Good Fences, but Good Neighbor?

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Introduction

“Deer? Not again!” As Trent inspected the half-eaten blossoms on his peach trees, he wondered what he had gotten himself into. Only a few years before, he left a large city and moved several thousand miles to acquire an old farm and orchard on the outskirts of a small town. His spouse was originally from the town and wanted to return to live closer to her family. Trent negotiated what he believed to be a good purchase price on an expansive property. The property was previously owned by a prominent family in the community that was well-known around town. However, the property had since gone into foreclosure and, at the time of purchase, sat in a state of dilapidation, disrepair, and decay.

Trent’s first priority was to restore the orchard. He planted many trees in the first year of his curative efforts. Pear, peach, apple, plumb, and cherry trees were added to existing orchards in an effort to revitalize a once-profitable enterprise. To his dismay, by early summer the young trees had not flourished. Quite the contrary, they had been bent, broken, and stripped of every single leaf. A pest had killed every one of the young trees.

That pest was the American mule deer. It became very obvious that for an orchard to be viable, the deer would have to be removed or in some other way kept out of the orchards. After careful and thorough research, Trent decided that a deer fence was the most effective and efficient means to carry out the goal of keeping deer off of the property. The good news was that he would not have to build the entire fence from scratch. Nearly half of the property was ringed by segments of sturdy fence that had installed by previous owners and remained in good condition. Nonetheless, Trent would still need to look for a local contractor who could install an additional 2,238 feet of fence line on short notice and at a low price.

Before soliciting any bids for the job, Trent talked to the neighbor in the property adjacent to his. Trent’s neighbor, whose name was Paul, was from out of town and lived most of the year in another state. The property next to Trent’s was Paul’s second home, a vacation home for summers. Paul was friends with the parents of Trent’s spouse and he seemed easy enough to talk to, although he and Trent’s conversations rarely went much beyond a wave and small talk at the mailbox.
At first, their discussion had been about light topics such as the weather. Increasingly, however, they had begun to talk more about the inadequate fencing surrounding their adjoining properties and what to do about the deer. Although Paul did not have extensive orchards on his property, he told Trent that his wife did enjoy gardening and the deer had trampled her flowers and eaten her produce. But Paul said that his bigger concern was how the dysfunctional sections of fence surrounding their properties had become an embarrassing eyesore that threatened to drive down their property values.

Because of the layout of Trent’s property relative to the hills and open fields from which the deer descended to nibble at his trees, Trent and Paul determined that approximately 350 feet of fencing would have to be built over Paul’s property to close the fence and effectively keep out the deer (see Figure 1 for a map of Trent’s property relative to Paul’s). Thus, Trent met with Paul and agreed that the two of them would purchase the materials for the new segments of fencing on their properties and that Trent would hire a contractor to install the fencing.

Figure 1: Map of Trent’s Property.

![Map of Trent’s Property](image)

Key:  
- **Existing, Usable Fence**  
- **Unusable Fence (New Fencing Segments Needed)**

After securing his neighbor’s approval, Trent purchased $6,550 of supplies for the job and found a fencing company that agreed to a three-week deadline at a price of $1.50 per foot, far below the industry standard. But when the price is too good to be true, you know what usually happens. A
month passed and then two months, but the workers showed up only sporadically. What little had been installed bore only a slight resemblance to a fence. To Trent’s chagrin, of the hodgepodge of poorly constructed fence posts that were installed, many were hammered into the ground upside down. In short, it was a fiasco. The contractor either did not know what he was doing or was unwilling to perform as clearly instructed.

Finally, after nearly three months of frustration and with the end of summer drawing near, Trent fired the fence contractor and consulted with Paul about what to do about the ugly, unfinished fence. They were both fed up. Once it became clear that the contractor was in over his head and would not be able to finish the job, Trent stopped all further payments. He considered trying to recoup his lost investment of $7,750, but doing so would have required going to small claims court, which Trent did not want to do. Paul had already invested $2,750 in fence fabric, posts, installation supplies, and labor, but he was not interested in pursuing litigation, either.

Even though finishing the fence would cost Trent an extra $8,000-10,000, Trent told Paul that he was determined to find a fence company that could actually accomplish the job in the correct manner, even if that meant reinstalling the fence from scratch, before the winter snow began to fly.

**Starting Over**

By the beginning of September, Trent had launched an exhaustive search for a company that had the experience, equipment, and knowledge to complete the job. He made contact with “Cody,” the manager of T&C Contracting, which had experience in fence installation projects. Cody and Trent chatted for a few minutes and found that they had mutual friends. Trent hoped to use that affinity to build a relationship and initial trust. Trent scheduled a time to show Cody the job so that Cody could give a bid for the labor, since Trent had already purchased all of the necessary supplies.

