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The Use of Standing Neutral in Vested Deals

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Sammendrag

Formålet med denne masteroppgaven er å studere hvordan og hvorfor bedrifter i Facility Management-bransjen velger å implementere Standing Neutral i Vested outsourcing-avtaler. Mange bedrifter outsourcer sine Facility Management-tjenester, men disse kunde-leverandør-relasjonene er ofte preget av et ubalansert partnerskap der en part undergraves av den andre. For å løse konflikter som kan oppstå i denne typen situasjoner, tyr selskaper vanligvis til Alternative Dispute Resolution-teknikker (ADR), som mekling. Disse ADR-teknikkene er reaktive, noe som betyr at de implementeres etter at det allerede er konflikt mellom partene, og det kan av denne grunn bli problematisk å ivareta relasjonen. Det kan således argumenteres for at det er behov for en ny tilnærming som er mer proaktiv og sikrer gode muligheter for langsiktig samarbeid. Standing Neutral foreslås som et slikt alternativ. En slik proaktiv og nøytral tredjepart er vanligvis en del av styringsstrukturen, og kan være en umiddelbart tilgjengelig ressurs dersom problemer skulle oppstå.

Standing Neutral har blitt benyttet i outsourcing-avtaler i flere tiår, men effekten av denne ADR-teknikken innenfor Facility Management-industrien krever mer forskning. Denne masteroppgaven tar for seg bruken av Standing Neutral i Vested-avtaler innenfor nevnte bransje. Vested-modellen karakteriseres av selskaper som ønsker å samarbeide og skape en vinn-vinn-situasjon for alle parter. Standing Neutral ble først introdusert som en del av Vested forretningsmodellen i 2011.

Studien er designet som en eksplorativ flercasesstudie av hvordan og hvorfor bedrifter bruker Standing Neutral i sine Vested-avtaler. Metodologisk og metodisk anvendes kvalitative semistrukturerte intervjuer av eksperter og informanter i Vested-avtaler. Funn i studien tyder på at det er flere fordeler ved å bruke Standing Neutral i Vested-avtaler, blant annet fordi eskalering av problemer kan unngås gjennom den nøytrales proaktive tilnærming i relasjonen. Videre antyder studien at Standing Neutral som en ADR-teknikk kan modifiseres for å møte partenes behov, samt at det kan være konstruktivt å bruke en kombinasjon av Standing Neutral-roller. Studien konkluderer med en revidert forklaringsmodell av konseptet Standing Neutral, som muligens kan bidra til større forståelse for den nøytrales rolle og potensialer i Vested-avtaler eller andre relasjonsbaserte kontrakter.

Nøkkelord: Outsourcing-kontrakter, Facility Management, Alternative Dispute Resolution, Vested foretningsmodell, Standing Neutral, Eksplorativ flercase studie

Abstract

The purpose of this master's thesis is to study how and why companies in the Facility Management industry choose to implement Standing Neutral in Vested outsourcing agreements. Many companies outsource their Facility Management services, but these buyer-supplier relationships are often characterized by an unbalanced partnership in which one party undermines the other. To resolve conflicts that may arise in this type of situation, companies typically resort to Alternative Dispute Resolution (ADR)-techniques, such as mediation or arbitration. These ADR-techniques are reactive, which means that they are implemented after there is already a conflict between the parties, and for this reason it can be problematic to maintain the relationship. It can thus be argued that there is a need for a new approach that is more proactive and ensures good opportunities for long-term cooperation. Standing Neutral is suggested as such an option. Such a proactive and neutral third party is usually part of the governance structure and can be an immediately available resource should problems arise.

Standing Neutral has been used in outsourcing agreements for decades, but the effect of this ADR-technique in the Facility Management industry requires more research. This master's thesis deals with the use of Standing Neutral in Vested agreements within the mentioned industry. The Vested model is characterized by companies that want to collaborate and create a win-win situation for all parties. Standing Neutral was first introduced as part of the Vested business model in 2011.

The study is designed as an exploratory multi-case study of how and why companies use Standing Neutral in their Vested agreements. Methodologically the study rests on qualitative semi-structured interviews of experts and companies in Vested agreements. Findings in the study suggest that there are several benefits to using a Standing Neutral in Vested deals, for example, escalation of problems can be avoided through the neutral's proactive approach in the relationship. Furthermore, the study suggests that Standing Neutral as an ADR-technique can be modified to meet the needs of the parties, and that it might be constructive to use a combination of Standing Neutral roles. The study concludes with a revised model of the concept of Standing Neutral, which may contribute to a greater understanding of the neutral's role and potentials in Vested agreements or other relationship-based contracts.

Key words: Outsourcing contracts, Facility Management, Alternative Dispute Resolution, Vested business model, Standing Neutral, Explorative multiple case study

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Oslo, 16th of May 2022

A handwritten signature in black ink, reading "Jenny Marie O. Myhre". The signature is written in a cursive style with a large, looping initial 'J'.

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1.0 Introduction

An increasing number of companies outsource their facilities management services, but the buyer-supplier relations are unfortunately often characterized by an adversarial, opportunistic win-lose mindset (Frydinger et al., 2019). These types of deals might be unsustainable and short-lived because parties end up in conflicts which they cannot resolve themselves. The application of neutral, third parties as Alternative Dispute Resolution (ADR) is a common way for parties in outsourcing deals to resolve disputes (Hietanen-Kunwald & Haapio, 2021, p. 3). However, applying traditional ADR-techniques like mediation and arbitration as reactive responses when the relationship between the parties has already gone sour do not seem to do the trick (Hietanen-Kunwald & Haapio, 2021, p. 6). Rather, it seems to be a need for another approach that prevents disagreements before they escalate into insoluble conflicts that harm the relationship (Frydinger et al., 2019).

Therefore, this master's thesis proposes Standing Neutral, a proactive ADR-technique with a facilitating role as a solution to unhealthy buyer-supplier relations (Vitasek et al., 2019, p. 4). The role of Standing Neutral is to help parties maintain a robust relationship throughout a deal by advising parties on issues before they escalate to conflicts (Vitasek et al., 2019, p. 12). The pre-emptive nature of Standing Neutral thus fosters a trustworthy and aligned environment, which is an important relational governing mechanism for ensuring long-term cooperation (Williamson, 2008, p. 6). Standing Neutral is not a new idea. The construction industry already used preventive techniques in the 19th century. In 1975 the construction industry integrated the idea of a Dispute Review Boards, consisting of three board members embedded as part of governance (Vitasek et al., 2019, p. 21). In 1991 the term Standing Neutral was first used to characterize a Dispute Review Board (Vitasek et al., 2019, p. 9), and the concept was adopted into the Vested business model in 2011.

Vested is a type of formal relational contract with a framework that establishes collaborative and trusting outsourcing deals (Vitasek & Manrodt, 2012, p. 6). Vested has rules and principles that guide the parties towards a healthy buyer-supplier relationship, with the goal of creating long-term cooperation (Vitasek & Manrodt, 2012, p. 6). This 'what's in it for we'-philosophy contrasts to the adversarial mindset that so often characterize outsourcing deals. Vested thus has the opportunity to prevent or resolve some of the issues that might occur and harm buyer-supplier relationships (Frydinger et al., 2019). In relation to this, Vested

advocates for the use of Standing Neutral, as a supporting, neutral third party to maintain the trust and alignment between parties in a complex outsourcing deal (Vitasek et al., 2019, p. 2). Because of its pre-emptive nature and small cost, Standing Neutral can also be considered a cheaper and less time-consuming alternative to more well-known ADR-techniques, like mediation and arbitration (Vitasek et al., 2019, p. 38).

The purpose of this master's thesis is to study how and why companies integrate Standing Neutral into their Vested outsourcing deals through qualitative interviews. There is little research on the use of Standing Neutral other than in the construction industry and this master's thesis is a contribution to literature through the study of Standing Neutral in the setting of the Facility Management industry. Facility Management services, like cleaning and security, are commonly outsourced by companies because it often is a cheaper alternative than producing them in-house (Kurdi et al., 2011, p. 450). By outsourcing Facility Management services, companies can save costs, improve quality and have the opportunity to focus on core activities (Kurdi et al., 2011, p. 452). There are many examples of Vested deals within the Facility Management sector (Frydlinger et al., 2016; Frydlinger et al., 2019; Vitasek et al., 2019) and the three cases that are studied in this master's thesis have Facility Management outsourcing deals.

1.1 Research problem and research questions

With basis in the introduction, the following research problem is formulated: *How and why do some companies use Standing Neutral throughout the life of a Vested deal in the Facility Management industry?*

Additionally, two research questions are formulated:

1. How do companies in the Facility Management industry apply Standing Neutral in Vested deals?
2. What creates the need for Standing Neutral in Vested deals for companies in the Facility Management industry?

1.2 Structure

This master's thesis is divided into 7 chapters:

1. The **Introduction** establishes the topic of interest: the use of Standing Neutral in Vested deals in the Facility Management industry. Additionally, the research problem and research questions are presented.
2. **Theory** outlines the theoretical background for this master's thesis and six propositions will be presented in relation to this.
3. In the **Method** chapter, the methodology of the design is discussed.
4. **Findings and analysis** review the results of the qualitative interviews in relation to theory and propositions are supported, modified or not supported.
5. In the **Discussion** chapter, the research questions are answered, and the main findings from the analysis is discussed. Theoretical and practical implications are considered.
6. **Limitations and future research** concerns questions of reliability and validity in the case study and suggest future research.
7. **Conclusions** sum up the most important remarks from the research study.

2.0 Theory and propositions

When companies outsource their facilities services, they enter into alliances, and a buyer-supplier-relationship emerge. If the parties consider the alliance to be beneficial for them, they should integrate governing mechanisms to secure long-term cooperation (Williamson, 2008, p. 6). Literature on contract theory suggest two types of governing mechanisms relevant to coordination and cooperation in outsourcing deals: contractual and relational governing mechanisms (Keller et al., 2021, p. 1542). Extended research has been done considering how such governing mechanisms interplay, and the interest in the topic seems to increase.

2.1 Contractual governing mechanism

Contractual governing mechanisms are characterized by mutually agreed, well-specified rules and obligations, with the purpose of controlling unfortunate actions, acts of opportunism for instance (Cao & Lumineau, 2014, p. 17). The benefits of creating tight and detailed contracts, is that companies can safeguard themselves against self-interest driven activity, which potentially can harm the buyer-supplier-relationship (Keller et al., 2021, p. 1544). These types

of contracts are defined as ‘complete’ by Hart (2017), indicating that every possible outcome that may happen, is formalized in the contract (Hart, 2017, p. 1732). Keller et al. (2021) divide the contractual governance into two parts: *formal* and *informal* (Keller et al., 2021, p. 1559).

A formal contractual governance is legally enforceable rules with power to make sure that the parties keep their promises (Keller et al., 2021, p. 1559). A disadvantage with the formal contractual governance is that it can send signals of control and monitoring, which potentially can undermine the buyer-supplier-relation (Keller et al., 2021, p. 1559). Additionally, complete, formalized contracts are costly and time-consuming to create and govern (Keller et al., 2021, p. 1559). *An informal contractual governance*, on the other hand, might be considered more cost and time efficient because the parties does not use resources on developing detailed formulated principles and agreements in the contract (Keller et al., 2021, p. 1559). However, this might cause dispute later on, since the parties might misunderstand or misinterpret a more loosely formulated contract (Keller et al., 2021, p. 1559). However, Hart (2017) argues that creating complete contracts is impossible, because nobody can fully predict what might happen in the future (Hart, 2017, p. 1732). This argument indicates that there will always be events, actions and outcomes that contractual mechanisms cannot govern, which in turn could cause unfortunate actions, unwanted behavior and even conflict between buyer and supplier.

2.2 Relational governing mechanism

Relational governing mechanism implies contracts that are self-enforcing through social norms where trust is an important cause for securing cooperation and reciprocity between parties (Keller et al., 2021, p. 1544). The benefit of having trust and relational norms as part of governance, is that they potentially can prevent acts of opportunism (Keller et al., 2021, p. 1544). Keller et al. (2021) also divide the relational mechanism into *formal* and *informal* governances. *Formal relational governance* entails written documents or contracts that govern the relation between parties, with the intention to strengthen valid and sincere information exchange and communication for example (Keller et al., 2021, p. 1564). *Informal relational governance* is about self-enforcing norms not formulated in the contract, trust for example (Keller et al., 2021, p. 1564). If parties in an outsourcing deal experience changes or

disruptions, for example a change of employees, this can potentially lower the level of trust in the relation. Keller et al. (2021) thus argue for the importance of formal relational governance as an important foundation in interaction between parties, which in turn can help build trust (Keller et al., 2021, p. 1564).

2.3 Combining contractual and relational governing mechanisms: substitutes or complements?

The interplay between contractual and relational governing mechanisms is, and has been for years, a source for discussion. There are three main logics related to the discussion: The substitution logic, The complementarity logic and a combination of both. *The substitution logic* entails that an increase in one governing mechanism will decrease the benefits of the other governing mechanism (Keller et al., 2021, p. 1544). Research by Rai et al. (2014) show *trust* to be substitutive for all three contractual governing mechanisms mentioned in the article “Hybrid Relational-Contractual Governance for Business Process Outsourcing” (Rai et al., 2012, p. 219). For example, when trust increases between the parties in an interorganizational relational alliance, it decreases the need for goal expectations in the contract (Rai et al., 2012, p. 240). Goal expectations becomes redundant when none of the parties expect the other to act out of self-interest. Further, the study showed that trust substitute the need for activity expectations and thus monitoring of every activity, because trust creates expectations of fair operation. Lastly, Rai et al. (2012) revealed that trust also substitute for contractual flexibility (Rai et al., 2012, p. 241). Flexibility in the contract entails clauses and contingencies to help respond to uncertainties in the environment. Trust removes the need for contractually specifying actions, because parties can be certain that the other will handle problems in a satisfactory way without acting opportunistic (Rai et al., 2012, p. 225).

The complementarity logic implicates a beneficial increase in one governing mechanism when the other governance mechanism increases (Keller et al., 2021, p. 1544). An example of this can be contractual governance mechanisms complementing relational governance mechanisms, as some parties view formalized rules as a source of inspiration to create a cooperative nature (Cao & Lumineau, 2014, p. 19). Cao & Lumineau (2014) also suggest the two governing mechanisms to be ‘compensating mechanisms’, meaning that limitations in one part can be fulfilled through the other (Cao & Lumineau, 2014, p. 19), which alludes to

the third logic. The third logic is of newer date and states that neither of the ‘camps’ are right or wrong but that ‘the truth’ lays somewhere in-between the two (Keller et al., 2021, p. 1565). Keller et al. (2021) argue that the combination of both governance mechanisms is dynamic and depends on the setting and situation (Keller et al., 2021, p. 1565).

