

Settle Up!

Settlement Newsletter



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Think Win-Win

When I first opened my own practice I learned an important lesson about dispute resolution. A major car maker sold a customer a brand new car. After a few years the paint started peeling in strange ways.

The customer had the car professionally inspected. Turns out that the car had suffered major body damage before the customer took delivery. Bondo filler had been used, and the paint over the filled area was peeling. The customer had never been in a wreck, so all of this damage and repair work had been done before he ever drove his “new” car.

None of it had been disclosed to the customer.

I wrote a letter to the car maker and expected a big fight. Instead, I received a call from a claims representative. She told me that the car maker had received

my letter and would give the customer a new car in exchange for the old one. I asked about my attorneys fees. She agreed to pay them 100%.

I was stunned. Who does that? No fight, no dispute, no bargaining, no discount on my attorneys fees. Her offer was completely unexpected.

Sure enough, they were good to their word. They gave the customer a new car. He was thrilled. They paid my attorneys fees 100%. The car maker didn’t even ask for proof that the damage had occurred at their factory instead of at the dealership. They simply swapped out cars and paid my fees. They didn’t argue, complain, or accuse. Instead they took care of business and swiftly got the job done.

The results of this approach?

- The car maker demonstrated outstanding customer service practices
- The buyer felt he’d been fairly treated

- The car maker secured increased customer loyalty from the buyer (and everybody he told about this)
- The car maker resolved this before the customer’s attorneys fees went out of sight

“...a healthy dose of creativity and skill yielded unexpected...results.”

What a proactive way to handle a dispute! Both the car maker and the buyer came away with some really great intangibles - and it just didn’t cost the car maker very much. All they do is make and sell cars. If the buyer had already demonstrated a high level of interest in doing business with this maker, why not cement the relationship and make him a fan for life?

What’s the take-away?

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- Some disputes involve important intangibles (such as goodwill or continued relationships)
- Sometimes price is the most important consideration (and sometimes it isn't)
- Sometimes the net result is better if skillfully chosen concessions are made

- Sometimes giving the other side what they want creates the best result
- The prospect of substantial future attorneys fees provides settlement incentive.

Not every dispute ends up like this one. But in this case a healthy dose of

creativity and skill yielded unexpected – and positive – results.

The foregoing article is provided for general informational purposes and should not be used in connection with any specific legal matter. Persons with legal issues or matters should consult competent legal counsel.