



Commerce & Contract  
Management Institute

# Contracting under geopolitical uncertainty





# Contents

## Key insights

---

**3 Findings at a glance**

---

**3 Bottom line**

---

## Executive overview

---

**4 Executive summary**

## Market context

---

**5 Introduction**

---

**6 Disruption is widespread, but severity varies**

---

**7 Buyers and sellers face different pressures**

## Market response

---

**8 Responses remain pragmatic rather than adversarial**

---

**9 Collaboration matters, but it is not consistently enabled**

## Contract effectiveness

---

**10 Contract adequacy is a major weakness**

---

**11 Clauses matter but negotiation still decides the outcome**

## Impact dynamics

---

**12 Relationships are strained, and outcomes depend on behaviour**

---

**13 Sector patterns show different expressions of the same problem**

## Capability gaps

---

**14 Strategic responses show movement toward adaptation**

---

**15 The biggest gap is early warning**

## Key lessons

---

**16 Conclusion**

---

**16 Lessons learned**

---

**17 Contact**

## Survey findings: commercial and contractual responses to disruption

### World Commerce & Contracting | April 2026

Findings from an April 2026 WorldCC survey of commercial and contract management professionals on how geopolitical disruption is affecting supply chains, commercial relationships, and contracting—across buy-side, sell-side, and mixed roles in multiple sectors. Respondents reported on the preceding 12 months, the contractual and commercial actions taken, and the strategic adjustments underway or planned.

## Key insights

# Findings at a glance



### Disruption is now part of normal business:

94% experienced geopolitical disruption on one or more occasions in the past 12 months. For 34%, the impact was significant or severe.



### Most contracts were built for a stable world:

For 69%, contracts offered little help in handling disruption. The biggest gaps were in price adjustment, risk allocation, delays, altered requirements and how changes should be managed.



### Supply security is compromised by lack of transparency:

The biggest capability gap is early warning. Organizations need better visibility into where and how they are exposed.



### The real weakness is the contracting process:

Fragmented data, siloed decisions, and disconnected workflows make it hard to anticipate risk and to respond at speed.



### Unclear ownership weakens accountability:

Most organizations lack a defined owner for the contracting process, resulting in confused roles, collective responsibility, and too little accountability for quality or outcomes.



### Buyers and sellers are both under pressure:

Buyers want to secure continuity and manage price pressure. Sellers are trying to protect margin, revenue, and cash flow.



### Most disruption is resolved commercially, not legally:

Most renegotiate, absorb impact, or adjust terms to keep business moving.



### Relationships and governance shape outcomes:

Trust remains a top barrier to collaborative outcomes.



### Resilience depends on design, not toughness:

The organizations best placed to manage risks are those with adaptive contracts, clear governance, connected data, and faster decision-making – not those with the most onerous terms.

### Bottom line

Geopolitical disruption is exposing how the absence of a clear, accountable contracting process is a core weakness in many organizations. Resilience depends on better contract design, stronger governance, connected data, and earlier commercial insight.



## Key insights

# Executive summary

Geopolitical disruption has moved from background risk to operational reality. In this survey, 94% of respondents reported some level of impact on their supply chains or commercial relationships in the past 12 months, and 34% described that impact as significant or severe. Only 6% reported no impact at all.

### The message is clear:

Disruption is no longer exceptional, it is part of the commercial environment.

The findings also confirm the limits of contract-centric risk management. Only 31% said their contracts were adequate in most cases. The most common gaps related to price adjustment provisions, poor risk allocation, and lack of hardship or adaptation mechanisms. Force majeure was often too narrowly drafted. Contracts are designed for stability, not volatility.

But the deeper weakness lies beyond the document. Respondents pointed to early warning as the biggest capability gap, and the evidence suggests why. In many organizations, the contracting process remains fragmented - data sits in multiple systems, decisions are split across functions, roles are unclear, and accountability is weak. Contract interdependencies are rarely identified or tracked. This lack of ownership and cohesion undermines visibility, slows response, and makes resilience harder to achieve. Even if data exists, it often cannot be found.

Contract language alone does not determine outcomes. Relationship depth, strategic importance, leadership involvement, and willingness to collaborate all shape whether disruption is managed constructively or becomes a source of strain. The organizations best placed to respond are those that combine adaptive contract design with stronger governance, cross-functional alignment, connected data, and the ability to detect and rapidly act on risk signals.