2.4 Problems in outsourcing contracts

2.4.1 Managing levels of trust

Governing mechanisms’ purpose is to manage the alliances and they turn especially relevant when parties experience disruptions in relation to their contract (Keller et al., 2021, p. 1547). Disruptions are changes which complicates the continuity of the relation and might create problems like distrust and misalignment (Keller et al., 2021, p. 1547). As discussed above, trust, an informal relational governance mechanism, seem to have strong advantages in relation to managing a contract (Keller et al., 2021; Rai et al., 2012). Ndubisi & Umar (2018) argue trust to be an important aspect in outsourcing contracts, because it shows commitment to the buyer-supplier relation and facilitates a long-term relation (Ndubisi & Umar, 2018, p. 50). Following this, Ndubisi & Umar (2018) explain that trust can prevent disputes, and that it is critical to maintain the trustworthiness throughout the buyer-supplier relation (Ndubisi & Umar, 2018, p. 50). This thus indicate that low levels of trust can have negative consequences for an outsourcing deal, because distrust is a source of opportunism and lack of commitment and cooperation (Keller et al., 2021; Ndubisi & Umar, 2018).

In situations where parties have low levels of trust, they compensate by governing the relation through contractual governing mechanisms. Williamson (2008) calls this approach to outsourcing contracts for ‘muscular’, which is characterized by a win-lose mindset (Williamson, 2008, p. 10). Muscular buyers force suppliers to lower their prices and ‘use up’ their suppliers in an act of opportunism (Williamson, 2008, p. 10). Contrasting to the muscular approach is the so-called ‘benign’ approach to outsourcing, which constitutes trust as the central aspect (Williamson, 2008, p. 10). This approach identifies a situation where one party have too much trust in the other part, which often result in exploitation through acts of opportunism (Williamson, 2008, p. 10). In-between the muscular and benign approach is the ‘credible’ way of contracting. Here, there is neither too much or too little trust, but the parties

have a realistic view of the business dynamics and an awareness that contracts are incomplete (Williamson, 2008, p. 10).

2.4.2 Lack of credibility and clarity

Gibbons et al. (2021) argue that building relational governing mechanisms, like trust, can be hard (Gibbons et al., 2021, p. 1). In relation to this, they explain that solving problems of clarity and credibility is fundamental (Gibbons et al., 2021, p. 2). The credibility problem addresses problems of promises – if parties in a buyer-supplier relation believes that the other is sticking to the agreement they initially made, they have credibility (Gibbons et al., 2021, p. 2). Gibbons et al. (2021) use the term ‘equilibrium’ to define the credibility problem, and research shows that equilibrium quality increase when there is clarity. The clarity problem is related to shared understandings of promises, which further indicates that a lack of clarity also has consequences for credibility – if the parties does not have clarity, they will not have credibility (Gibbons et al., 2021, p. 2).

Research by Gibbons et al. (2021) suggest that parties who in collaboration create a contract based on principles, rather than simply agreeing on rules, achieve more clarity. Additionally, the study shows that principles increase the chance for reaching equilibrium, also after experiencing disruption, a ‘shock’ (Gibbons et al., 2021, p. 10). However, Gibbons et al. (2021) found that it is not the principles in itself that increase the chance of reaching an equilibrium, but the shared understanding of them (Gibbons et al., 2021, p. 15). This study reveals the importance of creating clarity early in a buyer-supplier relationship and that having relational contracts can help parties solve problems of clarity when disruptions occur. Furthermore, clarity may affect the level of trust in the relational contract. When parties have a shared understanding, it can create a deeper level of trust (Rogers & Fells, 2017, p. 7).

2.5 Solutions to problems in outsourcing contracts

2.5.1 Alternative Dispute Resolution

As presented in the previous chapters, problems of clarity and credibility and low levels of trust might occur in relationships between buyer and supplier in outsourcing contracts. If

these problems are not solved, they can lead to disputes or conflict, which potentially end up in costly litigations. When a buyer-supplier relation reaches a state where they disagree, they might choose to implement Alternative Dispute Resolution (ADR) methods to resolve the issues (Todorović & Harges, 2022, p. 2). ADR are techniques for settling dispute outside court and the most well-known alternative are negotiation, mediation and arbitration (Todorović & Harges, 2022, p. 2). These ADR-techniques consist of neutral, third parties who are brought into the buyer-supplier relation with the purpose of giving benefits like “(...) lower costs, quicker dispute resolutions, and outcomes that preserve and sometimes even improve relationships” (Vondra & Carver, 1994, p. 2).

Todorovic & Harges (2022) recommends using a negotiator to find a solution to dispute, but that mediation and arbitration is the next step if negotiation is unsuccessful (Todorović & Harges, 2022, p. 2). A mediator is a neutral, third party with the purpose of helping parties negotiate a settlement in cooperation, which satisfies both parties (Todorović & Harges, 2022, p. 6). This means that the mediator only facilitates an agreement, they do not have binding power to make decisions for the parties. Mediation is considered a cost and time efficient way of resolving disputes as it prevents more expensive solutions, like arbitration or litigation. In arbitration, a neutral third party acts like a judge in a courtroom where the parties present their evidence and arguments to the third party, who takes the final, binding decision (Todorović & Harges, 2022, p. 4). Arbitration has been considered best practice for years, because it was assumed to be a cheaper and quicker alternative to litigation (Vondra & Carver, 1994, p. 1). Nowadays, academics perceive arbitration just as cost and time ineffective as going to court (Todorović & Harges, 2022, p. 4). The reason for this is that the arbitration process often is similar to litigation and has received the reputation of being ‘litigation-in-disguise’ (Vondra & Carver, 1994, p. 6). This is based on a lack of commitment and cooperation, because the parties have a win-lose-mindset going into arbitration (Vondra & Carver, 1994, p. 5).

Hietanen-Kunwald and Haapio (2021) argue that arbitration and litigation are related to situations where dispute already has escalated into conflict and suggest that the focus instead should be on prevention (Hietanen-Kunwald & Haapio, 2021, p. 4). As mentioned, arbitration and litigation are costly, and Hietanen-Kunwald and Haapio (2021) consider a proactive dispute resolution strategy, like mediation, to be more cost efficient (Hietanen-Kunwald & Haapio, 2021, p. 5). Implementing proactive ADR-techniques can also help maintain a collaborative environment for the buyer-supplier relation, which often already is ‘broken’

when arbitration or litigation becomes the alternative (Hietanen-Kunwald & Haapio, 2021, p. 7). This argument is exemplified by Hietanen-Kunwald and Haapio (2021) through Friedrich Glasl's 9-stage model, which show how cooperation between a buyer and supplier change as conflict escalate (Hietanen-Kunwald & Haapio, 2021, p. 7). The nine stages are sub-divided under three levels of escalation, which simplifies the model to some degree and is presented here as Figure 1:

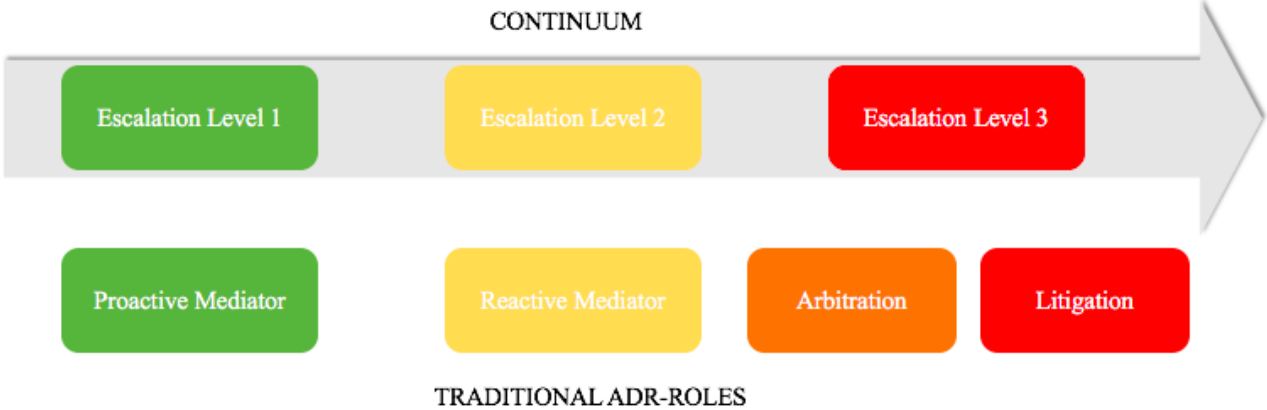


Figure 1 – Overview of Glasl’s 9-stage model. Adapted from: Hietanen-Kunwald and Haapio (2021)

During the first level of escalation there is some tension between the parties, but they are still committed to resolving their issues through fair discussion and negotiation (Hietanen-Kunwald & Haapio, 2021, p. 7). Hietanen-Kunwald and Haapio (2021) consider using a mediator at this level to facilitate a fair and honest negotiation process to maintain the buyer-supplier relationship. This way, the mediator can be considered to be a proactive ADR-technique, because it potentially prevents further escalation of conflict. This is illustrated as ‘Proactive Mediator’, with the color green to symbolize that the relationship still is characterized by cooperation (see Figure 1). In second level of escalation (see Figure 1), the conflict level changes into being a competition where only one party can win, and credibility is completely gone (Hietanen-Kunwald & Haapio, 2021, p. 7). Here, a mediator can be brought in to try and facilitate some sort of solution (Hietanen-Kunwald & Haapio, 2021, p. 7), but as dispute already has occurred, this form of mediation can be considered to be reactive. This is presented as ‘Reactive Mediator’ in yellow, a color which is meant to demonstrate that the relationship has been negatively affected by the conflict and will end (see Figure 1).

The third and last level of escalation (see Figure 1) has no winners (Hietanen-Kunwald & Haapio, 2021, p. 7). The buyer-supplier relationship is beyond saving at this point and the parties' goal is to go out of the conflict as the least damaged part (Hietanen-Kunwald & Haapio, 2021, p. 7). At this point of escalation, Hietanen-Kunwald and Haapio (2021) argue that arbitration, or even litigation, are the only alternatives left that the parties could use to end the conflict and relation. Arbitration is presented in orange and litigation in red, because they are implemented reactively and as symbols of a buyer-supplier relationship which cannot be saved (see Figure 1).

All in all, the 9-stage model of Glasl demonstrates how a buyer-supplier relationship is affected by the level of conflict escalation and how different ADR-techniques can come in and try to facilitate a solution and prevent further escalation.

2.5.2 The Vested business model – a type of formal relational contracting

As discussed, problems often occur in complex outsourcing contracts when the buyer and supplier have implemented a governance that does not foster trust or clarity and credibility. Consequently, low levels of trust or problems of clarity and credibility might result in conflict and litigation. In relation to this, Frydinger et al. (2019) argue that the solution is a formal relation contract with a win-win-philosophy and relationship-building components, a methodology like the Vested business model (Frydinger et al., 2019). Vested initially started as a research project to study almost 50 years of “(...) successful outsourcing relationships using collaborative practices”, where the findings generated the hybrid business model called Vested (Vitasek & Manrodt, 2012, p. 5). Through five rules, parties can develop a Vested deal and achieve a collaborating environment which fosters trust and win-win (Vitasek & Manrodt, 2012, p. 8). The five rules are: 1) Focus on outcomes, not transactions; 2) Focus on the what not the how; 3) Clearly defined and measurable desired outcomes; 4) Pricing model with incentives that optimize for cost/service tradeoffs; 5) A governance structure with insight, rather than oversight (Vitasek & Manrodt, 2012, p. 8).

The name ‘Vested’ alludes to the intent of the business model: parties who are equally invested in the relationship and value-creation for both – explained as a ‘What’s in it for we’-mindset (Vitasek & Manrodt, 2012, pp. 6-7). Vested has, in addition to the rules, six guiding principles (Frydinger et al., 2016, p. 27) which can be considered similar to the self-enforcing

norms mentioned earlier as part of relational contracts (Keller et al., 2021, p. 1544). The six guiding principles are: 1) Reciprocity; 2) Autonomy; 3) Honesty; 4) Loyalty; 5) Equity; 6) Integrity (Frydinger et al., 2016, p. 28). These principles are scientifically proved to be relevant in Vested deals, but parties can add as many principles they see fitting for their deal – the point is that they create these in collaboration (Frydinger et al., 2016; Keller et al., 2021). Frydinger et al. (2016) describe these guiding principles as relevant to ensure continuous alignment and a trusting relationship (Frydinger et al., 2016, p. 28).

Additionally, the principles can facilitate clarity of what is agreed on and help when changes need to be made to the contract (Frydinger et al., 2016, p. 28). Frydinger et al. (2016) describes misaligned interest as a common problem which can lead to activities of self-interest, similar to the credibility problem (Frydinger et al., 2016, p. 29). In relation to this, the Vested business model has exposed 12 ailments, which are problems that can have a negative impact on the relation if not handled (Vitasek et al., 2010, p. 6). Ailments 11, ‘New Sheriff in Town’, can be an example of a problem that creates misalignment and distrust, which describes a situation where a new manager enters the deal (Vitasek & Cambresy, 2018, p. 43). The Sheriff is a person that does not have the Vested-mentality but rather a win-lose mindset and takes bad decisions only to make The Sheriff look good (Vitasek & Cambresy, 2018, p. 43). To prevent this ailment, Vitasek and Cambresy (2018) suggest focusing on improving the onboarding of this person (Vitasek & Cambresy, 2018, p. 43).

Naive trust in a relation could also be a reason for opportunism, like ‘the benign approach’ discussed in chapter 2.4.1 (Williamson, 2008, p. 10). The purpose of Vested is to create a fair and flexible framework but with legally enforceable rules that prevent naivety (Frydinger et al., 2016, p. 34). The Vested business model is thus a form of relational outsourcing contract, which can be compared to the Williamson (2008) credible approach – there should not be too much or too little trust in the relation (Vitasek & Manrodt, 2014, p. 25). To maintain trust in the relation, parties can for example conduct a Compatibility and Trust Assessment annually, with the aim of discovering areas that need improvement (Vitasek, 2015).

2.5.3 The role of Standing Neutral in formal relational contracting

The Vested business model has adopted the concept of Standing Neutral, a neutral, third party ADR-technique. The Standing Neutral has a facilitating role and is chosen by the parties in a

Vested deal early in the relationship, which also is the first success criteria of Standing Neutral (Vitasek et al., 2019, p. 12). The second element of success is that the role of Standing Neutral is continuous, the neutral should be part of governance for ongoing involvement (Vitasek et al., 2019, p. 13). This also indicate that the Standing Neutral has a high level of readiness, the neutral is ‘standing’, which means that issues can be resolved quickly. This is the third element of success and further implicates Standing Neutral to be a proactive ADR-technique, as the person advice on a smaller issue before it escalates into conflict (Vitasek et al., 2019, p. 14). The continuous involvement and fast-response techniques give the Standing Neutral the possibility to be a trusted person, who substantiates the Vested philosophy of collaboration and cooperation (Vitasek et al., 2019, p. 13). Additionally, as ‘neutral’, the parties can be sure that the Standing Neutral is not bias. The cost of Standing Neutral is evenly split between the buyer and supplier, which fosters an equal investment in the relationship (Vitasek et al., 2019, p. 16). Often, the parties decide on using a lawyer as Standing Neutral, but this is not a requirement – the Standing Neutral can be anyone who the parties consider neutral and with the necessary and recommended expertise to have such a role (Vitasek et al., 2019, p. 16).

