

### The Value of a Negotiated Solution over a Litigated One.



**Civil ADR Office Circuit Court for Baltimore City** 111 N. Calvert St., Room 248E Baltimore, MD 21202 410-396-7374

#### **Confident about** your chances at trial?

#### Think again:

- Plaintiffs get it wrong
  2 out of 3 times thinking
  their cases are worth
  more than juries do.\*
- Defendants get it right more often but when they're wrong, it costs a lot.
- Attorney experience does not improve the error rates.

\*Randall L. Kiser, et. al, *Let's Not Make a Deal: An Empirical Study of Decision-Making in Unsuccessful Settlement Negotiations*, 5 J. Empirical Legal Studies 551 (2008).

## The biggest reasons for error?

Losing perspective (yours or your client's)

- "Sunk Cost Bias" is the POWERFUL tendency to throw good money (and time) after bad... to save face.
  - External Blame: Is it really always someone else's fault?
- Distracted by the Other Side: Responding to the latest tactic of the attorney on the other side instead of developing the case and enhancing settlement value.

## Don't lose perspective.

 Is going to trial best for your client?

#### If you win in court, what does your client win?

- Post-trial motions?
- · Appeals?
- Collection costs?

#### Vanishing Trials ...

Your colleagues are trying fewer cases and coming to the table more often for ADR (Alternative Dispute Resolution).

#### Ask yourself: Why?



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## **ADR** / Alternative Dispute Resolution

offers a GREAT DEAL (maybe a better deal) For your CLIENT and YOU!

#### Why?

- LESSTIME
- · LESS RISK
- · LESS COST

#### PLUS . . .

You control your calendar and the outcome.

#### **Consider Early Evaluation ADR**

- Before sinking too much time and money into discovery.
- When key witness depos are done.
- Or a few months after the answer.



# **Prepare for the opportunities ADR presents:**

- Have the parties & those with authority attend ADR sessions in person (insurance, institutions, company reps)
- Set client expectations for ADR vs. adjudication
- Develop a strategy for the negotiation
- Know how to use the neutral