**Geopolitical disruption impact over the past 12 months:**

**94%**

**Some respondents reported a level of impact**

**34%**

**Some respondents reported an impact as significant or severe.**

**6%**

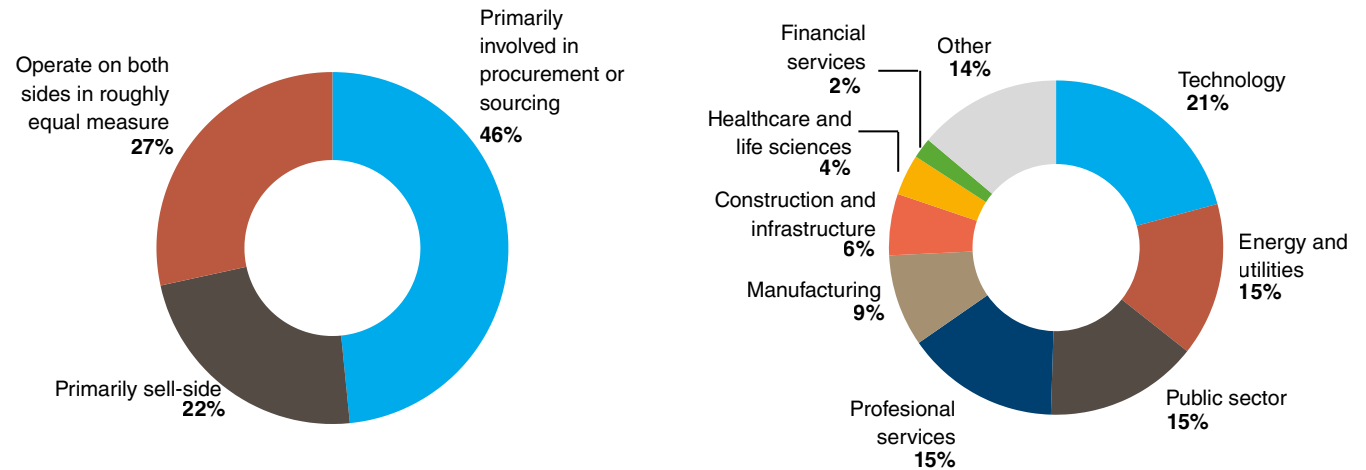
**Some respondents reported no impact at all.**

# Introduction

Geopolitical disruption is no longer a remote strategic concern. It is a day-to-day commercial reality. Tariffs, sanctions, regional conflict, regulatory divergence, inflationary pressure, supply shortages, and political volatility are reshaping the conditions under which contracts are formed, performed, and renegotiated. The question is no longer whether organizations will face disruption. It is whether their contracts, governance models, and internal capabilities are designed to respond when it arrives.

The findings confirm a broader theme: the real challenge is not how to draft and incorporate stronger clauses. It is how to build commercial systems that can absorb change and cope with unexpected shocks. Contracts designed mainly for control and static risk allocation struggle when markets move quickly, supply chains fracture, or counterparties face genuine economic stress.

**Figure 1. Respondent profile by role and sector**

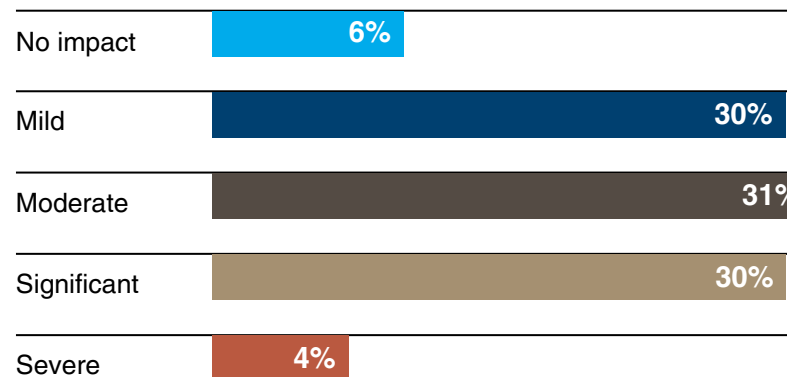


# Disruption is widespread, but severity varies

For most organizations, disruption is not catastrophic, but it is persistent and significant enough to require operational adjustment and commercial response.

