

It is time to create contracts all users can understand

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Contracts today are complex and not user-friendly. The documents are written in black and white text, using 'legalese' language, and lack page layout design. The result is that contracts are often left in drawers and

are not used. So how can contracts be designed so everyone can read and understand them? This is the question Milva Finnegan explores in her doctoral dissertation at the University of Vaasa, Finland.

"Contracts are first and foremost communication tools that guide various people to perform their jobs. To function as effective communication tools the [contract](#) design must consider all users," Ms. Finnegan explains.

The research presents a novel four-step user-centered contract design process that combines cognitive, textual, and visual considerations to create a holistic simplified contract. Considering contracts as user guides, she presents ideas on how to write language the audience can understand, organizing contract content in a logical flow, and leveraging visual representations when possible. The outcome is a simplified contract.

Her research identifies structure, language, and visualization, as the three areas of design to produce a contract document that is readable, understandable, and usable for everyone that relies on the information to perform their jobs.

By integrating design thinking and focusing on who the audience is, contract development shifts from the traditional copy and pasting a prior agreement approach to designing contracts.



According to Milva Finnegan's research at the University of Vaasa, user-centered design is a key to contract simplification. Credit: Kevin Finnegan

The research takes a multi-disciplinary approach to contract design studies seeing contracts not only as [legal documents](#) to protect businesses in case of a dispute, but as managerial tools to create and maintain positive business relations and prevent problems from arising. Building on relational contract theory, proactive law approach, and information design principles, the dissertation focuses on the communication challenges contracts present.

Just as the topic is multi-disciplinary, crossing the fields of legal,

managerial economics, information design, and other studies, the work employs a mixed-method approach comprised of qualitative and quantitative research that studies contract operations as part of business and society.

"I encourage businesses to implement some of the contract simplification methods I have presented in my dissertation to make contracts more [user-friendly](#) to reduce misunderstanding between contracting parties, avoid disputes, gain efficiencies in transaction execution, and ultimately better financial performance," urges Ms. Finnegan.

Provided by University of Vaasa

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