According to Groton and Dettman (2011), Standing Neutral can take on many forms, depending on the parties’ needs (Groton & Dettman, 2011, p. 182). Figure 2 below demonstrates the variety of Standing Neutral roles and when they are implemented in an evolving Vested relationship. The figure is designed on the basis of the six most common variations of a Standing Neutral, described in the article “Unpacking the Standing Neutral” by Vitasek et al. (2019, p. 20) and in “How and Why the Standing Neutral Dispute Prevention and Resolution Technique Can Be Applied” by (Groton & Dettman, 2011, p. 182).

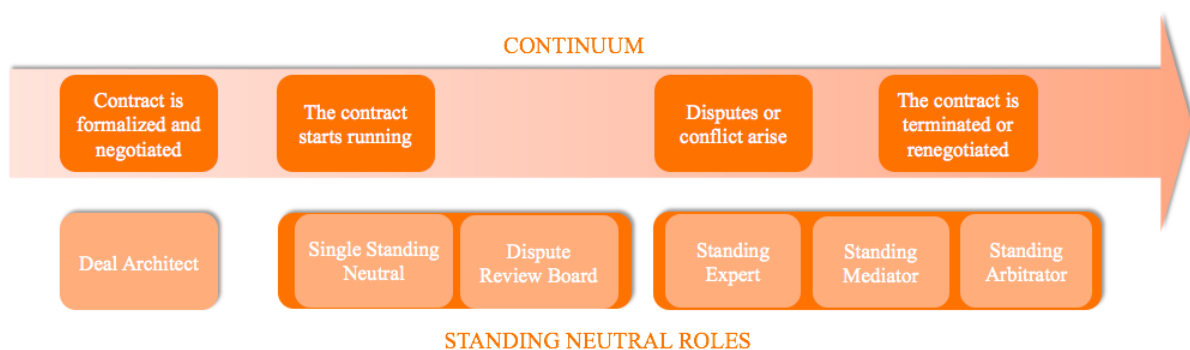


Figure 2 - Overview of variations of Standing Neutral. Adapted from Vitasek et al. (2019, p. 20) and Groton and Dettman (2011, p. 182).

In Vested deals, parties usually involve a Deal Architect (also called Partnering Facilitator) to assist in the development of the contract (Vitasek et al., 2019, p. 23). Deal Architects are Standing Neutrals who are certified from The University of Tennessee and the role entails creating trust and alignment between the parties in the pre-contract signing phase (Vitasek et al., 2019, p. 23). After the contract is signed, some parties continue on with a new form of Standing Neutral: Single Standing Neutral or Dispute Review Board (see Figure 2). The Dispute Review Board is a group of three board members that has continuous involvement and are embedded as part of governance (Vitasek et al., 2019, p. 21). This role originated from the construction industry, as mentioned in the introduction, and Vitasek et al. (2019) argues that for non-construction relations, using a single Standing Neutral is more common (Vitasek et al., 2019, p. 21). The Single Standing Neutral and the Dispute Review Board has a proactive role because they are available to prevent issues from escalating into disputes or conflicts (Groton & Dettman, 2011, p. 182).

Further to the right in the continuum, there are three Standing Neutral roles who are brought in after dispute has arisen, implicating these as reactive variations (see Figure 2). One of these is the Standing Expert, an expert which is implemented into the contract to resolve dispute, usually regarding a technical matter (Vitasek et al., 2019, p. 21). The Standing Expert has a reactive approach based on the late involvement but can still manage to maintain the relationship by resolving the dispute (Groton & Dettman, 2011, p. 182). The Standing Mediator will play its part when a dispute between the parties has evolved and the parties cannot manage to resolve it themselves (Vitasek et al., 2019, p. 22). Even though this is a reactive role, there is still a possibility for finding a solution and maintaining the relationship (Groton & Dettman, 2011, p. 182). The role of the Standing Arbitrator is to make binding decisions, which however often can have a negative impact on the buyer-supplier relation because the parties get a win-lose-mindset (Vitasek et al., 2019, p. 23). The variation of roles which are presented under the term of Standing Neutral (see Figure 2), show that companies can apply one or a combination of roles in their Vested deal, modified after their needs. In relation to this, the following is proposed:

Proposition 1: Parties in a Vested deal can modify the role(s) of Standing Neutral(s).

Based on the definition of Standing Neutral as an ADR-technique with a high level of readiness, the concept can be considered to prevent an escalation of issues, in accordance with

the third element of success (Vitasek et al., 2019, p. 10). This indicates Standing Neutral as having a proactive approach, which is visible through the roles of Deal Architect, Single Standing Neutral and Dispute Review Board. In relation to the definition of Standing Neutral and the three proactive roles, the following proposition is presented:

Proposition 1a: *Standing Neutral is a proactive ADR-technique to prevent dispute between parties in a Vested deal.*

Contrasting with the definition of Standing Neutral as proactive, the term entails three roles which can be considered as reactive based on the time of involvement. The roles: Standing Expert, Standing Mediator and Standing Arbitrator, are all Standing Neutrals which are implemented into the relation when dispute already is a factor. These roles can thus be compared to the roles presented in chapter 2.5.1 and Figure 1, based on Glasls 9-stage model. The Standing Expert have similarities with the Proactive Mediator applied in Escalation Level 1 (see Figure 3).

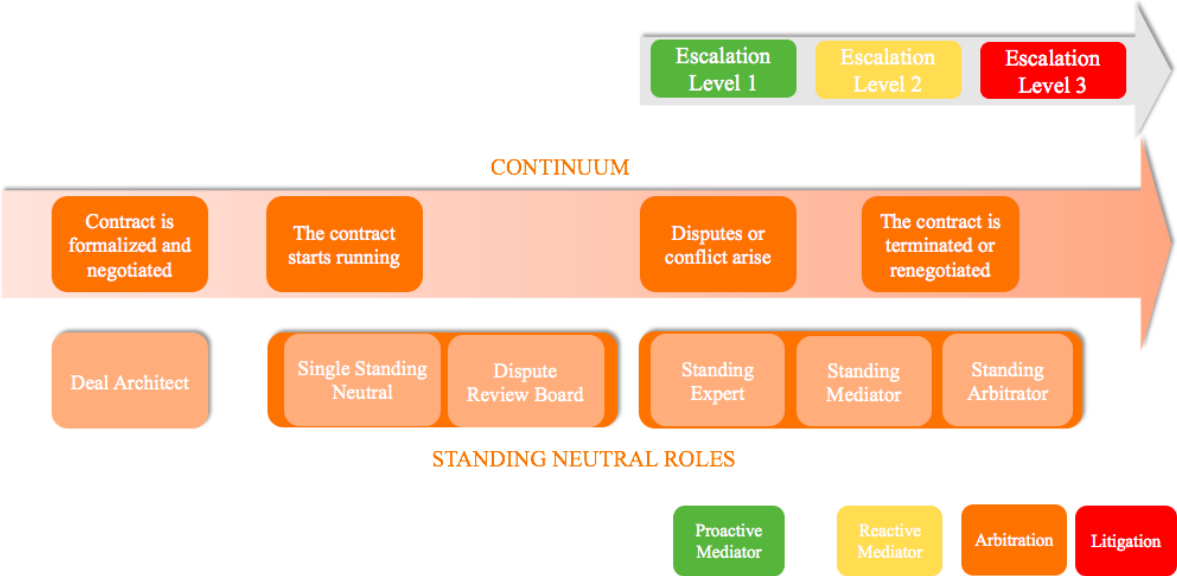


Figure 3 - Overview of merged Figure 1 (Glasls 9-stage model) and Figure 2 (variations of Standing Neutral).

Both roles indicate a situation where there are some smaller issues between buyer and supplier, but the relation is still characterized by having a cooperative nature (Hietanen-Kunwald & Haapio, 2021, p. 7). Furthermore, the Standing Mediator and Reactive Mediator can be considered to have similarities (see Figure 3), as both roles describe a situation where there is dispute between parties, that potentially might infect the relation (Hietanen-Kunwald & Haapio, 2021, p. 7). Lastly, the Standing Arbitrator and Arbitration are involvements that

are implemented into a deal when the relationship has turned sour because of unresolved dispute that has escalated into a damaging conflict (Hietanen-Kunwald & Haapio, 2021, p. 7). Based on this, Standing Neutral seem to have a duality of both proactive and reactive roles. In relation to this, the following proposition is made:

Proposition 1b: *Standing Neutral is a reactive ADR-technique for parties to resolve dispute in a Vested deal.*

Considering Standing Neutral as a proactive ADR-technique, through the roles of Deal Architect, Single Standing Neutral and Dispute Review Board, the concept has potential to prevent an escalation of disputes. This perspective further implicates that by definition, Standing Neutral should never have to be used reactively to resolve conflict. As mentioned earlier, arbitration is considered a costly alternative for resolving disputes, because parties at this point lack the commitment and cooperation necessary to arbitrate in a successful manner (Vondra & Carver, 1994, p. 5). Mediation is considered a cheaper alternative than arbitration, but often enough, the dispute is not resolved by mediation, and the parties still have to resort to arbitration (Vitasek et al., 2019, p. 33). This indicate that the traditional ADR-techniques, like mediation and arbitration, can turn into a cost and time inefficient decision which might still not resolve the conflict (Vitasek et al., 2019, p. 33). Additionally, as parties are unaware of how their relation will evolve, the cost of mediation and arbitration are unknown costs. Standing Neutral, on the other hand, is a smaller, known cost (Vitasek et al., 2019, p. 35). Standing Neutral can thus be perceived as a more cost and time effective ADR-technique, based on its preventive, continuous involvement, compared to mediation, arbitration or litigation:

Proposition 2: *Using a Standing Neutral in a Vested deal is more time and cost effective than resorting to mediation, arbitration or litigation.*

As mentioned in chapter 2.4.2, a lack of clarity and credibility can be a reason for conflict in a buyer-supplier relation in an outsourcing deal. This implicate that for Standing Neutral to be cost and time efficient, these problems need to be addressed. Research by Gibbons et al. (2021) show that parties who create a shared understanding (clarity) during the development of the contract, are more likely to reach equilibrium (credibility). Gibbons et al. (2021) explain this as relevant in order to build relational governing mechanisms (Gibbons et al.,

2021, p. 1). To create clarity and credibility early in the buyer-supplier relation, the Vested business model encourage companies to use Deal Architects (Vitasek et al., 2019, p. 23). This variation of Standing Neutral has the role of facilitating alignment and a collaborative nature in the pre-contract signing phase (Vitasek et al., 2019, p. 23). Based on this, the following proposition is presented:

Proposition 2a: *Standing Neutral help parties create clarity and credibility in a Vested deal.*

In addition to problems of clarity and credibility, low levels of trust can also negatively affect the cost and time efficiency of Standing Neutral. Trust is important in complex outsourcing deals because it shows commitment, facilitates long-term relations, prevents dispute and can also be considered as a substitute for contractual governing mechanisms (Ndubisi & Umar, 2018; Rai et al., 2012). In order to reap these benefits, Ndubisi and Umar (2018) consider it critical to maintain trust during the buyer-supplier relation (Ndubisi & Umar, 2018, p. 50). In Vested, the parties create a formal relational contract with basis in Williamson (2008) credible approach as mentioned in chapter 2.4.1 (Vitasek & Manrodt, 2014, p. 25). This way of creating outsourcing contracts implicates a buyer-supplier relation where the parties are aware of the dynamics of business, and thus create governance mechanisms that maintain trust. The Compatibility and Trust Assessments are examples of ways a Standing Neutral can help maintain trust in the buyer-supplier relation. Based on this, the following is proposed:

Proposition 2b: *Standing Neutral help parties maintain trust during the relation in a Vested deal.*

The propositions and research questions will be elaborated on in the analysis and discussion.

3.0 Method

3.1 Case study design

Bell et al. (2019) describes five prominent research designs: experimental and related designs, cross-sectional design, longitudinal design, case study design and comparative design (Bell et al., 2019, p. 72). In this master's thesis, case study is applied as research design. Case study design is explained as a way to “(...) portray, analyze and interpret the uniqueness of real individuals and situations through accessible accounts” (Cohen et al., 2018, p. 188), with the aim to understand a complex, contemporary social phenomenon (Yin, 2018, p. 5). In case study design, the phenomenon is studied in relation to its context or setting, and data can be collected through multiple techniques, like observation, interviews and more (Yin, 2018, p. 15). The choice and evaluation of case study method usually includes five key components: case study question(s), propositions, setting and case(s), data collection, and data analysis (Yin, 2018, p. 27). The researcher begins the study with a problem of interest and create (a) research problem(s) from this (Yin, 2018, p. 27). Yin (2018) explains that researchers who ask ‘what’ questions, have an *exploratory* approach, whilst ‘how’ and ‘why’ questions are *explanatory* (Yin, 2018, p. 10). The purpose of exploratory case study is to research a phenomenon that is less known and where the knowledge of it is limited or non-existent – the researcher seeks to understand ‘what is happening and why?’ (Johannessen et al., 2010, p. 58). In the explanatory approach, the researcher aims to understand and explain the phenomenon.

The structure of this master's thesis follows the five key components mentioned above, based on its potential for providing credible and robust research. In addition, the process is easily traceable for other researchers and replicable (Martinsuo & Huemann, 2021, p. 827). This master's thesis seeks to explain and elaborate on the phenomenon with the help of a research question concerning *how* companies apply Standing Neutral in Vested deals – which is an *explanatory approach*. However, as the phenomenon is explained, it also encourages research about *why* companies apply Standing Neutral in Vested deals, elaborated on as the second research question plays along. As mentioned in the introduction (see chapter 1.0), there is limited research on Standing Neutral in Vested deals within the Facility Management industry. Based on the low level of research on this phenomena, this master's thesis can be considered to mainly have an *exploratory approach*. The shift from *explanatory* to

exploratory is demonstrated in the continuum below (see Figure 4). As the phenomenon is explained, the master's thesis moves further to the right on the continuum towards an exploratory approach.