What stands out is that the dominant experience is unevenness. Outcomes vary by counterparty, by relationship, and by the extent to which the contract anticipated the type of stress that emerged. This is very similar to what many organizations experienced during COVID. The broader point is not simply that disruption has returned. It is that many organizations still appear to be managing it in much the same way - case by case, relationship by relationship, rather than through a more systematic model of resilience.

**Figure 2. Overall severity of geopolitical disruption**



# Buyers and sellers face different pressures

In the end, both buyers and suppliers care about business impact, but their perspectives differ. Buyers are most affected by supplier demands for price increases or renegotiation, cited by 76% of buy-side respondents. Delivery delays or shortfalls have affected 57%, import or export restrictions 38%, and currency volatility 32%. These are classic symptoms of upstream instability. Buyers are feeling disruption through continuity risk and cost pressure.

Sellers faced a more balanced spread of pressures, though strongly focused on financial impact. 50% experienced customer cancellations, deferrals, or order reductions. The same proportion reported input cost increases they were unable to pass on, and 50% also cited currency volatility. 28% experienced export or import restrictions, 28% faced payment delays or defaults, and 28% reported sanctions-related issues.

Sellers are therefore dealing not only with cost and supply pressure, but also with demand volatility and cash-flow risk. This difference matters because it shows both sides are under strain, but in different ways. Buyers are trying to secure continuity. Sellers are trying to preserve margin and revenue. The system is exposing each side to different symptoms of the same instability.

**Figure 3. Disruptions experienced by buyers and sellers**

Disruption	Buy-side	Sell-side
Supplier demands for price increases or renegotiation	76%	22%
Delivery delays or shortfalls	57%	—
Import / export restrictions	38%	28%
Currency volatility	32%	50%
Customer cancellations / deferrals / order reductions	—	50%
Input cost increases unable to be passed on	—	50%
Customer payment delays or defaults	—	28%
Sanctions compliance issues	16%	28%

— Not reported as primary disruption

Seller-side disruptions are varied, but often translate into cost increases, which on the buy-side are experienced as price increase or renegotiation requests.

# Responses remain pragmatic rather than adversarial

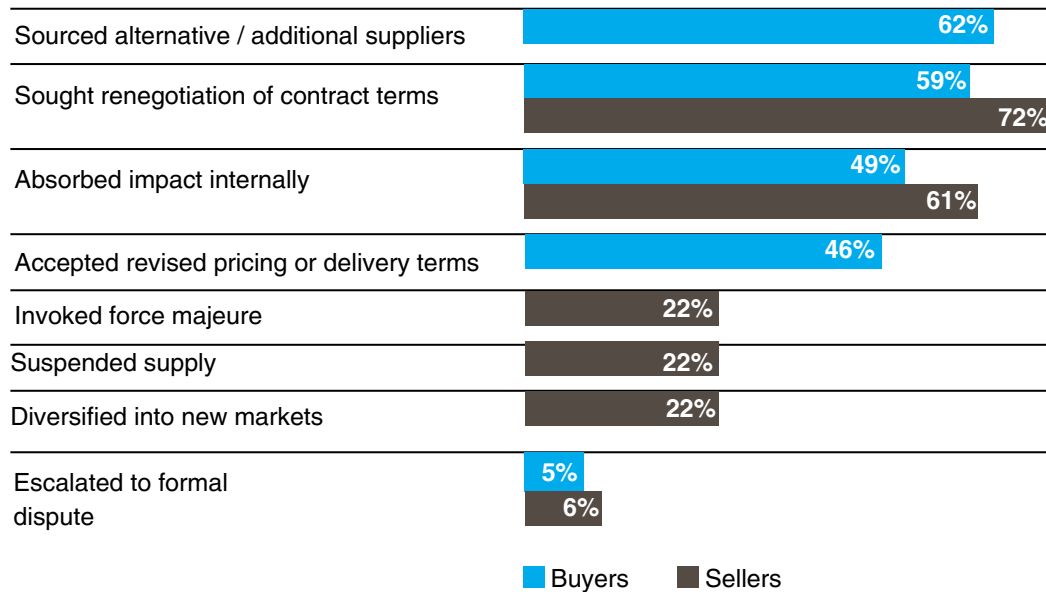
Buyers are responding primarily by sourcing alternative or additional suppliers, cited by 62%, and by seeking renegotiation of existing contract terms, cited by 59%. Where they could, nearly half absorbed the impact internally, and 46% accepted revised pricing or delivery terms. Only 5% escalated to formal dispute mechanisms. That is notable since it indicates that even under pressure, most buyers appear to recognize that continuity matters more than confrontation.

