• **Binding Resolution Stage.** When all other efforts at resolution have failed, it is necessary to have a “back stop” adjudication process in which the dispute will ultimately be resolved by a third party – preferably in an expert, prompt, efficient and private manner – such as arbitration.

These stages can be graphically illustrated by the following “stair step” sequential model developed in the construction industry, which lists techniques in the order in which they would normally be employed in the life of the dispute, beginning first with the techniques that help most in preventing or controlling disputes and offer the greatest potential for saving money and preserving relationships.

In this paper we will deal principally with techniques proactively preventing and controlling disputes, and therefore it will not address in any detail the well-known traditional ADR processes that are involved at the Nonbinding Facilitated Resolution Stage or the Binding Resolution Stage. However, it is prudent to note that any carefully-crafted dispute prevention and resolution process should recognize that every dispute resolution system must ultimately include a binding dispute resolution process. If the parties do not designate arbitration as their binding method, then, by default, litigation becomes the final and binding dispute resolution method.

### Dispute Resolution Stages and Steps

![Dispute Resolution Stages and Steps](image)


None of these techniques is immutable, and they can all be adapted to fit the special needs of any particular transaction. Individual techniques from two or more stages can be combined into multi-level dispute resolution systems.