## **Kluwer Mediation Blog**

## Small businesses are Big !

Andrea Maia (Mediar360 - Dispute Resolution ) · Tuesday, December 30th, 2014

Nowadays, more than ever, we live in a relationship-based environment, where networking, information and experience exchange form, among others, very important pillars of large and small organizations. These important concepts have been widely recognized by large corporations and successful small businesses but, unfortunately, there are still some skepticism from some small business segments, especially from self-made entrepreneurs, as some still tend not to trust or seek third party advice. The ability to remain competitive and ahead of competition is more than ever associated to the capacity to fully understand and interact with its nearby environment.

In an attempt to further spread the dissemination of best practices among small businesses in Brazil, Sebrae (a traditional entity, supported by sizable contributions of the country's large corporations in order to provide support to small businesses and entrepreneurs), has been, for several years, organizing Entrepreneur Fairs at different corners of the country. The Sebrae Fairs have been rapidly growing over the last few years, which clearly demonstrates their acceptance and importance to this important economic segment.

Last month, one of such events took place in Rio de Janeiro. For four days, over 25,000 people could visit 95 stands (from franchise opportunities to sources of finance, e-commerce, social media etc...) and attend conferences provided by experts from all over the world (innovation, creativity, working globally and networking were some of the recurring themes, all within a relationship building setting).

I was fortunate enough to participate in the event and YES, Mediation and Conflict Resolution were also on the agenda. The event organizers, with support from OAB (Brazilian Bar Association), created a kind of "Multidoor Courthouse", where Mediators could not only explain different methods of conflict resolution, but also provide advice to the audience on their real case situations.

Overall, it was an enriching experience to all involved in the project, as over 200 real cases were discussed, ranging from internal conflicts to problems with financial institutions, clients, suppliers and service providers. Among others, most of the problems discussed had their origins in the rapid growth faced by companies, international competition (home and abroad) and the increasingly volatile business environment.

In such a complex scenario, it was almost a consensus amongst all participants that it is very counter-productive if those in charge of running important segments within the organization continue to "waste" their managerial time and energy on tasks not directly associated with the

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company core business (as solving conflicts). In this sense, Mediation could clearly be beneficial to those organizations in areas such as:

- **Client relation** – product specs, pricing, payment schedule are the most common source of problems for companies of any size. A better (straightforward) way to deal with these problems when they arise will certainly improve customer loyalty and repeated sales;

– **Shareholders' conflicts** – especially relevant in family businesses, where conflicts, whether operational, dividends or succession related, may endanger the company's ability to compete (and even survive), Mediation and other ADR techniques, unquestionably, provide very efficient and cost effective tools to deal with these unpleasant situations;

– **Employee relations** – employee disputes (top-bottom, bottom-up, sideways) are a very common theme in almost any business setting. Mediation, and no other tool or technique, will solve this problem permanently, but learning to identify sources of problems (separating personal issues from professional ones) and being able to act upon it will certainly ease the situation. As in any group of people, the successful professionals are those who found ways to overcome their personal problems and cooperatively pursued common objectives.

Finally, a seminar on "**How to Solve Conflicts and Improve Internal Communication**", was also provided in a partnership with OAB (Rio de Janeiro branch). The seminar was hugely popular and the Mediation advantages to the business as a whole were clearly demonstrated to a mixed audience (mostly non-lawyers). At the end, all attendees were invited to reflect upon the importance of preserving personal and commercial relations in a harmonic way as a means to maintain the ability to compete and even survive.

For the next year, Sebrae has already indicated that it intends to double the size of the Dispute Resolution stand, in a sign of the increasing importance and relevance of the growth of ADRs.

Finally, I want to leave you with my wishes for all the very best of luck, laughter and happiness for the new year !

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