Sellers are more likely to seek renegotiation, cited by 72%, or absorb the impact internally, cited by 61%. 22% invoked force majeure, 22% suspended supply, and 22% diversified into new markets. Only 6% escalated to formal dispute resolution. This suggests that sellers, like buyers, are relying mainly on commercial adjustment rather than formal remedies.

There is an important lesson here. When disruption hits, most organizations do not rush to the contract as a weapon, they use it as a reference point to assist in negotiating a workable outcome.

**That is sensible approach but sadly,** almost 70% found that the contract offered little assistance. The provisions for managing change simply were not there, or were inadequate.

Figure 4. Organizational responses to disruption



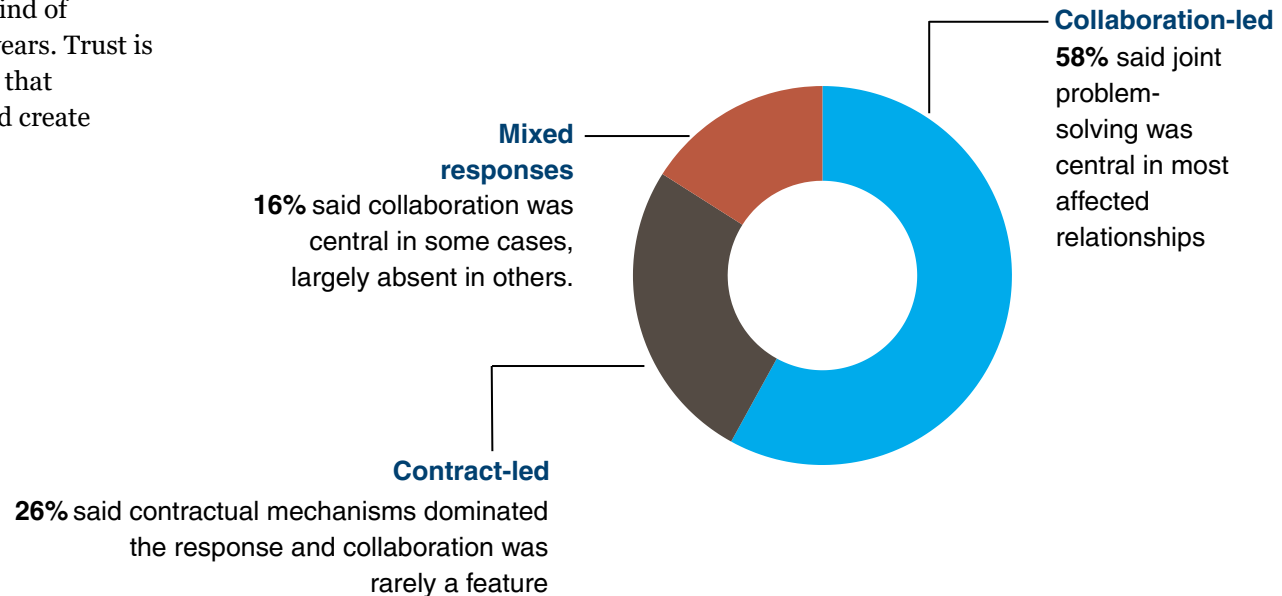
# Collaboration matters, but it is not consistently enabled

As with COVID, collaboration remained central in many relationships. 58% said joint problem-solving was central in most affected relationships. Just 27% said contractual mechanisms determined the response and collaboration was rarely a feature.

Where collaboration was absent, the most common barrier was contract terms that did not create space for flexible problem-solving. Counterparty unwillingness to engage was the next most common barrier. Internal constraints and risk aversion also played a role. This is exactly the kind of pattern WorldCC research has highlighted for years. Trust is shaped by the structures, incentives, and terms that represent balance, facilitate communication and create room for adaptation.

By way of analogy, if two people are trying to steer a car on an icy road, the answer is not to argue over who owns the steering wheel. The answer is to slow down, communicate clearly, and adjust together. Many contracts still assume dry roads. Geopolitical disruption has shown that commercial reality is far different from that.