At the scheduled time, Trent and Cody met and walked the entire fence perimeter to inspect the work of the previous fence installer. It became clear that the new fencing put in by the first contractors had been so poorly installed that it would essentially have to be removed and reinstalled. Cody indicated that his company could do the job and that he had done similar jobs in the past. With only a month or two of dry weather before the winter set in, Trent emphasized that speed would be important. Cody said that he would get a bid to Trent within two or three days.

While waiting for Cody’s bid, Trent considered what he might do if he could not reach a reasonable agreement to repair the fence. His alternatives were not good, because the sorry condition of the existing fence would do little to keep the deer away from his orchards. He concluded that without installing a new fence, his dreams of restoring the orchards and agricultural operation on his property would amount to nothing. The sooner the fencing could be done the better, since spring weather was often too wet and unpredictable to install fencing and the budding trees would need protection from day one if they were going to be able to produce fruit in the coming year. On the other hand, Trent could not afford to waste any more money. He wanted the job done right this time and was willing to wait to find a qualified contractor who
could install the fencing at a reasonable price. Trent figured that his conversation with whomever he contracted to do the work would be primarily about price. He was on a limited budget, but he also knew that there were a lot of local contractors who were looking for work, especially in the autumn when demand for fence installation was typically much lower.

Trent investigated the standard for labor for deer fencing in the local area and found that the range was $4.00 to $5.00 per foot. At $4.00 per foot for the 2,238 feet of fencing, that would work out to $8,952 in labor costs, plus other expenses. Assuming that he would provide the supplies and equipment, Trent decided that he should not pay any more than $10,000 for the job.

**Getting to Know You…**

Two days after showing Cody the job, Trent received a call from Cody with a bid of $15,800 for the labor to build the fence. Trent drew in his breath and measured his words before answering. He knew that Cody had quoted an excessive amount and would have significant room to negotiate downward. Trent told Cody that the bid was too high and that the price would need to be reduced, without giving Cody a counteroffer. Trent refused to be anchored to the value attributed to his labor.

Cody seemed a little disappointed but not fazed. He promised to see what he could do and then to call Trent back. After hanging up the phone, Trent called a family friend who ran in the same social circles as Cody. Trent explained to his friend that he had found Cody’s number in the classified ads, but wanted to know if Cody was qualified and trustworthy. Trent’s friend said that he thought Cody was legitimate and qualified. According to the friend, Cody had been in business for a while and had a reputation for working hard and shooting straight.

Why then, Trent wondered, did Cody submit such a ridiculously high first bid? Trent made a couple of phone calls to friends who worked in the construction business to see if they were familiar with Cody’s work. Both of them explained to Trent that Cody was known to enjoy the “negotiation game,” the back-and-forth exchange of offers and counteroffers. They warned Trent to expect Cody to make an exorbitantly high initial offer to test whether Trent would be knowledgeable about the going rate for fencing or able to afford to overpay for the project.

The next day, as he sat at his desk, thinking about Cody’s offer, the phone rang. It was Cody, who offered to do the job for $14,200. Trent said that he wanted to be able to give Cody the job, but Cody’s bid was just way too high. Trent conceded that he could use his skid steer loader for the job if that would help lower the bid. There was a long pause on the other end, followed by a heavy sigh. As Cody spoke, Trent could hear the stress in his voice – not necessarily directed at Trent, but the familiar stress of managing the burdens of running a business. Cody said that he would recalculate the bid again and call back.

**A Promising Development**
Although hopeful, Trent was not entirely optimistic that he and Cody would be able to reach an agreement. Then, later that day, Trent ran into the family friend who knew about Cody. After some small talk, this friend asked how the negotiation was going. He explained to Trent that Cody had a new problem: A large construction job that his company had been working on had just been postponed the day before, meaning that several of Cody’s employees had no work. Trent suddenly realized that he had additional leverage to develop a better deal – he knew that Cody would be motivated.

When Cody called the next day, he asked what Trent could spend on the project. Trent explained that he had budgeted $8,500 dollars for the fence. Cody responded that he could complete the fence for $11,500. Trent told Cody that $11,500 was just too much, but that he thought Cody would be good for the job and that he really wanted to make it work.