Figure 4 - Continuum of explanatory and exploratory case study

After the research problem is pinned down, the next key component is to create propositions, which lays the foundation for further studies (Yin, 2018, p. 27). Having propositions is not a requirement, but it can help provide direction and narrow the theoretical basis. The use of propositions is common in deductive approaches – the researcher deduces hypotheses from theory, which in turn becomes supported or not, by experiments and empirical data (Bell et al., 2019, p. 21). On the other hand, there are inductive approaches, which means that theory is developed from research (Bell et al., 2019, p. 23). Literature often consider the deductive and inductive strategies to be distinctions, but Bell et al. (2019) argue that they seem to interplay and exist in unison (Bell et al., 2019, p. 23).

This master's thesis uses a combination of both deductive and inductive strategies. In the theoretical chapter, six propositions are formulated based on theory (see chapter 2.5.3), which is considered a deductive approach. The benefit of this approach is that the propositions narrow the theoretical basis, as well as give structure and direction. The propositions are tested in the analytical chapter based on interview data and provides insight into whether the propositions should be supported or not, which can be considered as an *explanatory* approach. However, this master's thesis also has inductive features which resonates with the *explorative* approach. Hence, the phenomenon of Standing Neutral is explored even further throughout the interviews, and generalizations from the findings might contribute to and develop theory. As this master's thesis mainly has an exploratory approach, as stated above, the inductive strategy is also most relevant.

3.2 Research setting and case(s)

In case study design, it is essential to clearly distinguish between the case and its settings (Martinsuo & Huemann, 2021, p. 827), and both should be properly introduced and explained for the reader to understand the background of the study (Lindgreen et al., 2021, p. A7). Research settings can be industry, region, or locality, to mention some (Lindgreen et al., 2021, p. A7). The setting of this master's thesis is the Facility Management industry, which are services of e.g., cleaning or security, which companies often outsource. As mentioned in the introduction, there are several examples of Facility Management outsourcing deals in Vested (Frydinger et al., 2016; Frydinger et al., 2019; Vitasek et al., 2019), which make this a fitting setting to explore the use of Standing Neutral.

After the setting is defined, the researcher decides on whether the case study is a single or multiple case study (Yin, 2018, p. 27). Single case is a study of an individual case, with the benefit of being time and cost effective as well as containing possibilities to provide deeper understandings of a phenomenon, potentially creating high-quality theory (Yin, 2018, p. 49). Multiple case studies are studies of several cases and is therefore considered even more robust and compelling than the single case study because the cases can be compared (Yin, 2018, p. 54). The multiple cases should be replicable to ensure a foundation for comparison (Yin, 2018, p. 55). A disadvantage with the multiple case study is that it is more resource demanding than a single case study (Yin, 2018, p. 54). The case study approach in this master's thesis is based on multiple case design. Three cases within the Facility Management industry are studied, each case representing different Vested outsourcing deals with Standing Neutrals (see Table 1 and Table 3). Because the cases have similar backgrounds, it creates a possibility for comparison of findings, thus generating more robust data. However, as the multiple case study is more extensive than the single case study, it is more time consuming.

Cases	Description	Details
Case 1	Multinational deal of FM-services, ranging from commercial offices to production facilities	Established in 2016 Prior existing relationship
Case 2	Nordic deal of FM-services, mainly commercial offices	Established in 2019 Prior relationship

Case 3	Norwegian deal of FM-services, mainly commercial offices	Established in 2022 Non prior relationship
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Table 1 - Overview of cases

3.3 Data collection

Following from the five key components of case study, the fourth component is about how researchers collect their data (Yin, 2018, p. 33). Using the appropriate method for collecting data is important because it can impact the understanding of a phenomena. There are several ways of collecting data, some of these methods are interviews, observations, surveys or focus group interview (Martinsuo & Huemann, 2021, p. 828). Case studies are often conducted through qualitative methodology but can in some cases also be quantitative (Johannessen et al., 2010, p. 86).

3.3.1 Interviews as a source of data

Interview as method might be a good approach if the researchers have an interest in the informant's viewpoints and wants rich and detailed information about a certain topic (Bell et al., 2019, p. 435). An interview could be more or less flexible, however always with the aim to capture what the informant considers relevant and important (Bell et al., 2019, p. 435). In this master's thesis, a more flexible and semi structured interview guide was chosen. When doing interviews, a problem that might arise is the informants' *unwillingness to speak* (Martinsuo & Huemann, 2021, p. 828), maybe because of distrust. Another possible disadvantage with doing interviews is *reflexivity*, meaning unconscious influence between informant and researcher (Yin, 2018, p. 112). When conducting an interview, there is always a possibility for the conversation to become colored by the perceptions of both the interviewer and informant(s) (Yin, 2018, p. 112). In an interview setting, things also might be forgotten, not paid attention to, or omitted. All these might indicate potential threats to the study's reliability and validity. However, by being constantly aware of possible sources of error, the researcher might become more attentive during the research process. It might be useful to meta communicate about the potential threats to research with the informants, to clear the air and lay a foundation for trust in the interview situation.

In this master's thesis, the data is collected through both individual and group interviews, which is a common method in qualitative research methodology and an important source of evidence in a case study design (Bell et al., 2019, p. 434). Interviews are considered as the most useful method for this master's thesis because it is an effective source of providing first-hand experiences of the phenomenon of interest. A combination of different data collections, like observations compared with interviews for example, could give the researcher a more comprehensive understanding of the use of Standing Neutral. However, this master's thesis must rely on interview data alone because observations or experimentations have not been possible to conduct.

3.3.2 Developing the interview guide

An interview guide is a table of topics and questions that relate to the research problem (Johannessen et al., 2010, p. 139). When formulating a guide, the researcher usually starts out with topics she wants to elaborate on and then creates questions from the topics. Bell et al. (2019) argues that the researcher should ask herself: "(...) Just what about this thing is puzzling me?" (Bell et al., 2019, p. 439). This ensures that the researcher maintains focus on what is important. Moreover, the interview guide should have a structure and language that is easy to understand for the informant, in order to limit misunderstandings or different interpretations of the questions. The researcher may, however, to some degree depart from the interview guide during an interview, still holding questions prepared to make sure to collect information about the object of interest. Sometimes an interview is more open, circulating around a theme, more than exact questions.

The format of the qualitative interviews varies in structure and literature usually defines three types of interviews: unstructured, semi-structured and structured (Johannessen et al., 2010, p. 137). The unstructured interview is informal and characterized by being similar to a conversation, where the researcher asks one or only a few open questions (Bell et al., 2019, p. 436). The semi-structured interview follows a pre-made interview guide with questions and topics the researcher wishes to explore. The researcher can ask questions in the order of choice and is free to add new questions that may seem fitting during the interview – it can be described as a flexible interview method (Bell et al., 2019, p. 437). The semi-structured interview seems to be favorable when conducting a multiple case study, as it ensures cross-case comparability (Bell et al., 2019, p. 437). In the structured interview, the researcher has

prepared questions and topics, and the informant ticks answer options (Johannessen et al., 2010, p. 137).

In this master’s thesis the interview guide is developed on the basis of research questions and propositions defined in the theory chapter. The topics and questions in the interview guide are illustrated in Appendix 1. Table 2 below gives an overview of the connections between research questions, theory, propositions, and the interview guide categories. The model helps as a facilitator for creating interview questions of relevance and substance.

Research Questions	Theory	Propositions	Interview Guide Categories
How do companies in the Facility Management industry apply Standing Neutral in Vested deals?	Chapter 2.5.3: Vitasek et al. (2019); Groton & Dettman (2011): Standing Neutral	P1: Parties in a Vested deal can modify the role(s) of Standing Neutral(s)	Standing Neutral, Contract
	Chapter 2.5.1: Hietanen-Kunwald & Haapio (2021); Vondra & Carver (1994); Todorovic & Harges, 2022: ADR-techniques Chapter 2.5.3: Vitasek et al. (2019); Groton & Dettman (2011): Standing Neutral	P1a: Standing Neutral is a proactive ADR-technique to prevent dispute between parties in a Vested deal	Standing Neutral, Proactive mechanisms, Conflict
	Chapter 2.5.1: Hietanen-Kunwald & Haapio (2021); Vondra & Carver (1994); Todorovic & Harges (2022): ADR-techniques Chapter 2.5.3: Vitasek et al. (2019); Groton & Dettman (2011): Standing Neutral	P1b: Standing Neutral is a reactive ADR-technique for parties to resolve dispute in a Vested deal	Standing Neutral, Reactive mechanisms, Conflict
What creates the need for Standing Neutral in Vested deals for companies in the Facility Management industry?	Chapter 2.5.1: Vondra & Carver (1994); Todorovic & Harges, 2022: ADR-techniques Chapter 2.5.3: Vitasek et al. (2019); Groton & Dettman (2011): Standing Neutral	P2: Using a Standing Neutral in a Vested deal is more time and cost effective than resorting to mediation, arbitration or litigation	Standing Neutral, Conflict, Proactive mechanisms
	Chapter 2.4.2: Gibbons et al. (2021): Credibility and Clarity Chapter 2.5.3: Vitasek et al. (2019); Vitasek & Cambresy (2018); Vitasek & Manrodt (2012): Standing Neutral	P2a: Standing Neutral help parties create clarity and credibility in a Vested deal	Standing Neutral, Relationship, Contract
	Chapter 2.4.1: Keller et al. (2021); Ndubisi & Umar (2018); Cao & Lumineau (2014); Rai et al. (2012); Williamson (2008): Trust Chapter 2.5.3: Vitasek et al. (2019); Frydinger et al. (2016): Standing Neutral	P2b: Standing Neutral help parties maintain trust during the relation in a Vested deal	Standing Neutral, Relationship, Contract

Table 2 - Overview of the relation between research questions, propositions and interview guide categories

The interview guide (see Appendix 1) contains five themes and sorted questions elaborating on the themes and topics. Beneath each topic and questions, a box was left open for adding answers during the interviews. This created an easy-to-follow guide for researcher and informants. Some of the informants were interviewed in groups of two to three persons, they were all introduced to the same interview guide. For the individual interviews, the interview guide had minor variations based on the informants’ knowledge and experience with the phenomenon. Using a semi-structured interview form kept the flexibility and flow during the interviews. It also encouraged informants to elaborate on what they considered most relevant in relation to the phenomenon. Furthermore, the interview structure facilitated cross-case comparing of interview data, which is a meaningful mechanism in multiple case study design in order to try to define generalizations about the phenomenon. Using an unstructured or fully structured interview guide seemed to be less beneficial for this master’s thesis. Conducting an

unstructured interview would make it difficult to get comparable data, and a tight structured interview would only provide data on questions from the interview guide.

3.3.3 Selection of informants

When conducting a qualitative study, it is important to select informants that can provide useful information about the case of choice. Bell et al. (2019) define sampling as random or purposive (Bell et al., 2019, p. 389). Choosing informants on a random basis rarely procure relevant information and it works poorly when an unfamiliar phenomenon is being studied. The purposive sampling, on the other hand, seeks to select informants that are relevant to the case through formulated criteria (Bell et al., 2019, p. 389). The sampling type is also called 'strategic selection' and is a two-step process; firstly, the researcher must decide on a relevant target group, and secondly choose the appropriate people from this selection to participate in the study. There are several strategies for recruiting informants; criterion sampling, theoretical sampling, stratified sampling, and snowball sampling, to name a few (Bell et al., 2019, p. 390).

The number of informants per case is difficult to determine in advance, as findings along the way may change the original scope of the paper: perhaps informants already interviewed no longer provide relevant information, or the need for new informants might emerge (Bell et al., 2019, p. 397). Johannessen et al. (2010) explains that the basis for informants in a qualitative study is not representativeness, but *expediency* (Johannessen et al., 2010, p. 107). Bell et al. (2019) argue that larger case studies require a substantial group of informants, and that a larger sample potentially can make comparability easier and create more reliable and valid conclusions (Bell et al., 2019, p. 397). Still, it is important to remember that the focus here is on *quality*, rather than *quantity*. Hence, the researcher should not mainly concentrate on reaching many informants, but rather go deep into the problem (Bell et al., 2019, p. 399). Johannessen et al. (2010) explains that less than ten informants are optimal in e.g., student projects, but that it varies in consideration to the problem thesis and how data are approached (Johannessen et al., 2010, p. 104).

As this master's thesis explores the phenomenon Standing Neutral, it seems beneficial to conduct a purposive sampling of informants to achieve relevant and interesting data. The relevant target group for this master's thesis is companies in the Facility Management

industry that use a Standing Neutral in their Vested deal. The appropriate people from this selection are the ones that work at strategic level, because they can provide data on how and why companies use Standing Neutral. However, getting in contact or finding out who these people are is difficult, because most of this information is not public. Anyway, this problem encouraged a snowball effect as Kate Vitasek, founder of the Vested business model, could help with finding relevant informants. The contact with Kate Vitasek was established two years ago for a bachelor project about Vested. So, with some help from the founder of Vested business model, contact with several Certified Deal Architects was established. From here, the snowball kept rolling until a sampling size of 11 informants with different backgrounds were on board. Ten of the informants were relevant to use in the analysis (see Table 3), while one (NL) fell through because of less relevant information in relation to this master's thesis.

Contribution	Informant	Informant role	Background
Informants providing general knowledge on the phenomenon	Kate Vitasek	Expert	Female. Founder of the Vested business model and co-writer of the White Paper ‘Unpacking the Standing Neutral’.
	NL ¹	Expert	Male. Norwegian lawyer with experience from outsourcing contracts in the Facility Management industry.
	DRM	Expert Dispute Review Board Member	Female. Certified dispute review board member in the Construction Industry in America.
Both knowledge on phenomenon and case specific informants	SN1	Standing Neutral	Male. Lawyer and Standing Neutral from a Swedish law and consultant firm that is 1 of 5 Vested Certified centers of excellence. Certified Deal architect and Standing Neutral in Case 2.
	SN2	Standing Neutral	Male. Business Consultant in a well-known global consultant firm that is 1 of 5 Vested Certified centers of excellence. Certified Deal architect. Informal Standing Neutral in both Case 1 and 2.
	SN3	Standing Neutral	Male. Lawyer and Standing Neutral, working for the same firm as SN1. Certified Deal Architect and Standing Neutral in Case 3
Case specific informants	C1S	Governance Lead and Performance Manager	Male. Works as one out of two governance lead in Case 1, representing the supplier side in the Vested Deal and has had the role since the beginning of the deal in 2016.
	C2B	Contract Owner	Female. Works on the strategic level in Case 2, representing the buyer side in the Vested Deal and has had the role since August 2021. Works in the same organization as informant SN2.
	C2S	Nordic Key Account Manager	Male. Works on the strategic level in Case 2 representing the supplier side in the Vested Deal and has had this role since the beginning of the deal in 2019.
	C3B	Leader Facility Management	Male. Represents the buyer side in the Vested Deal in Case 3. Certified Deal Architect.
	C3S	Director of Sales	Male. Represents the supplier side in the Vested Deal in Case 3. Certified Deal Architect.