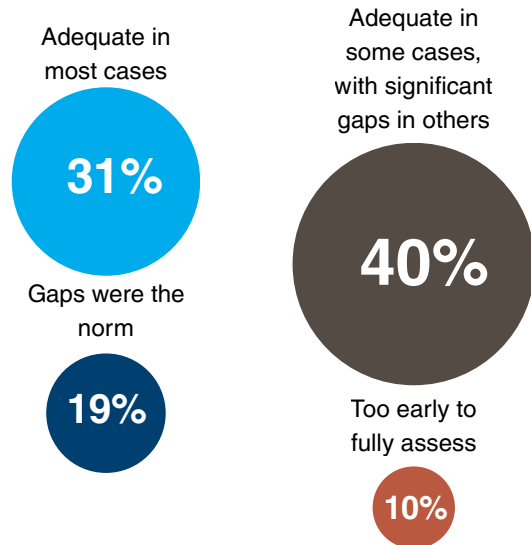
**Figure 5. Role of collaboration in resolving disruption**



# Contract adequacy is a major weakness

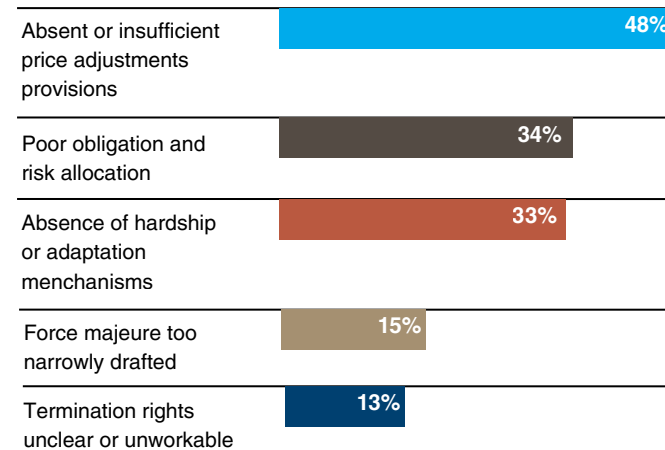
Only 31% of respondents said their contracts were adequate in most cases. 40% said contracts were adequate in some cases but had significant gaps in others. 19% said gaps were the norm and the terms were not fit for the situation. A further 10% said it was too early to assess. The overall picture is that more than half the respondents found their contracts only partially adequate or plainly inadequate.

**Figure 6. Adequacy of contract terms and most common gaps**



The most common gaps were absent or insufficient price adjustment provisions, cited by 48% of respondents. 34% pointed to poor obligation and risk allocation, and 33% cited the absence of hardship or adaptation mechanisms. Force majeure was too narrowly drafted for 15%, while 13% said termination rights were unclear or commercially unworkable.

**Figure 7. Most common contract gaps**



This is where the real issue and the ‘incompleteness’ of contracts becomes visible. Many organizations draft for impossibility (even though they then argue over whether it was impossible to perform), but not for economic distortion. They prepare for total failure of performance, but not for severe imbalance in cost, availability, or commercial viability. That is why so many outcomes still depend on costly and prolonged renegotiation, or a rushed compromise, rather than resolution within the contract itself.

# Clauses matter but negotiation still decides the outcome

Up to this point, price adjustment or indexation mechanisms were the most commonly invoked or relevant clauses during disruption, cited by 54% of respondents. Hardship or change-in-circumstances provisions followed at 26%, and force majeure at 25%. 16% said no clauses were formally invoked and the matter was handled through informal negotiation.

The most common outcome when contract terms were invoked was not strict application of the clause. It was a negotiated settlement reached outside the clause terms, reported by 42% of respondents. 21% achieved resolution within the clause framework as intended, while 9% reported contested interpretation. That suggests clauses often provide a starting point, but not a complete answer.

The question is why, and the answer is that disruption rarely fits neatly into pre-defined legal boxes. Commercial reality moves faster than drafting assumptions. That is why adaptive clauses matter, and why governance and relationship capability matter just as much. The contract can open the door and define a path forward, but it still takes people to walk through it.