With the negotiations headed toward a possible impasse, Trent decided to add an issue to sweeten the deal. He told Cody that his family owned a ranch that needed about 5,000 feet of barbwire fencing. Trent told Cody that if Cody’s company could cut him a deal on this project, Trent would talk his family into giving Cody preference on the bidding for their job as well. Cody’s ears perked up and his eyes widened. He seemed to like that idea. Trent asked if Cody and his employees would consider taking a little less for this job (with the knowledge that Cody’s employees were sitting idly at home with no work to do). Cody said he would check to find out. Knowing that Trent could offer Cody additional work and that Cody would be facing a dilemma, Trent hoped that Cody and his employees would accept less compensation.

**The Agreement**

The next day Cody called back and said that his company would take less and could do the job for $10,500. Trent explained that this amount was still over his budget, but it would work if Cody did not use Trent’s equipment. Also, instead of paying the full amount in a single lump sum, Trent asked if he could make two payments of $1,000 after the job was done, which Cody agreed to. These two concessions were very important to Trent. The use of his equipment alone easily saved $1,000 in costs and wear and tear. Furthermore, Trent only had $8,500 readily available for the project, so delaying the two $1,000 payments would give him enough time to amass the rest of the money.

But after his terrible experience with the previous contractor, one important term remained to be negotiated. Trent requested that he would pay Cody each day for approximately the amount of work his crew completed that day. This significantly lowered Trent’s risk of Cody walking off the job with the money without getting anything done. Cody agreed to these terms and Trent celebrated, believing that the deal was finished.

**The Thrill of Victory…and the Agony of Disappointment**

Trent felt quite good about the deal that he had struck with Cody. Cody had moved significantly off of his original asking price to a price that Trent could afford. The two of them had been able
to add issues to the table, such as the terms of payment and the use of Trent’s equipment, which made the deal much better for Trent. And it would be a good deal for Cody, who would be able to put his idle employees to work and who would receive inside consideration for another, bigger job at Trent’s family’s ranch.

But amid Trent’s personal celebration, there was a major contingency that he had not thought much about – his next-door neighbor, Paul. Since the effectiveness of the fence required that Paul also complete the 350 feet of fence line on his property, Trent needed Paul’s final approval of the deal before the contract could be signed.

Paul was out of town, but Trent was able to reach him by phone. Trent described the terms of the agreement and explained that Cody was eager to complete the full project at what Trent considered to be a very reasonable price. Trent expected Paul to express great enthusiasm. After all, his neighbor had been party to the previous installation fiasco and had already invested a lot of money in purchasing supplies for the new fencing. Instead, from the tone of his voice and his puzzling evasiveness in making a commitment to call Cody, Trent suddenly realized that Paul was not as pleased about the agreement as he was.

A couple of days later, Trent received a phone call from Cody, explaining that he had received word from Paul that the deal was off. Trent’s first reaction was, “You’ve got to be kidding me.” Trent knew that Paul had the money and had already purchased the materials to finish the project. At one time, Paul seemed more excited about getting the fence fixed than he did. Trent saw no logical reason why Paul would delay finishing the fence. But as weeks passed, Trent’s small window for completing the project rapidly closed.

Due to the layout of the property, it was crucial for Paul to finish his section; otherwise, the very purpose for having the fence would be defeated. The deer would sneak in through his unfinished portion and render Trent’s portion of the fence ineffective. Trent watched helplessly, and then angrily, as he was unable to act upon the hard-won deal that he and Cody had struck because it was completely contingent on his neighbor being on board.

The Aftermath

Trent felt like he had failed in this negotiation even though he had succeeded. In a way, he was sabotaged by a third party whom he had overlooked as a major barrier in the negotiation process. His neighbor had been vocally enthusiastic during the negotiations with the first installer, so Trent assumed that Paul would feel the same way about the reinstatement. Trent did not realize it at the time, but he suspected that Paul must have felt duped by the previous contractor and was determined to not let it happen again.

Maybe Paul had lost trust in Trent because the first contractor Trent had hired did not work out so well. From Trent’s perspective, Paul may have developed an outsized perception of the risks of getting a fence built based on the bad experience with the first contractor. Or because Paul lived elsewhere during the winter, perhaps he had simply lost interest in pursuing the project.
Regardless of why, Trent felt like he had been blindsided. He never saw his neighbor’s unwillingness to cooperate coming.

Trent still needed to build a deer fence for the profitability of his orchard, but he could not make any assumptions that any part of negotiation would work out without confirming the details with all parties first. He was frustrated, but knew that he had to get Paul’s cooperation. This time, he would get it in writing.

It is so easy to take others’ perceptions for granted, but when you do, the consequences can be very visible. For now, anyone who drives up Trent’s road will see a shoddily and partially constructed fence waiting to be finished.