

SETTLING A BUSINESS DISPUTE THROUGH PRINCIPLED NEGOTIATION

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BACKGROUND

Able Advertising* commissioned Perfect Printing* to print a high quality brochure for a blue chip client. Perfect Printing was a regular and trusted supplier who had consistently delivered competitively priced printing at short notice. The production manager from Able Advertising briefed the printer rep that this brochure had to be of a higher quality than the usual standard and that the delivery date was crucial. The value of the order was £35,000. When the brochure came off the press the production manager did not like the quality and ordered the brochures to be re-printed.

The new printing was acceptable, the brochures were delivered to the client and everyone was happy.

When Perfect Printing sent their invoice, they charged the original £35,000 plus £19,000 for re-printing. Able Advertising was furious since they had clearly stated that the quality had to be higher than usual. They argued that the printer hadn't advised them of any extra costs at the time and refused to pay the £19,000. Perfect Printing argued that the quality was higher and down to personal preference, and that they could easily get an expert witness to prove the printing was to an acceptable industry standard. Furthermore, they argued that they carried out the instruction to reprint despite this messing with their production schedule given the importance of delivering this brochure on time. Perfect Printing chased payment and threatened court proceedings through their lawyer when Able Advertising refused to pay. Able Advertising took advice and was told about mediation as an option.

They proposed this to Perfect Printing who accepted. The case was referred to Peaceful Solutions.

ASSESSMENT

Both parties were aware of the high cost of litigation in terms of time and money and, although they wanted to settle, could not find an acceptable solution.

The underlying problem was that the production manager and the rep had become locked into a personal dispute about what was acceptable as high quality. With both of them having to report to their respective managers and not wanting to be responsible for the extra costs incurred, it was easier to blame the other.

REMEDY

The Dialogue Road Map (DRM) enabled both sides to feel heard. Both parties accepted some responsibility for the extra costs involved in reprinting. They were able to celebrate that the brochures had been delivered on time and well received by the client.

OUTCOME

Most importantly, the relationship was intact for the future. Based on the promise of future work they agreed to split the extra costs 60/40. Able Advertising paid 40%.

Mediation was a logical approach to this case. Businesses often find themselves in disputes which ruin relationships with clients or suppliers. An independent Dialogue Road Map facilitator can ensure that a settlement is reached with no loss of face on either side.

***Names have been changed and do not relate to any companies of the same name**

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