Figure 8. Clauses invoked during disruption

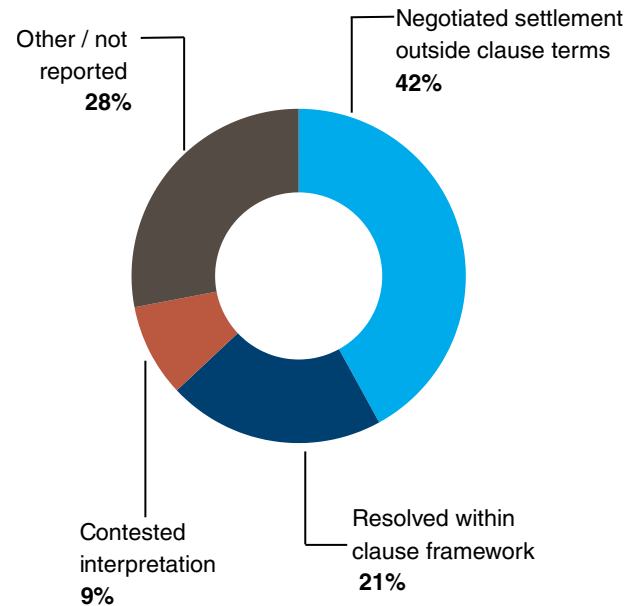
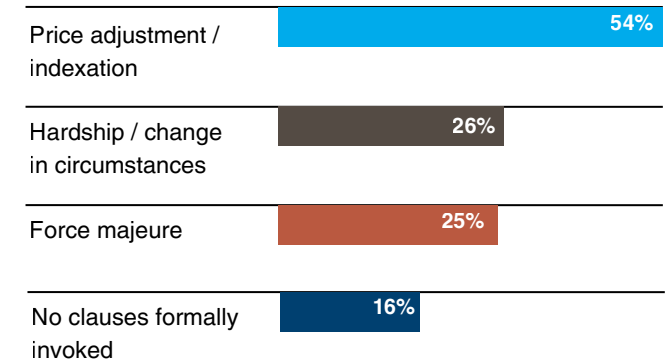


Figure 9. Outcomes when clauses were invoked



# Relationships are strained, and outcomes depend on behaviour

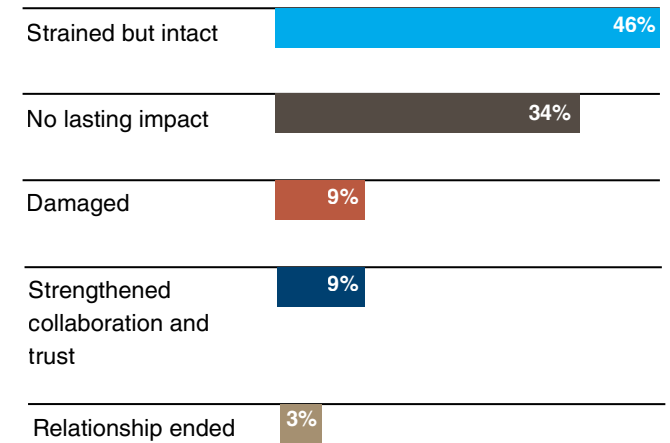
Disruption had a predominantly straining effect on commercial relationships. 46% described relationships as strained but intact. 9% described damage, and 3% said the relationship had ended. By contrast, 34% managed disruption without lasting relationship impact, and 9% said disruption actually strengthened collaboration and trust. The broad picture is one of pressure rather than collapse.

Counterparty behaviour was mixed. 54% said some counterparties were constructive while others were not. 28% said counterparties were consistently constructive, while 17% experienced mostly transactional compliance without flexibility. Where behaviour varied, the factors most often associated with constructive outcomes were the depth or length of the existing relationship, the counterparty's own level of exposure to disruption, and the involvement of senior leadership.

This is one of the clearest messages in the report. Relationships matter as much as contract terms. That does not mean contracts are unimportant. It means contracts perform differently depending on the quality of the relationship around them.

**A well-drafted clause in a brittle relationship may still fail. A less-than-perfect clause in a strong relationship may still produce a workable outcome.**

Figure 10. Relationship impact of disruption



# Sector patterns show different expressions of the same problem

The sector findings are directional rather than definitive, but they are still revealing. Technology was the most sell-side skewed sector, and outcomes were shaped more by relationship depth and counterparty exposure than by contract terms alone. Energy and utilities responses were predominantly buy-side and showed strong interest in diversification and onshoring. Public sector respondents expressed particular concern about contract monitoring capability and internal alignment, which is consistent with more formal governance environments.

Professional Services stood out for its emphasis on relationship governance. This is not surprising since in service environments, the relationship often carries more weight than the written terms. Manufacturing highlighted supplier diversification and resilience design, while construction and infrastructure pointed to the role of statutory mechanisms in some jurisdictions where standard commercial contracts may be less adaptable.

The broader point is that sectors differ in how disruption shows up, but not in the underlying challenge. Across sectors, organizations are grappling with the same basic issue, contracts and governance models that were not built for sustained volatility.