Table 3 - Overview of informants

¹ Data from NL is not used in this master’s thesis

3.3.4 Conducting the interviews

Kvale proposes ten criteria for successful interviews, for example being gentle and sensitive (Bell et al., 2019, p. 441). Gentle involves tolerating pauses and giving the informants time to think, sensitive entails empathy and being able to listen (Bell et al., 2019, p. 441). This creates a safe and open space for the informants to provide rich, detailed answers. In addition, it is relevant to conduct the interviews in a quiet and private setting where the informants can relax and feel secure (Bell et al., 2019, p. 441). However, interviews may also be non-face-to-face, like over telephone, online or Skype/Teams technologies (Bell et al., 2019, p. 451). This is an interaction that has increased in use and does not necessarily affect the results (Bell et al., 2019, p. 451). Interviews over Skype or Teams enables the researcher to interpret both vocal and bodily expressions of the informant during the interview (Bell et al., 2019, p. 453). There are several advantages of conducting interviews with audio and video, recording for one if the informants accept it. In addition, digital meetings provide flexibility while it is time and cost effective and removes geographical limitations (Bell et al., 2019, p. 453). Still, there are some disadvantages with the non-face-to-face interviews, for example technological problems like WIFI-connection or bad quality of video or sound (Bell et al., 2019, p. 453).

The interviews in this master's thesis were conducted on Teams, because the geographical distances limited the possibility for meeting in person. Most of the informants are seated in different countries, like Kate Vitasek who is from the USA. However, doing the interviews on Teams seemed to be the preferred alternative for all informants, perhaps because of an increase in digital meetings as a result of Covid-19. There were no problems with the internet connection or bad quality of video or sound during the interviews, which made it easy to hear and read the informants body language. Hence, the interview setting felt close to a normal conversation, enjoyable and enthusiastic. However, meeting the informants in real life might have created an even more trustworthy environment, resulting in perhaps even more genuine answers. Yet again, maybe not. Because sensitive subjects, like conflict and disputes, were discussed in the interviews, the conversation had to be gentle and empathetic, conducted in manner where the informants did most of the talking. The informants shared a lot of interesting aspects of their Standing Neutral experiences and did not in any way seem stressed or uncomfortable in the interview situation.

3.4 Data analysis

The last one of Yin's five components in case studies is interpretation of data, where the researcher must consider data in context with theory (Yin, 2018, p. 167). Here, the researcher can keep existing theory, modify it, or further develop it, or even build a whole new theory (Johannessen et al., 2010, p. 87). During the process of interpreting data and searching for patterns, it might be beneficial if the researcher 'plays' with the data (Yin, 2018, p. 167). Different ways of systematizing or manipulating the data can provide the researcher new views of the data. Several analytic techniques can be sort and play with data, coding for one.

3.4.1 Audio recording and transcription

It is beneficial to document interviews by audio recording, as it is impossible to remember everything that is said during the conversation (Johannessen et al., 2010, p. 146). It is a useful tool when the researcher is unable to continually take notes during an interview and it gives the researcher opportunity to fully focus their attention on the informant rather on writing. The possibility to play/pause or change the speed of the recording is advantageous when the researcher returns the interview data. A downside with audio or film recordings is that the informant might feel uneasy or become self-aware in the situation, which again might affect the interview setting in negative ways. Audio recordings are valuable when the researcher needs to transcribe the interview, in order to examine what and how something was expressed thoroughly, not overlooking any important information.

Transcribing an interview means reproducing what is said during an interview into text (Bell et al., 2019, p. 447). It is important to not paraphrase or skip certain words or sentences, because this can impact the results. Transcribing interviews with informants that speak a different language than the researcher can be problematic because information might be misinterpreted or lose its original meaning. Thus, it is important to consider the context and socio-culture the informants belong to (Bell et al., 2019, p. 450). People rarely talk full sentences and often stop mid-sentence without completing it. In addition, they repeat themselves or add fill words such as 'hm', which gives the researcher a choice of editing out what seems less important (Bell et al., 2019, p. 447). Transcribing is a time-consuming procedure and often results in page after page with text (Bell et al., 2019, p. 44). Therefore, it is crucial to plan the process of transcribing; Bell et al. (2019) argue that it is common to use more than five-six hours per hour of an interview (Bell et al., 2019, p. 447).

With the permission from the informants, every interview in this study was audio recorded, and the informants did not seem negatively affected by it in any way. The audio recording made it possible to focus on the informants, rather than being caught up in taking notes. When transcribing, the audio recording was a valuable tool for dwelling in information of substance – both *what* the informants said and *how* they said it were recorded and kept safe for analysis. When transcribing the interviews, few significant changes were made in order to keep the context and not miss any important points. However, excessive words like ‘uh’ and ‘hm’ were edited out because they did not seem relevant for the understanding of the data. To ease the transcript process, speech to text software was used for most of the interviews. The software did not translate audio into text in a sufficient matter, so the recordings had to be listened to twice or more in order to correct any significant mistakes.

The informants also frequently spoke in half sentences, which made the transcribing even more difficult. However, such half sentences were also included in the transcribed papers since they could matter for the larger context, also showing how informants think/talk about specific topics. In addition, the interviews were transcribed in the same language, either English, Swedish or Norwegian, as the informants spoke, not to lose context. The Norwegian and Swedish transcriptions thus had to be translated into English at a later point to fit into the tables in the analysis, which in turn might lead to some distortions of the original meaning. To minimize the number of errors, all informants were sent a quote check to accept or modify the quotes (see Appendix 3 and 4).

3.4.2 Coding

Coding means extracting important words or topics from the data, systemizing it, often in the form of a scheme or a table (Lindgreen et al., 2021, p. A8). The process of coding is often presented as a systematic step-by-step procedure, that allows the researchers to reveal connections and patterns in the data material (Johannessen et al., 2010, p. 213). One example of coding might be to extract central topics or quotes from the transcribed interview and organizing them in a table next to the transcription itself (Johannessen et al., 2010, p. 174). Codes might happen in relation to categories in the interview guide or propositions, as a deductive approach (Johannessen et al., 2010, p. 174). On the other hand, coding might be more of an inductive approach, if categories to sort by emerge from the interview data (Johannessen et al., 2010, p. 174). A problem with coding in qualitative studies is context;

when words or topics are extracted from transcriptions, there is always a possibility that the researcher moves away from the original intent of a quote (Johannessen et al., 2010, p. 175). Additionally, the first round of coding might not be successful or make sense, resulting in the need for a second round of coding and sorting to draw out important data more precisely (Johannessen et al., 2010, p. 174).

The coding of interview data collected in this master's thesis was conducted in two rounds and Appendix 5 shows an example. The example, a screenshot from one of the interviews, is blurred out to maintain the informant's anonymity. Appendix 5 shows how quotes or topics are extracted from the interview data and highlighted in the table to the right of the transcription. This way of coding was closely connected to the propositions created in the theoretical chapter and might be considered as more of a deductive approach (see Table 2). A problem with this form of coding is that it does not clearly highlight the most important aspects of the interviews, since it provides a lot of text. This called for a second round of coding, where relevant parts of the transcription were highlighted with different colors (see Appendix 5). This after-coding was mainly done during the process of the analysis, which indicates that the researcher interprets and reflects on the material throughout the whole research process – going back and forth and intermingling with how things connect and produce new insight. As a consequence, more topics were highlighted as relevant for the study. This might be considered as more of an inductive approach to achieve new knowledge. These two rounds of coding provided clear patterns in relation to context.

3.4.3 Analysis

Analysis is a way for the researcher to 'play' with data through the exploration of patterns, observing, comparing evidence or testing, to mention some (Yin, 2018, p. 164). The analysis reflects how the researcher interprets data, works with data, re-turns data – hence, analysis is an ongoing and complex process (Cohen et al., 2018, p. 643). Cohen et al. (2018) suggest a seven-stage model for doing data analysis; immersion, reflection, analyze, re-combining data, relating it to other work, reflecting back and presenting findings (Cohen et al., 2018, p. 645). This seven-stage model shows that analyzing is not a linear process and that there is great value in re-turning data over and over again. Part of the data processing and analysis is to transcribe and code the data, which are usual ways of organizing and preparing data in a qualitative research process (Cohen et al., 2018, p. 644). A widely used analytic technique

here is pattern matching, which is a way for the researcher to compare patterns between findings and propositions – if the patterns show similarities, the case study might indicate high levels of internal validity (Yin, 2018, p. 175).

In this master's thesis, the researcher immersed in the interview data right from the start. This facilitated the analysis later. Through transcription and different coding strategies, data were re-turned several times, preparing for analysis and discussion. In the analytical chapter later in this master's thesis, a combination of research questions and propositions work together with the interview data. The analysis is divided into two main parts with three subparts each, where research questions and propositions are elaborated on. This way of organizing the analysis show the role of theory in relation to the findings, a connection which is presented in Table 2 (see chapter 3.3.2). Furthermore, the two main part of the analysis show tables of raw data from interviews with experts and cases in relation to propositions (see Table 4, 5, 6 and 7). This gives the reader the opportunity to interpret some of the data themselves and evaluate if the relations between theoretical propositions, findings and analytical conclusions make sense and are presented in an adequate way.

3.5 Research ethics

When conducting a research study, various ethical and juridical questions arise. Johannessen et al. (2010) describe ethics as principles, rules or guidelines for assessing whether actions are right or wrong (Johannessen et al., 2010, p. 89). This is often illustrated by four main areas: whether there is harm to participants, whether there is a lack of informed consent, whether there is an invasion of privacy, and whether deception is involved (Bell et al., 2019, p. 114). The first main area concerns avoidance of harm. Here, the researcher must take responsibility and precautions when interviewing her informants, for example when interviewing children. The second main area involves the principle of giving sufficient information about the research, for example clarifying the use of audio recordings during interviews, and informing on how the data will be used, how they will be stored and for how long.

The third main area relates to protection of privacy of the informants (Bell et al., 2019, p. 123). During an interview, there are possibilities that an informant feels uneasy with certain questions asked by the researcher, such as sensitive or private questions. Therefore, it is important that the researcher shows sensitivity. And the informant always has the right to

withdraw information or themselves from the study. The last main area tackles the issue of deception, which can happen if the researcher is not truthful in regard to what the study is about (Bell et al., 2019, p. 123). Deceiving informants goes against most ethical principles and could potentially make future respondents skeptical of participation (Bell et al., 2019, p. 123). Such ethical perspectives are important in case study designs because they address human subjects, and the researcher have an obligation to protect people who are involved in the study (Yin, 2018, p. 88). The researcher usually sends a formal consent form to the informants before the study, informing about the study and the informants rights (Bell et al., 2019, p. 89). The Norwegian Center for Research Data (NSD) has approved this master's thesis research project.

After receiving the approval from The Norwegian Center for Research Data (NSD), informants were contacted about the study and to plan for the interviews. Prior to the interviews, letters of consent were sent to all informants, explaining the purpose and aim of the interview (see Appendix 2). In the beginning of every interview, the informants were told more about the study, and they could ask clarifying questions. Anonymity requirements have been taken concerning all the informants, except for Kate Vitasek who is a main source for rich knowledge on the subject. Anonymizing all names and companies in the study might have contributed to a safe space and a trustworthy environment for the informants to share their experiences on more sensitive topics – which might be seen as a way of meeting the first and third criteria of ethics. Furthermore, the quote checks that were sent to the participants in the end of the study (see Appendix 3), might also be considered as a way to make sure that the informants perceive themselves as fairly treated and correctly quoted in the study.

3.6 Reliability and validity

Reliability and validity say something about the quality of the design and can be assessed through four case study tests: construct validity, internal validity, external validity and reliability (Lindgreen et al., 2021, p. A9). However, some researchers claim these points to be mainly concerned with *quantitative* research and that 'trustworthiness' is a more sufficient way of determining the quality of a *qualitative* study (Bell et al., 2019, p. 48). This perspective is based on an argument that; in contradiction to the measurable data in a quantitative study, there are no absolute truths in qualitative research (Bell et al., 2019, p. 363). Within the trustworthiness criteria, one finds credibility (equal to internal validity),

transferability (equal to external validity), dependability (equal to reliability) and confirmability (equal to objectivity) (Bell et al., 2019, p. 363). Because this master's thesis has form of a qualitative case study, the remainder of this chapter will be based on the four 'trustworthiness' criteria.

Credibility (internal validity) concerns issues of truth. This is a criterion that evaluates the relation between a phenomenon and collected data (Johannessen et al., 2010, p. 230) – does the data collection reflect the phenomenon of interest? Bell et al. (2019) suggest two techniques for establishing credibility in a qualitative case study: respondent validation and triangulation (Bell et al., 2019, p. 363). Respondent validation means that informants receive parts of the study, for example quote checks, to establish whether the researcher has understood the information correctly during the interviews (Bell et al., 2019, p. 363). Triangulation refers to using multiple methods when collecting data, interviews and observation for example, which in turn might result in more credible (valid) data (Bell et al., 2019, p. 364). Yin (2018) also proposes the use of pattern matching to increase credibility (validity), as mentioned above (see chapter 3.4.3), which means matching findings with propositions.

In this master's thesis, several techniques were implemented to ensure a credible case study. First, while incorporating the respondent validation technique, informants had the opportunity to read their quotes used as raw data in the analysis. The informants were free to comment, conduct changes or demand removal of their own quotes. The researcher also had a Teams meeting with one of the informants, who wanted more insights into the context of the quotes. Additionally, the researcher did pattern matching in the analysis between propositions and findings, in order to increase the level of validity. Hence, through respondent validation and pattern matching, this study can be considered credible. However, only one form of data collecting was done – by conducting triangulation, the level of credibility in this study could potentially have been higher.

Furthermore, transferability (external validity) concerns issues of generality (Johannessen et al., 2010, p. 231). This criterion thus addresses transferability of knowledge – are the results of this study transferable to other areas? To ensure transferability, Bell et al. (2019) explain that the researcher should do a thick description of the study (Bell et al., 2019, p. 365). The purpose of this master's thesis is to contribute to theory by studying the use of Standing

Neutral in Vested deals within the Facility Management industry. The results of this study will most likely be transferable to other companies or settings, but it is unsure whether it is transferable to non-Vested contracts.

Dependability (reliability) concerns issues of reliability (Bell et al., 2019, p. 365) – like, are the results trustworthy? Johannessen et al. (2010) argue that dependability within qualitative research is more challenging to prove than in quantitative research, because the data is less measurable and replicable (Johannessen et al., 2010, p. 230). To increase the level of dependability, the researcher can describe in detail the case study process step-by-step, in order to enable other researchers to track all data (Bell et al., 2019; Johannessen et al., 2010). In this master's thesis, the researcher has been as transparent as possible about the project to all informants and to the readers as well. In the method chapter, the readers can get extensive insight into the case study format. The informants received information about the study through e-mails and orally through the interviews, and they had the opportunity to review raw material and conduct changes. Based on this, the level of reliability can be considered high for this master's thesis.

