

Can ADR Resolve Your Business Problems?

Disputes? Disagreements? Angry Customers or Employees? ADR may be the answer.

By Jo DeMars

Not long ago, aspirin was considered a medical cure all. Today, you may hear savvy business management consulting firms affirm that ADR can be an effective cure for prevalent business ailments. Some CEOs, like General Electric's Jack Welch, have declared that ADR needs to be an integral part of solving corporate problems, internal and external. So, "What is ADR and how does it fit in the world of rapidly growing companies?"

The Answer: ADR is Alternative Dispute Resolution, a means of resolving differences without using the legal system, which usually proves to be quicker and less expensive. Since alternative dispute resolution focuses on solutions, rather than on prolonging antagonistic legal maneuvering, relationships are better able to weather the struggle. In short, ADR could be an effective answer to resolving disagreements in your business. ADR professionals have developed guidelines for virtually every dispute, including business to business contractual interpretation differences, consumer to business warranty disputes, workplace disagreements between peers, subordinates and supervisors, and also between departments or divisions with "internal customer" issues.

The practice of ADR involves a variety of approaches:

Negotiation: Usually the first step in attempting to settle differences. The parties involved often take responsibility for managing the process. Negotiation is highly successful, particularly in situations where the disagreeing parties believe the power level is equal. For example, kids on the playground will "talk it out" and resolve a problem.

Mediation: This process needs a facilitator to assist the disputing parties to define a mutually agreeable solution. Mediation is a rapidly growing field with trained professional. It is especially effective when the parties have an interest in maintaining the relationship. When kids at play can't settle a dispute, a friend or sibling may act as the peacemaker to defuse adversarial claims.

Arbitration: When the efforts to reach resolution fail, the parties may decide to ask a disinterested third party to decide the dispute. This works well in situations where the positions of the parties are entrenched, or where they no longer care to maintain the relationship. Kids will work for a while to find a solution, then appeal to a parent or teacher to arbitrate the dispute.

In summary, the systematic application of ADR techniques offers practical and cost-effective options for resolving business problems.

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