Figure 11. Sector variations and key characteristics

Sector	Share	Key characteristics
Technology	21%	Most sell-side skewed sector; outcomes shaped by relationship depth and counterparty exposure.
Energy and utilities	16%	Predominantly buy-side; strong push for diversification and onshoring.
Public sector	15%	High concern about monitoring capability and internal alignment.
Professional services	15%	Balanced profile; strong emphasis on relationship governance.
Manufacturing	9%	Diversification and resilience design recurring themes.
Construction and infrastructure	6%	Balances roles; statutory disruption mechanisms noted in some jurisdictions.

# Strategic responses show movement toward adaptation

Most organizations indicate that they are not standing still. 31% are selectively renegotiating high-risk or high-value contracts, and 27% are incorporating new provisions as contracts renew. 21% are reviewing but have not yet acted, while 9% have made no changes. That suggests awareness is high, but implementation remains uneven and it is unclear to what extent the actions being taken are relevant only to this specific crisis.

The most widely planned strategic shifts are greater price flexibility or indexation, cited by 57%, diversification of supply sources or customer base at 46%, stronger relationship governance alongside contractual terms at 45%, and more explicit hardship or adaptation mechanisms at 45%. 36% are pursuing onshoring, near-shoring, or regionalization. Smaller but still notable groups are strengthening termination for convenience rights, shortening contract durations, and increasing audit or transparency rights.

To the extent that this points toward more adaptive commercial models, it is encouraging. It suggests that organizations are shifting from a risk-averse focus on compliance and onerous obligations to a more measured appreciation of the need for effective risk management.

Figure 12. Current contract management approach

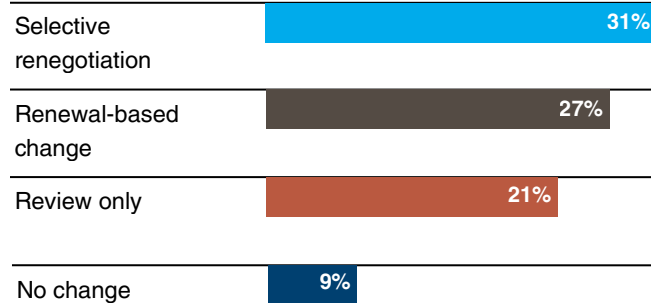
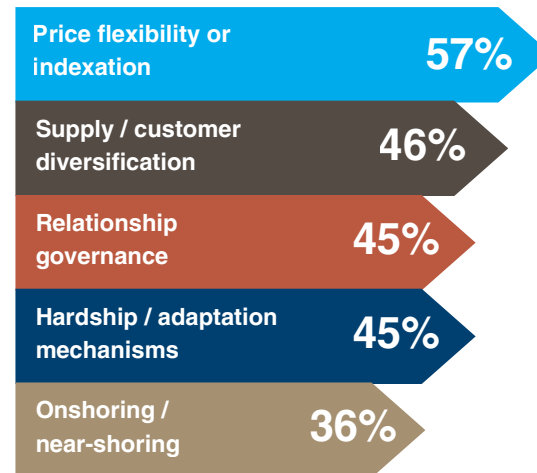


Figure 13. Planned strategic shifts in response to geopolitical risk



# The biggest gap is early warning

The most frequently cited capability gap is early warning, identifying risk before it becomes disruption. It was selected by 45% of respondents. Contract design followed at 40%, internal alignment across legal, commercial, procurement, and finance at 33%, and contract monitoring and obligation management at 30%. Relationship management and early escalation were cited by 19%, while 10% pointed to a need for greater senior leadership engagement.

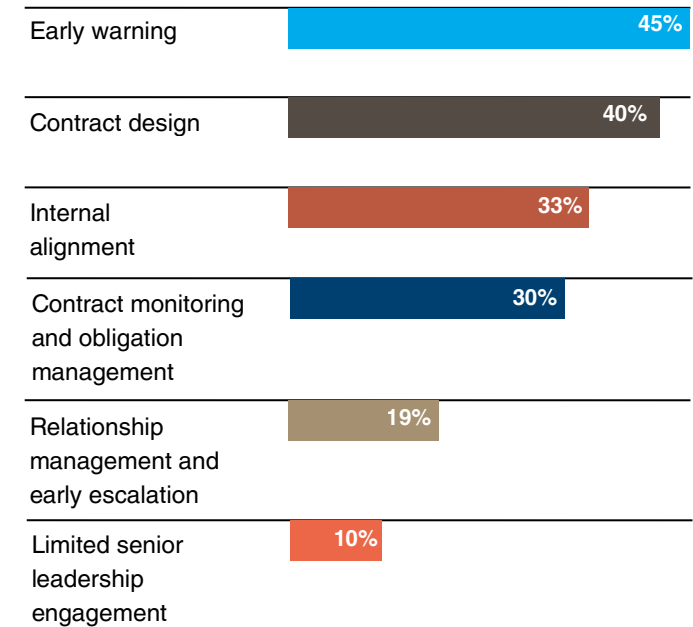
**This may be the most strategically important finding in the report:**