Lastly, confirmability concerns issues of objectivity – have the researcher conducted this study without bringing in too much personal perspectives? If the researcher is not objective in the interpretation of data material, this can lead to erroneous results (Bell et al., 2019, p. 365). To prevent this outcome, the researcher can first fully describe the research with a critical view of the conduct of the study, or secondly, confirm the results by searching for support of results from either other literary sources or from informants (Johannessen et al., 2010, p. 232). In this master's thesis, the researcher has presented the process of conducting the case study in the methodological chapter, in addition to benefits and disadvantages of the decisions that has been taken related to case design, case and setting, data collection, data analysis and research ethics. This implicates that the researcher has reviewed the study with a critical eye to ensure confirmability.

4.0 Findings and analysis

The research problem for this master's thesis is: *How and why do some companies use Standing Neutral throughout the life of a Vested deal in the Facility Management industry?* In relation to this overall problem, two research questions are elaborated on: Firstly, how do companies in the Facility Management industry apply Standing Neutral in Vested deals? And secondly, what creates the need for Standing Neutral in Vested deals for companies in the Facility Management industry?

Each chapter starts with a presentation of data, before exploring findings and comparing them to the propositions. Based on this, propositions will be supported, modified or not supported, with basis in the analysis.

4.1 The role of Standing Neutral and its application

4.1.1 Expert perspectives

Kate Vitasek, the founder of the Vested business model, describes three types of Standing Neutral roles: Deal Architect, Single Standing Neutral and Standing Expert. She explains that Deal Architects should be present during the process of writing the contract as a collaborative neutral approach upfront, which she recognizes as relevant for Vested deals. DRM, who is a Dispute Review Board member in the construction business in a non-Vested deal, agrees that it is important to apply a Deal Architect (Partnering Facilitator) upfront. Kate Vitasek and DRM advocate for not only a Standing Neutral upfront, but also throughout the deal, which does not have to be the same person. Additionally, both experts elaborate on the proactive use of Standing Neutral, but none of them seem to rely on it reactively.

	PROPOSITIONS	Kate Vitasek	DRM
P1	Parties in a Vested deal can modify the role(s) of Standing Neutral(s)	<p>"(...) we call them deal architects, and we have a program for certified deal certified architects (CDA). As part of the CDA program, we're teaching people to use a more collaborative neutral approach upfront. A key part of the program is a methodology we call Vested, for creating highly collaborative win-win contracts for complex deals."</p> <p>"(...) have done the most amount of Standing Neutrals, with all of them playing a role upfront as a neutral in the deal architects, but also sometimes playing the role of a SN after the contract is signed as well."</p> <p>"We definitely also advocate for the use of Standing Neutral after the deal is signed, so ideally we would advice to have a Standing Neutral during the deal development as well as after the deal is signed."</p> <p>"And so, in the white paper I wanted to show all the different ways, and successes people are having by using Standing Neutral."</p>	<p>"The role of the Construction Partnering Facilitator is you come in and your goal, my whole goal is teambuilding, getting to know people outside the project building those relationships."</p> <p>"Typically, technical experts are selected as Partnering Facilitators, Engineers, Architects, Project Managers or Superintendents that have experience in construction, as opposed to selecting litigation attorneys."</p> <p>"You do not have to have language in your construction contract to engage a Partnering Facilitator. You have to have people who are invested in the relationship."</p>
PIa	Standing Neutral is a proactive ADR-technique to prevent dispute between parties in a Vested deal	<p>"(...) they're standing, so they're actually a part of governance."</p> <p>"(...) we want them standing. So, they catch issues and misalignments when they are small (...)"</p> <p>"So, Standing Neutral is one step further down because it's not ad hoc."</p> <p>"(...) but we're trying to educate all companies to be more proactive. Preventive law, proactive law, proactive ways of thinking (...)"</p>	<p>"The benefit of Dispute Resolution Board members visiting the project every couple of months, is to understand any potential issues and to observe the relationship between the contractor or the vendor."</p>
PIb	Standing Neutral is a reactive ADR-technique for parties to resolve dispute in a Vested deal	<p>"Unfortunately, many business people have an adverse opinion of mediators. We find business people react to the concept of a mediator as 'oh I'm, I can't solve this, I need a mediator, split the baby'. We find business people react much more positivcly to using a Standing Neutral, not having a split the baby mentality."</p>	<p>"Sometimes requirements for Partnering Facilitators or Dispute Review Board members are written into the contract, and the clauses are ignored. Many times, parties try to set up Dispute Review Boards after the fact. That doesn't tend to work as well."</p>

Table 4 - Findings: Experts' understanding and use of Standing Neutral

4.1.2 Case and Standing Neutral perspective

There is consensus between the cases and Standing Neutrals that the Standing Neutral role is proactive, and that (a) Deal Architect(s) should be used upfront in a Vested deal to create alignment. Case 2 and 3 continued with one of the same Deal Architects to be Single Standing Neutral in the deals and consider this as an important choice because they know the deal. Case 1, on the other hand, later decides on two informal Single Standing Neutrals, who also already work in the companies in the deal. Furthermore, all cases have used a Standing Experts in the deals, both in a proactive and reactive way. SN1, SN2 and SN3 have experience with a variety of Standing Neutral roles, like Deal Architect, Single Standing Neutral and Standing Expert.

	PROPOSITIONS	Case 1	Case 2	Case 3	SN1	SN2	SN3
PI	Parties in a Vested deal can modify the role(s) of Standing Neutral(s)	<p>"When we started the contract, we didn't have standing neutrals (...) it wasn't really mentioned, to be honest. I am not sure how developed it was at that stage. We had deal architects, guiding us (...)"</p> <p>"(...) we have Vested, this orange gravity, that exists, this philosophy that we work to. And I think the standing neutral, it's wrapped up in that philosophy of how we behave, what we gonna do, and that's written into our agreement (...) It is the philosophy of Vested that gives you the Standing Neutral."</p> <p>"So, it goes a bit more into detail, I would say. In an ideal world, you'd have both (Deal Architects and Standing Neutrals later in the deal)."</p>	<p>"And in that case, in those instances, the Standing Neutral role is to look at the situation objectively from the helicopter."</p> <p>"I know SN2 is not our Standing Neutral. But he, in that role (Standing Expert), he actually did kind of assist you in that way (with onboarding)"</p> <p>"I could have come to our Standing Neutral (SN1), but I didn't, it did not occur to me (regarding onboarding). I think it's because I had SN2 within the same company as me, as an expert on that area."</p> <p>"I was actually very surprised in the beginning when we had the workshops, that there was a Standing Neutral always present."</p> <p>"(...) I think it is the fact that he (SN1) was here from the beginning (as Deal Architect) which allows him to be a good Standing Neutral - because he knows the history"</p>	<p>"(...) but I think it (Deal Architect) is more a facilitator role. But they help us, they work like Standing Neutrals; they try to get the parties to discuss at a good level, but it is a little bit of a different role"</p> <p>"I feel that the facilitator role as Deal Architects help us in the process, they drive the process. But now it is us that drives the contract and have a Standing Neutral that is brought in and help us if we need that. They are the engine to drive us through and deliver in terms of rules and everything, but now the contract is ours, we run the show."</p> <p>"(...) if we had chosen a different neutral third party as Standing Neutral, now after our Vested journey with *company*, I don't think we would have gotten the same knowledge, insight, understanding of the dialogue as we have been through the last 6-7 months, and it should not be underestimated"</p> <p>"Regardless of if it is a Vested deal or another type of deal, one should consider using a Standing Neutral"</p> <p>"But in a Vested deal, it is a prerequisite that Standing Neutral knows the Vested methodology. It must sit well, to put it that way"</p>	<p>"(...) to be Deal Architect is also to be a form of Standing Neutral even if it is not a formal part. But we represent both parties and make sure to take the interest of both parties"</p> <p>"Then, I was assigned the role of Standing Neutral in the contract, after the agreement was ready"</p> <p>"I am in the executive steering group who meet 3-4 times a year. I participate in those meeting and get all of the material, and it is where we solve a great deal of conflicts or discussions"</p> <p>"And then as Deal Architect, I know the deal, I have been involved, people trust me (...)"</p>	<p>"So, you can decide which level of mandate Standing Neutral has and who has the right or precedence over the decisions that is made."</p>	<p>"In practice they are different, but in function, as a neutral third party that looks after both parties, it is completely the same"</p> <p>"But I have trouble seeing a person that does not know the Vested methodology take care of a Vested deal"</p> <p>"Having a neutral party that knows less about the Vested model, I think that would not add as much value. So understanding the contract is a really, really important part to understand the challenge"</p>
PIa	Standing Neutral is a proactive ADR-technique to prevent dispute between parties in a Vested deal	<p>"(...) We see the standing neutral as somebody that is 90% proactive. Listens, looks, attends the meetings and is an early warning system"</p> <p>"And the reality is, I think *colleague on buyer side* and I, we work in a way that replaces the Standing Neutral, because we do the proactive element. Our focus is on governance, we sort of manage in the shadows (...)"</p>	<p>"And if you at one point come out of track that's not healthy for the partnership, the Standing Neutral kind of brings you back in. They are kind of like the silent ones that are just there"</p> <p>"I don't think there has ever been a need to use Standing Neutral to solve a conflict. (...) So, the Standing Neutral is part of the dynamics"</p> <p>"So, Standing Neutral is used right now for when we do CaT-assessments, which is our compatibility and trust assessments that we do once a year."</p> <p>"I don't see him (SN1) only as dealing with issues, I also see him as a sparring partner"</p> <p>"It's (Standing Neutral) a standby resource that has a neutral view on whatever subject you are asking about."</p> <p>"We use it to achieve something to make it better instead of a place where all the fights die, right? We don't use it to solve conflict, we use it to have better outcomes".</p>	<p>"We had a follow-up meeting after last strategic meeting, where we went through what we can be better at. And that is proactive."</p> <p>"But I think, in terms of SN3, in strategic he gets insight and an understanding of what is happening in this contract, the partnership, status, progression around it. And then I think SN3 has a proactive role."</p>	<p>"I see my role as proactive and not reactive, it would be disappointing if my role was reactive"</p> <p>"(...) Compatibility Trust Assessment, it is a digital tool (...) where the parties answer lots of questions, and then you see how the relation is going (...) So, the supplier and buyer asked me to conduct an in-depth interview with twelve people who were important stakeholders in the deal."</p>	<p>"For me it is, this returning we have done three years in a row for this deal, we have been pretty proactive."</p>	<p>"I will say that it is proactive. You go to a third party to solve a question that has not become an issue yet. So, in that way I think the role you have chosen as Standing Neutral is proactive"</p> <p>"I think one should have an approach about Standing Neutral being most successful if the parties do not call you once after a question or issue has escalated to an adversarial matter. Seriously, because it should be a few issues as possible in the contract"</p>
PIb	Standing Neutral is a reactive ADR-technique for parties to resolve dispute in a Vested deal	<p>"They don't operate as Standing Neutrals (...) they are sort of on the wall, they are like a fire alarm - break glass in case of emergency"</p> <p>"We had (...) a situation in relation to some budget management issues (...) The (formal) Standing Neutrals came in along with *colleague on buyer side* and I think at the end we said 'look, why don't we just reach a compromise rather than trying to fall on one side of the fence or the other (...). It was in a reactive sense."</p> <p>"We don't use Standing Neutral in the way we should"</p>	<p>"(...) it is sort of an external consultant that is that is attached to the contract in a way and that you can use when needed. The Standing Neutral has the knowledge to actually assist you in whatever issues you might have"</p>	<p>"But I agree that when you bring a case to Standing Neutral, then there is something that is not working as it should, and that is reactive."</p>	<p>"(...) but it is not like I call them, I email them sometimes and ask 'how are you?', and ask if everything is going good. But it is not like I am as proactive as calling the parties without asking C2S and C2B. They call me in when they feel as they need some support"</p> <p>"(...) if you have a conflict that is not solved further down, then it goes to CEO-level, then the next step can be mediation (...) Having a person coming in as neutral and look at the dispute with new eyes can avoid an arbitration."</p> <p>"(...) but there is no Standing Neutral here, it is one of our oldest deals, so I said: 'maybe, I should come in here now and be a form of mediator?'. I called myself Standing Neutral, but it was almost escalated into a dispute. And that is because it was lots of new decision makers, new owners, who had come in, that did not understand Vested."</p> <p>"But I think it would be perfect, if I was proactive and contacted the parties"</p>	<p>"I have not had the same formal Standing Neutral role after an agreement has been signed. But I have been involved in several agreements and come in when there has been either problems or when there has been some things that the parties do not know how to solve"</p>	<p>"Even though it is reactive when C3B and C2S call me and ask 'how do we solve this', I would not say that this is very reactive, because I don't work in the contract, I am not there everyday. So, in that way it demands the parties to let me know early. And then I can be proactive, it depends a bit on what you put in the term"</p> <p>"If you compare it with other ADR-techniques, for example Standing Mediator and Standing Arbitrator, this I would say is completely different in function"</p>

Table 5 - Findings: Cases, SN1s, SN2s, SN3 understanding and use of Standing Neutral

4.1.3 Standing Neutral roles can be modified

In the theoretical chapter, the assumption that parties in a Vested deal can modify the role(s) of Standing Neutral(s) was made (see Figure 3). The interview data showed that the informants understood Standing Neutral as a term with varying roles. The experts elaborated on three types of Standing Neutral roles during the interviews: Deal Architect, Single Standing Neutral and Dispute Review Board, illustrated as red box in Figure 5.

