 **Risk and title during delivery**

9.1 Delivery will be completed and title and risk will pass to you:

either 9.1.1 for bulk Deliveries

• when the Marine Lubricants pass the flange connecting the delivery facilities with the receiving facilities provided by you.

• if delivering in intermediate bulk containers (IBCs) to a quay or other point on land, when the IBCs are landed from the delivery vehicle to the ground.

or 9.1.2 for Delivery in containers

• if delivering to a quay or other point on land, when the goods are landed from the delivery vehicle to the ground;

This section defines the point at which ownership of the product is transferred to the customer (and therefore who owns the risk at each point in the process). It is much clearer when shown visually.

10.2 During bulk barge deliveries, we or the Delivery Company, will take two representative samples of the Marine Lubricants which will be individually labelled and numbered uniquely. You or your representative may witness this. One sealed sample will be given to the Master of the vessel and the other one kept by us or the Delivery Company for 30 days, or longer if the law allows (“Period”). At the end of the Period, our sample may be discarded unless you have made a complaint or

**How many samples to take, and who retains them**

**Bulk barge deliveries**

**Road tanker deliveries**

Simple actions such as the taking of product samples (for quality control) are highlighted and explained through visualisation.

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This project was undertaken with the International Association for Commercial and Contract Management. The team for the prototype stage was Rob Waller (design and layout), Stefania Passera (graphics and icons) and Jenny Waller (language simplification). The final version was designed by Rob Waller, with simplified legal text written by Eversheds Sutherland.