Organizations are not primarily asking for better contracts, they are asking for better intelligence.

If you cannot see disruption coming, identify which contracts are exposed, and understand what rights, obligations, and dependencies are affected, then a well-drafted contract will still prove ineffective preventing loss.

The real challenge is how to design and develop contract intelligence. Organizations need systems and practices that connect market signals, supplier or customer exposure, contract terms, and internal decision-making. Without that, every response becomes slower, more manual, and more expensive.

**Figure 14. Capability gaps in managing geopolitical commercial risk**



# Conclusion

Geopolitical disruption is not simply testing contract language. It is testing whether organizations have built commercial systems that can sense change early, align internally, and adapt before pressure turns into loss. This survey shows that disruption is now widespread, that many contracts remain poorly suited to volatile conditions, and that outcomes depend heavily on relationship quality and governance capability.

The findings also show that the practitioners and their organizations are beginning to move in the right direction. Planned shifts toward price flexibility, diversification, stronger relationship governance, and explicit adaptation mechanisms all point to a more mature response. But planning is not the same as implementation. The real issue is whether organizations can turn these intentions into operating practice.

The organizations best placed to navigate continued disruption will not be those with the toughest clauses. They will be those that combine adaptive contract design, strong relational governance, cross-functional alignment, and early warning capability. That is the broader lesson from this research, and it aligns closely with the wider direction of WorldCC thinking. The future belongs not to contract-centric risk management, but to commercially intelligent resilience. And that is where AI may enable a new future for the formation and management of trading relationships.



## Lessons learned:

Several lessons recur consistently across the survey.

**1** The first is that flexibility must be designed in, not negotiated out. Respondents repeatedly emphasized the need for adaptation mechanisms, price indexation, and hardship provisions to be built into contracts from the outset rather than improvised under pressure.

**2** The second is that relationships matter as much as contract terms. Strong pre-existing relationships often determined outcomes more than the wording of the agreement. That is a familiar lesson in WorldCC research. Contracts are about relationships, not just documents. When disruption hits, the quality of the relationship often determines whether the contract becomes a framework for problem-solving or a trigger for conflict.

**3** The third lesson is the need for proactive, data-driven decision-making. Respondents highlighted the importance of real-time information and early cross-functional alignment.

**4** The fourth is that resilience must be prioritized alongside efficiency. Highly optimized systems may look impressive in stable conditions, but they can become acutely vulnerable when disruption hits.

# Contacts

## Commerce & Contract Management Institute

The Institute seek to improve the world through higher standards in buying and selling. Our rigorous, practical research and insights, both relevant and useful, shape global policy and practice. We help society by driving up standards for the exchange of goods and services, resulting in better trading outcomes in both the private and public sectors. As a not-for-profit organization, we were founded, and are supported, by World Commerce & Contracting and NCMA.

Tim Cummins, Executive Director  
t.cummins@ccm.institute

General or media enquiries  
info@ccm.institute

[www.ccm.institute](http://www.ccm.institute)



CCM Institute was co-founded and is supported by:

### World Commerce & Contracting

WorldCC is a not-for-profit association dedicated to helping its global members achieve high performing and trusted trading relationships. With 75,000 members from over 20,000 companies across 180 countries worldwide, the association welcomes everyone with an interest in better contracting: business leaders, practitioners, experts and newcomers. [www.worldcc.com](http://www.worldcc.com)

### National Contract Management Association

NCMA is a thriving community of over 100,000 contract management professionals globally. Dedicated to fostering a globally recognized contract management profession and strengthening its connections with related acquisition communities, NCMA serves a diverse membership spanning both the public and private sectors. [www.ncmahq.org](http://www.ncmahq.org)