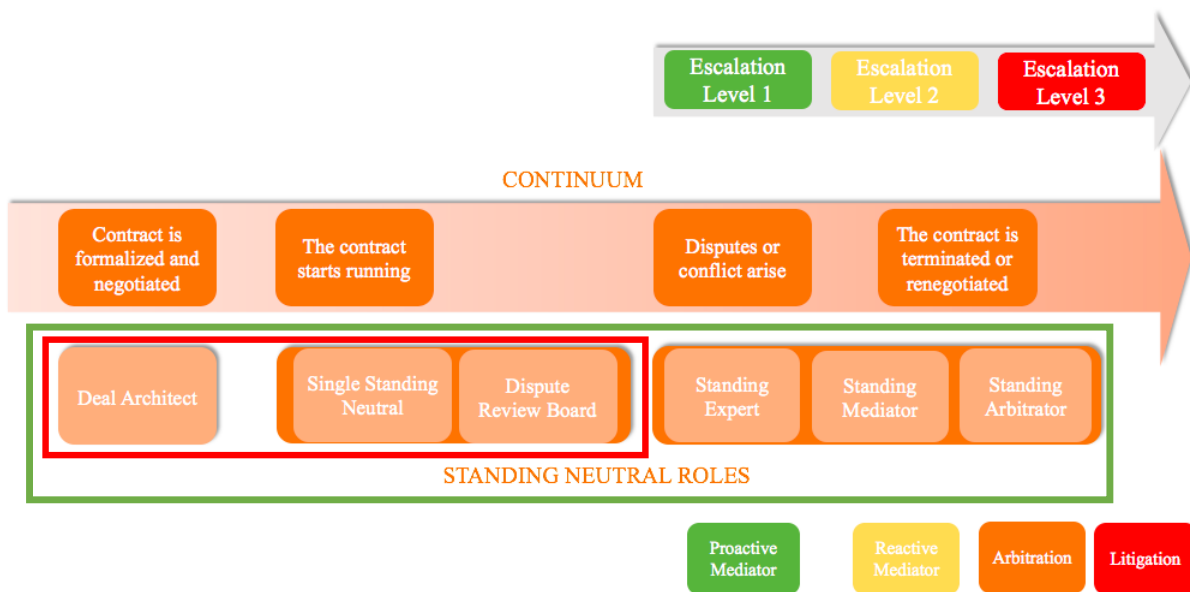


Figure 5 - The experts (red box) and cases (green box) understanding of the Standing Neutral

The cases and Standing Neutrals also elaborate on these roles, but they additionally talk about Standing Expert, Standing Mediator and Standing Arbitrator (green box in Figure 5). The findings suggest that there was a varying understanding of the Deal Architect role between some of the cases. Vitasek et al. (2019) address the Deal Architect role as a common variation under the Standing Neutral term. Experts and case 2 confirm this definition, but case 1 and case 3 have a different understanding of the role: they view Deal Architect to be separated from the Standing Neutral term. Case 1 explain that they had Deal Architects upfront, but no Standing Neutrals, which indicate an understanding of the role to be distinct from the collective term. Case 3 agrees on this view of the role and explains Deal Architect as a facilitator that helps them through the creation of the deal, whilst Standing Neutrals are brought in after the deal has started. Still, they emphasize that they both have the same function of being a neutral third party, they are just unlike in practice. This finding suggest that the informants have the same opinion on what the Deal Architect role entails compared to theory (Vitasek et al., 2019, p. 23), but that not all informants understand the role as a variation under the Standing Neutral term.

Additionally, the interview data showed that several of the informants recognized benefits of using more than one role in a Vested deal, like having a Deal Architect upfront and Single Standing Neutral after the deal has started. This view is in congruence with Vitasek et al. (2019) description of the second critical element of the Standing Neutral process: continuous

involvement of the neutral to maintain trust, fast response involvement and the neutral as an incentive for parties to avoid opportunistic behavior (Vitasek et al., 2019, p. 13). Case 1, on the other hand, did not use a Single Standing Neutral from the start of the contract. The reason for this seems to be lack of awareness, case 1 states they did not ever talk about Standing Neutrals during the pre-contract signing but first became aware of the concept from the white paper by Vitasek et al. (2019). This might implicate a need for better communication of the concept and success of using a Standing Neutral. Case 2 and 3 did use Deal Architects and Single Standing Neutrals, that were decided on in the contract. The cases chose one of the same people that were Deal Architects to be Single Standing Neutrals, which was a conscious and well considered decision. Both cases emphasize the importance of using people who know the deal and are trusted as Standing Neutrals. Case 2 explains that it is their shared history which allows a Single Standing Neutral relationship to be successful. SN3 confirms this by describing the Standing Neutral as someone who understands the contract as critical for the success of the deal, in addition to understanding the Vested methodology in itself.

Kate Vitasek shares that she is often frustrated because parties in Vested deals that use a Deal Architect upfront to create a collaborative environment, often decide not to use a Single Standing Neutral later on. She explains that this might come from a place of naivety, the parties are naive in their trust of the contract or the relation – they forget that they operate in a dynamic business environment. Ignoring issues while hoping the problems will go away, is part of human nature (Vitasek et al., 2019, p. 59). This is substantiated by case 1, 2 and 3. They explain how companies in Vested deals don't see the need for Standing Neutrals, because they have a conception of their contract as 'perfect'. Case 2 makes an analogy to marriage which we consider illustrative for this point:

“So, we have great dates, and then you think; ‘No, this is going so well. I don't think we need a third part’.”

Groton and Dettman (2011) call the phase where the Deal Architect facilitate and align the parties 'the honeymoon period' (Groton & Dettman, 2011, p. 183). To ensure future stability and prevent dispute, Groton and Dettman (2011) advocate a continuing use of Standing Neutral to be able to identify and deal with problems effectively, after the honeymoon phase (Groton & Dettman, 2011, p. 183). The findings thus suggest that parties in Vested deals should have a Deal Architect upfront, but also a Single Standing Neutral after the contract has

been signed. The need for both roles is relevant for keeping trust, alignment and Vested mentality between the parties. Perhaps this recalls for a new understanding or communication of the Standing Neutral concept, in order to increase awareness of the benefits of appreciating both roles. This perspective is in line with Vitasek et al. (2019) description of Standing Neutral as the least known, but most useful of all ADR-techniques (Vitasek et al., 2019, p. 4). Returning to Figure 3, a small alteration is suggested with the purpose of specifying the importance of having (a) Deal Architect(s) and (a) Single Standing Neutral(s) (or Dispute Review Board in construction industry) in Vested deals:

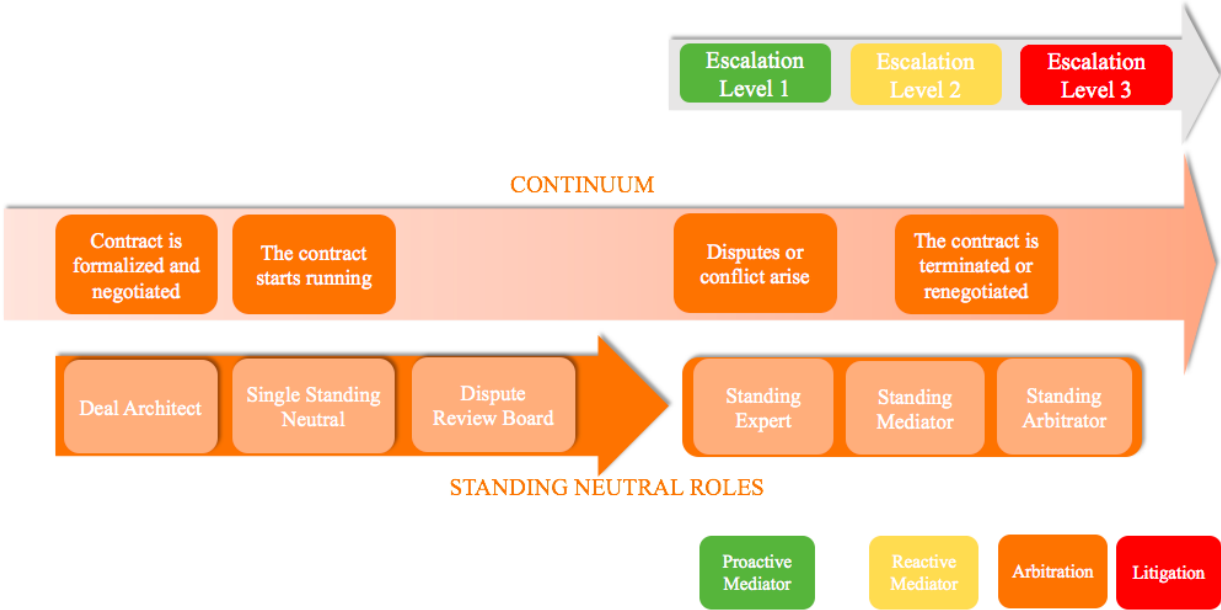


Figure 6 - Overview of Standing Neutral roles with an alteration from Figure 3

The suggestion presented in Figure 6, show a continuum of the Deal Architect and the Single Standing Neutral role (and Dispute Review Board for bigger projects, like in the construction industry). The purpose of the continuum is to communicate that the role of Deal Architect and Standing Neutral should evolve in continuation, the latter building on the first. This proposal implicates that companies in Vested deals who apply (a) Deal Architect(s) upfront, automatically continue on with (one of) the same person(s). This evolvement might be compared to Groton and Dettman (2011) description of the Partnering Facilitator role: a Standing Neutral which is applied upfront but also present during the entire deal to maintain a prevailing collaborative environment (Groton & Dettman, 2011, p. 182). Vitasek et al. (2019) juxtapose the Partnering Facilitator and Deal Architect role, interestingly not in the same way as Groton and Dettman (2011), while she describes the Deal Architect as only present during the development phase of the contract (Vitasek et al., 2019, p. 23). Perhaps an understanding

of the Deal Architect role closer to Groton and Dettman (2011) definition of Partnering Facilitator could be a good alternative, in order to make companies aware of the benefits of having a neutral present during both the start-up and the continuation of the contract. Such an understanding of the Standing Neutral concept would also have the benefit of securing the second critical element in a Standing Neutral process, namely the continuous involvement by the neutral (Vitasek et al., 2019, p. 12) in the cooperative process.

Summing up, the empirical findings show that all informants understand Standing Neutral as a collective term with varying roles. The findings indicate that parties in a Vested deal can modify the role(s) of Standing Neutral(s), and proposition 1 is hence supported. The experts and cases mainly elaborated on the role of the Deal Architect and Single Standing Neutral, and the interview data suggest an altered understanding of the concept of Standing Neutral (see Figure 6). The proposed alteration also secure fulfillment of the second critical element in a Standing Neutral process, continuous involvement of the Standing Neutral.

4.1.4 Standing Neutral as a proactive ADR-technique

The interview data showed that all informants agreed that Standing Neutral is a proactive ADR-technique. The experts emphasized that Deal Architect/Partnering Facilitator is used upfront and that implementing a Standing Neutral after issues or conflict has occurred is not the best or preferred strategy to solve problems. This is in correspondence with Vitasek et al. (2019) third critical element suggested to secure proper function of Standing Neutral: prompt action of issues (Vitasek et al., 2019, p. 13). The third critical element entails that Standing Neutrals should have a high level of readiness, ‘standing’, a fast response technique (Vitasek et al., 2019, p. 10). Vitasek et al. (2019) describe this as having a proactive focus in order to maintain alignment in the relation, as the Standing Neutral should be available on short notice and advice on issues in early stages (Vitasek et al., 2019, p. 13). The findings suggest that the cases *understand* Standing Neutral as ‘standing’, but that the *use* of their Standing Neutrals only partly can be considered proactive. Case 1 views Standing Neutral as 90% proactive and case 2 explains that they have not used Standing Neutral to resolve conflict, implying it as a proactive role. These perspectives on Standing Neutral are confirmed by SN1, SN2 and SN3, who explain their roles as proactive.

As mentioned, the cases seem to apply Standing Neutral as a proactive ADR-technique only to some degree. For example, case 1 have implemented two Single Standing Neutral in their deal, which according to Vitasek et al. (2019) is a proactive role (Vitasek et al., 2019, p. 21). However, findings from the interview from case 1 shows that these formal Single Standing Neutrals are only contacted after dispute has occurred, thus indicating them as reactive Standing Neutrals (further analyzed in relation to P1b). Interestingly, case 1 also have two *informal* Standing Neutrals, which is the informant (C1S) and his colleague on the buyer side of the deal. They work from the governance point of view and were involved in the original set-up of the contract and consider their roles as proactive. Since there seems to be none or very little research on the use of informal Standing Neutrals in Vested deals, the effects of using informal Standing Neutrals is hard to predict. However, the informal use can be perceived as beneficial for this deal since the contract was lacking a proactive governance.

Furthermore, the findings show that case 2 use a Single Standing Neutral (SN1) proactively. SN1 is in the executive steering group which meets 3-4 times a year. SN1 claims to have a proactive role as he is available for whenever the parties need his advice. This is in correspondence with Vitasek et al. (2019) description of Standing Neutral as a fast-response technique (Vitasek et al., 2019, p. 10), which indicate that case 2's Single Standing Neutral can be considered to be a proactive ADR-technique. Case 3 describes the use of their Single Standing Neutral as similar to case 2's. They view their Single Standing Neutral to be proactive because he has continuous insight into the deal, thus has a possibility for high level of readiness, which SN3 agrees with.

Additionally, interview data from case 2 showed an unexpected finding that contrasted with literature on the subject, regarding the Standing Expert role. Case 2 implemented a Standing Expert for a period of time, to help one of the informants with onboarding and introduction to the Vested mentality. Vitasek et al. (2019) describe Standing Expert as a person that is applied as a technical expert that parties bring in when dispute arise, ergo a *reactive* ADR-technique (Vitasek et al., 2019, p. 21). Even though this role is described as reactive, one can argue that case 2 applied the Standing Expert (SN2) in a proactive way. This argument is based on the fact that the Standing Expert was brought in before there was any dispute, thus implicating it as a role with multiple uses. This unexpected finding contradicts the definition of the Standing Expert role in literature, perhaps implicating an altered understanding of the concept of

Standing Neutral. An alteration to Figure 6 is thus proposed to illustrate the duality of the Standing Expert role by placing it both reactively and proactively:

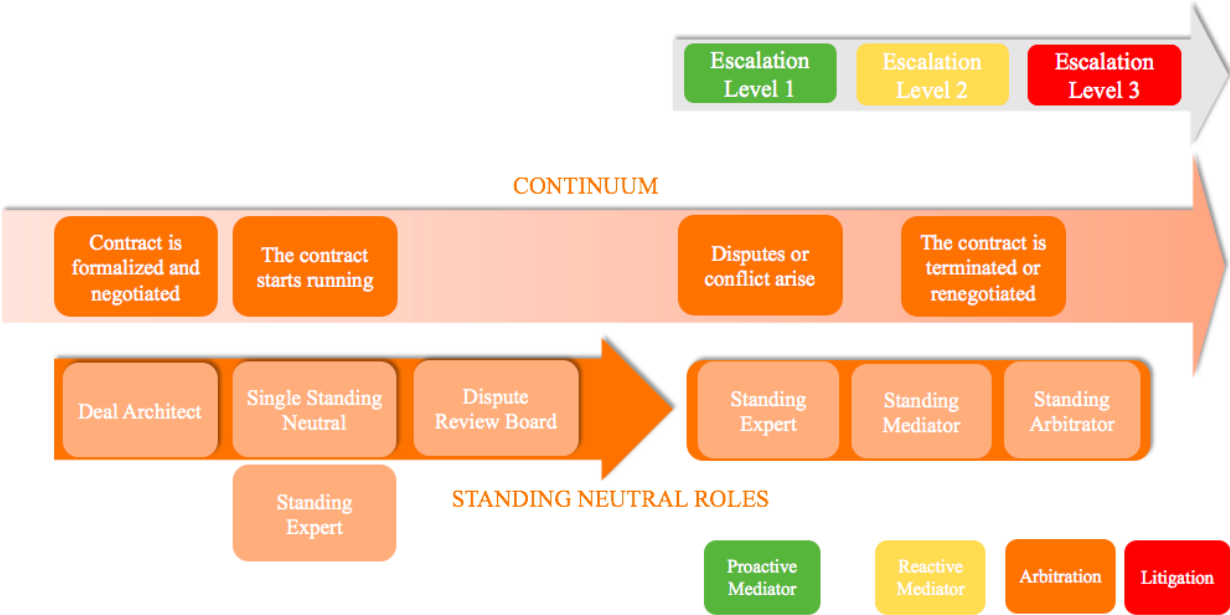


Figure 7 - Overview of Standing Neutral roles with an alteration from Figure 6.

