



AIM CONSULTING ASSOCIATES

Case Study

Conflict Management and Negotiations

Situation:

A Fortune 500 manufacturing firm faced major contract negotiations with a union representing thousands of its hourly employees. The company's global competitors enjoyed huge cost advantages, including lower retiree medical burdens, lower wage scales, less current-employee healthcare costs, and newer and leaner manufacturing facilities. The company knew it faced a hard bargain with a strong and prideful union.

Process/Methodology:

The company engaged AIM Consulting to develop and execute a negotiating strategy. Over an 18-month period, we participated in intensive deliberations with corporate executives and various other outside partners. We helped launch a comprehensive process that enabled the company to achieve a major shift from its historical bargaining position. We developed a bold strategy that would enable the company to lower its costs, improve its manufacturing capabilities, and reassure financial markets. Bargaining proved difficult and challenging, but our painstakingly developed approach enabled us to achieve significant gains.

Results:

Once agreement was reached with the union, the company could rightly claim that it had gone a long way toward saving manufacturing operations in North America. It had restructured its labor costs, substantially reducing its retiree health care liabilities. It had also achieved wage and plant-adjustment flexibilities to improve its financial position. The agreement negotiated set a significant precedent for employers in other manufacturing industries.