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## WHO'S TO BLAME?



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**Femi** [Senior representative from a relatively small African country – by telephone] *'Joshua, we've just received the first shipment of 3,000,000 'proofs of residency' for our citizens, but we've discovered a typing error which occurs on every document. This is a severe issue because, as you know, we need to begin issuing these on 1<sup>st</sup> March, which is only 3 weeks from now. Your documents are official, watermarked, printed on speciality paper and each is encoded with a unique serial number, so we can't simply edit them over here. As you know there are financial penalties that will be applied to this agreement if you are not able to re-issue the correct documents in physical format in time.'*

**Joshua** [Account Manager from 'DocTech International'] *'I'm extremely disturbed to hear this Femi; I don't know what to say right now other than I will immediately investigate what has gone wrong and try to work out a solution. Clearly, if it's our error then we'll put it right at our cost. Can you please scan over to me one of the documents and clearly mark on it where the error occurs?'*

**Femi** *'It will be with you within 15 minutes. Speed of resolution is going to be critical in this case. We cannot afford any more civil disputes or street protests like the ones we experienced earlier in the year.'*

I hour later...

**Joshua** *'Femi, I've looked into this and I have some disappointing news, but also some good news. The disappointing news relates to the date format, something that you did not specify, even though your specifications were of the finest detail in other aspects. As an American supplier we always use the date format of 'month/day/year'.*

*I see now that you use an alternative format of 'day/month/year'. So, 27<sup>th</sup> April 2015, for example, appears as '04/27/2015' on the documents we sent to you rather than '27/04/2015'.*

*I can't understand why this date format was not specified in your original purchase order, but equally, I accept that it's something that we should have checked with you before going to print.*

*So, as a gesture of goodwill we're prepared to re-print, though there is no way we can get the full shipment to you within the original deadline, and as you say, by not meeting the deadline we're liable for financial penalties.'*

*'What can we do about this? To re-print the job will put us into a loss-making position. We are prepared to re-print and lose money, but if you impose the financial penalties for late delivery then there is no way we can proceed.'*

## **Resolution**

By the end of the day both Femi and Joshua had come to probably the best compromise possible; one which prevented problems at Femi's end of the transaction whilst not causing too much financial damage to Joshua's organisation.

The end solution involved re-printing just 25% of the documents originally ordered and shipping those by express air delivery, so that citizens with surnames A – E could be issued with their residency permits on time, whilst others were notified that the process of issuing documentation had begun and that it was progressing according to surname in alphabetical order. The reason given was that it would not be possible administratively or logistically to issue 3,000,000 documents at the same time.

Civil unrest was averted, the African population received their correct documentation within an acceptable time frame and the country's government were able to save face. 'DocTech International' limited their liability, agreed prompt stage payments to cover their costs throughout subsequent print and distribution runs, and learned a valuable lesson in the process.'

## **Sequel**

Once the exercise was complete, to the satisfaction of the African Government, DocTech International was invited to tender for a similar contract for the department that issues driving licences.

## INSIGHTS AND LEARNING

### **The devil is in the detail**

How much attention do you need to pay to the details and nuances within a contract or specification? How fussy do you need to be to iron out every detail and ensure that no question remains unasked or unanswered, with no room for misunderstanding, confusion or doubt?

As in life, it involves a sensible balance. With too much attention to detail nothing will happen, or proceedings will become tortuous and severely delayed. As a minimum, one party is likely to frustrate the other with incessant nit picking, contract revisions and clauses.

Too little attention to detail however is the start of the road to misfortune, destruction, hell, or even worse than hell... the law courts!

### **Speed and momentum were critical**

In such a situation there is no time for delay, bluff or bluster. Clear, quick action was required, and both parties knew it. By getting things resolved quickly, making the first shipment within the critical time frame, and DocTech International receiving the first tranche of payment, reassurance and confidence were re-built on both sides.

### **Who holds the cards?**

Quite literally, in this case, the 'cards' (supply of 3,000,000 correct physical documents) were being held by the supplier. However, the customer also had the threat of refusing to pay or paying with significant financial penalties being imposed.

### **What are the critical issues for all parties?**

The African Government wanted to save face and did not want to be perceived as unable to deliver documentation to its citizens on time. The people wanted to receive their documentation on time. DocTech International wanted reassurance that they were going to get paid and would not face any financial penalties.

From what could have been a fraught and fierce battle, sense and problem solving prevailed.

## HOW CAN I USE THIS?

### **Remember – often the most useful lessons arise from problem situations**

Of course nobody wants a failed contract, stress, strife or sleepless nights. The real failure however, comes from a situation that goes wrong but nothing positive is learned from the sequence of events that would prevent re-occurrence.

Reflect on a couple of negotiations that you've had where misunderstandings have occurred. What was the root cause of the confusion; on who's part, and does this tell you anything about how you can operate in the future to ensure such mix-ups do not happen again?

### **Take fast, massive action**

When a problem occurs it needs to be tackled head on, fast, and with huge doses of energy, determination and creative effort to get it solved.

Yes, it's easy to say, but some people just panic when faced with what to them appears to be a massive, insolvable problem. *'3 million documents with errors! How the hell am I going to sort this out, and how will I explain it to my Managing Director and Finance Director?'*

### **Leverage 'positive recovery'**

When person A is let down by person B, a reasonable person A will respect the fact that B is doing everything humanly possible to resolve the issue, and A will almost certainly lend a hand in helping to sort it out. After all, even if it is wholly B's causation, it is in the interests of A to have it resolved.

In this case, Joshua was 'rewarded' for sorting out a serious issue by then being offered the chance to bid for another contract. That would not have occurred if Joshua had not responded in the way he did. From the jaws of seeming defeat it is possible to snatch victory.

### **Sometimes apology is necessitated**

Some people regard apologising as weak behaviour. In fact in political circles it can be seen as career suicide to admit a mistake, do a U-turn on policy, change your mind or apologise for something that was said or done.

Not so. Paradoxically, to apologise for a situation in which you were clearly mistaken, in the wrong, or behaved in a way that caused a problem is actually a sign of strength. Genuinely

apologising also helps to clear the air and set the scene for sorting out the problem rather than finger pointing or making pathetic excuses. Most people respect and accept a genuine apology provided it is then followed by positive restorative action.

Apologising is a key element of positive recovery.

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