In chapter 2.5.3, the Standing Expert role was compared to the Proactive Mediator role in Glasls 9-stage model. By definition, both roles are brought into situations where a buyer and supplier have issues or conflicts that they need to resolve in order to maintain the relationship (Hietanen-Kunwald & Haapio, 2021, p. 7). However, the Standing Expert in case 2 is contacted before any issues or conflicts has occurred between the parties, implicating it as more proactive than the Proactive Mediator role (see Figure 7).

Summing up, empirical findings from the interviews show that all informants understand Standing Neutral as a proactive ADR-technique with a high level of readiness, thus meeting the third critical element of the Standing Neutral process. The interview data implied that even though the cases viewed Standing Neutral as proactive, they had used the Standing Neutral in reactive ways as well. The findings thus suggest that proposition 1a can be supported.

4.1.5 Standing Neutral as a reactive ADR-technique

The interview data show that experts do not consider Standing Neutral as a reactive ADR-technique, based on the fact that this group of informants only talked about the use of Standing Neutral as proactive. DRM emphasized that using Standing Neutral reactively tends to not work very well because the problem already has occurred. The cases and Standing Neutrals, on the other hand, did elaborate on Standing Neutral as a reactive ADR-technique. Vitasek et al. (2019) and Groton and Dettman (2011) define three reactive roles of Standing Neutral: Standing Expert, Standing Mediator and Standing Arbitrator (see chapter 2.5.3). These are Standing Neutrals who are brought in after dispute has become an issue, giving recommendations or stating binding decisions (Vitasek et al., 2019, p. 23). These roles, as they are selected after the parties has signed their deals, also contrasts to the first critical element of the Standing Neutral Process of early mutual selection (Vitasek et al., 2019, p. 12). As mentioned earlier, case 1 describes the use of two formal Single Standing Neutrals. Case 1 explains that the formal Single Standing Neutrals were brought into a situation where the parties were in disagreement about budget managing and struggled to reach a compromise. This meant that the problem had already become an issue or conflict, thus indicating a reactive application of Single Standing Neutral. Groton and Dettman (2011) define Single Standing Neutral as a proactive role (Groton & Dettman, 2011, p. 182), which implies that case 1's use of Standing Neutral contrasts to theory. This perspective is confirmed by case 1:

“It was in a reactive sense. (...) We don't use the Standing Neutral in the way we should”.

The findings further show that SN1 has experience as a mediator, which is a reactive role since it is implemented after dispute has occurred (Todorović & Harges, 2022, p. 6). SN1 was in a situation where two parties were close to terminating their Vested contract as a result of dispute. As the dispute almost had become a twist, he considered his role to be mediation, even though he called himself Standing Neutral. His way of elaborating on this made it sound as if SN1 understand Standing Neutral and Standing Mediator to be two distinct concepts. This perspective might be related to SN1s understanding of Standing Neutral as a proactive ADR-technique (as concluded in the previous chapter), thus implicating that reactive roles do not belong under the Standing Neutral term.

Furthermore, the findings show that case 1 might share the same perspective on the Standing Neutral term as SN1. The interview data from case 1 show that they understand Standing Neutral as ‘wrapped up’ in the Vested philosophy, with characteristics like win-win and trust. In relation to this, case 1 shares that the arbitration role contrasts to the Vested methodology, because a relationship already is broken when an arbitrator becomes involved in the relation. This can be interpreted as similar to third escalation level in Figure 2, characterized by parties having no hope of finding a solution that benefits both (Hietanen-Kunwald & Haapio, 2021, p. 7). This finding might indicate that case 1 view the Standing Arbitration role as an unfitting variation under the Standing Neutral term, because it contrasts in use to the definition of Standing Neutral as a third party that prevents disputes or resolves conflict in a way that is win-win (Vitasek et al., 2019, p. 4).

Furthermore, the interview data implicate that case 3 also shares the same understanding of the reactive Standing Neutral role as case 1. SN3 discusses it as a question of interpretation: On one hand, Single Standing Neutral can be considered a reactive role because it is brought in when the parties ask for support on a specific issue. On the other hand, it can be viewed as proactive because it helps on an issue *before* it escalates, ergo a preventive technique. This proactive argument is, according to SN3, the most relevant understanding of the Standing Neutral concept because it substantiates the defined preventive intent of Standing Neutral. In relation to this, SN3 compares Standing Neutral to other ADR-techniques and explains that the Standing Mediator and Standing Arbitrator roles are completely different in function. The Standing Neutral concept is to be proactive, hence a neutral should not hold the role of a mediator after issues has escalated into conflict where trust and cooperation between parties are gone (escalation level 3).

Based on these perspectives on the reactive Standing Mediator and Standing Arbitrator, a revision of the previous figure is proposed without these roles:

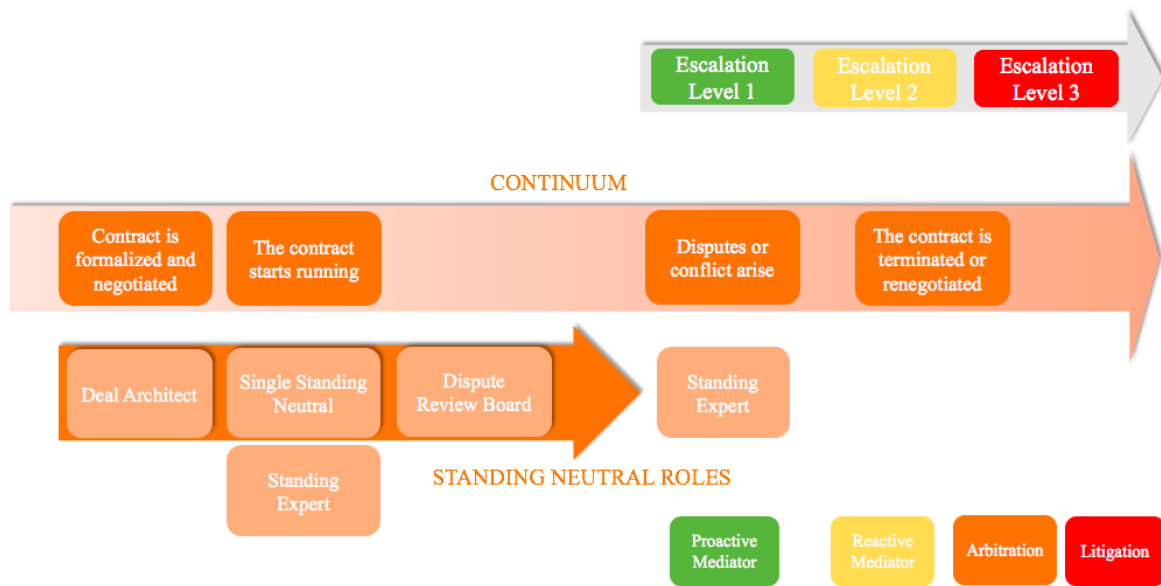


Figure 8 - Overview of Standing Neutral roles with an alteration from Figure 7.

Summing up, empirical findings from the interviews show that experts and cases do not consider Standing Neutral as a reactive ADR-technique. A reactive use of the neutral would also indicate that the first critical element of the Standing Neutral process of early mutual selection, would not be met. Interview data imply that even though some of the informants had applied reactive roles into their Vested deal, they did not view this as the correct use of Standing Neutral. Based on these findings, proposition 1b is not supported.

4.2 The need for Standing Neutral

4.2.1 Expert perspectives

Kate Vitasek emphasizes that companies might have naive trust in relations and contracts, and often forget that business is dynamic and unpredictable. She explains that this might indicate that companies don't realize the need for Standing Neutrals, just regarding it as an extra and unnecessary cost. Kate Vitasek explains that this also can lead to misalignment and lack of trust between the parties in Vested deals. SN1, SN2 and SN3 consider the price model as a reason for misalignment, and Compatibility and Trust assessments as relevant for maintaining trust in a Vested deal. SN3 sees the potential benefit of implementing Standing Neutrals in non-Vested, relational deals, but not in transaction deals. SN1 wants to prevent his clients from resorting to arbitration by implementing Standing Neutral as an ADR-technique to

decrease friction. SN1 is paid by the hours for the work he does as Standing Neutral, but wishes he had a fixed price upfront.

	PROPOSITIONS	Kate Vitasek	SN1	SN2	SN3
P2	Using a Standing Neutral in a Vested deal is more time and cost effective than resorting to mediation, arbitration or litigation	<p>"There is a cost associated with the standing neutral, and they are shortsighted, and don't want to have the small cost. And then they get out of alignment and have a big cost"</p> <p>"(...) business is dynamic (...) at least once a quarter, have someone come in and kind of make sure that you're not misaligning. So they're watching for the misalignment, because misalignment will happen"</p>	<p>"Standing Neutral is a small cost for reducing friction in the relation"</p> <p>"(Standing Neutral is) designed to prevent any problems or potential disputes from escalating into adversarial disputes, or even lawsuits"</p> <p>"(...) immediately available to help resolve disputes that arise between them"</p> <p>"They pay me for the hours I work. There is a benefit of this being that they only pay for the work I do. The disadvantages of this is that they perhaps think a little bit extra before bringing me in. And would I have had a retainer, a fixed price for the whole year, then they could use me more, I think that would be better (...) But the upfront cost is a little high and then the parties think 'what if we don't use him?'"</p>	<p>"(...) if the parties try to solve it themselves, then it can take a lot of time and be resource inefficient. But if one comes in as a neutral party and can have a few meetings, the Standing Neutral can say 'this is my objective recommendation based on guiding principles (...)'"</p>	
P2a	Standing Neutral help parties create clarity and credibility in a Vested deal	<p>"The Standing Neutral helps with the clarity issue. Because they highlight what should be, based on their neutral respected position"</p> <p>"Standing Neutrals are respected in the industry because they are experienced in their topic and have seen lots of things. Their experience can also help them in the deal making process because they are involved right up front working with companies to help them see, be less positional – ultimately helping the parties reach a win-win deal much easier. As a Standing Neutral, they can highlight when a party might be opportunistic – and can say 'hey- you're not right and you're not right...let's look at this from a different perspective'"</p>	<p>"Both parties' interests are taken into account and are aligned"</p> <p>"Both parties follows the agreed guiding principles"</p> <p>"Often, it has gone a little far and there is the New Sheriff who does not quite understand what Vested is, because they were not involved in the initial making of the agreement (...)"</p> <p>"There is continuity in this person, who has some formal power, it is written in the agreement that this person is the go-to person when this happens"</p>	<p>"And you see that the price model that has been used may have flaws or (...) the relationship has matured, so that the price model no longer matches and drives the behaviors you want. Then it can be a source of conflict"</p> <p>"My experience is that the longer an agreement lasts, the less people are left from the initial core that made the deal (...), and the harder it gets to feel ownership. (...) It is human to be a bit scared of new things, so it can be hard to onboard a person, and even harder when there is fewer people left from when the deal was made"</p>	<p>"Where it gets difficult is when a person comes in and understands but does not agree. To want to take things in a different direction"</p> <p>"(...) a third party, with experience from Vested in the past, can come in and say that 'we have used this model in a quite huge number of agreements and it works' - which can hopefully provide extra comfort if the Vested model itself is questioned"</p>
P2b	Standing Neutral help parties maintain trust during the relation in a Vested deal	<p>"So, we would teach people 'you are trusting because, you look and feel like these five things'"</p> <p>"We would teach people 'you are trusting because, you look and feel like these five dimensions of trust'"</p> <p>"We help people slow down and understand why there are gaps in trust. For example, we challenge people to think 'why do you have these gaps in trust? Why would you say X and the supplier say Y?' A Standing Neutral then facilitates a discussion about what is driving a lack of trust, asking things such as 'what caused you to do that?' and then they come up with examples and so by using real examples, they can realize that they were both right"</p>	<p>"While in Vested, in this relationship that you just described (...) and in almost all our Vested agreements, the relationship is something we worked on when we built the agreement. And the parties work with it throughout, which makes it easier for a neutral person to enter"</p> <p>"And then as Deal Architect, I know the deal, I have been involved, people trust me (...), so I got very open answers and a lot of interesting questions came up that no one had seen before"</p>	<p>"If you (Standing Neutral) have not had continuous contact or done such 'health checks', and then problems arise two or three years later. The people who are managing the agreements will have a much harder time talking to someone they have not talked to in two or three years"</p>	<p>"(...) The CaT analysis has no intrinsic value, one must discuss the result, and decide what we do now"</p> <p>"(...) if you do not attend meetings, (...) then I think you have to find another form of knowledge transfer"</p> <p>"If you still have confidence in SN, that you do that check, at least once a year. I think that is a wise approach"</p>

Table 6 - Findings: Experts' understanding and use of Standing Neutral

4.2.2 Case perspectives

Case 1, 2 and 3 agree that new employees and New Sheriff in Town are reasons for clarity problems in Vested deals. Case 2 and 3 have used Standing Neutrals to help new employees

onboard, but case 1 has not used Standing Neutral for this nor in relation to New Sheriffs. The New Sheriffs in case 1 is also the reason the deal does not have Standing Neutrals from outside the companies, because the managers see this as an unnecessary cost. Case 2 views Standing Neutrals as not only a beneficial, small cost but also a concept that can create value and better outcomes – they call it an investment. Additionally, case 2 consider Standing Neutral as important to create and maintain trust in the deal. Case 3, on the other hand, has a lot of trust in the contract and the relation, and only have the Standing Neutral as part of governance the first year of the contract. Later this year, case 3 will conduct an assessment to see if the Standing Neutral should be part of the governance like presently.

	PROPOSITIONS	Case 1	Case 2	Case 3
P2	Using a Standing Neutral in a Vested deal is more time and cost effective than resorting to mediation, arbitration or litigation	<p>"It's symbolic, and we use it to continually reinforce the message that you're working together, not against each other, as you would in a traditional sort of arrangement"</p> <p>"And that's what we found with the culture, whenever there is some sort of tension or problem - that's the hardest time to be Vested. That's when people often revert to their old style of being a facility manager or being a client"</p> <p>"It's a difficult one I think, for a business to pay to have somebody who sits there listening most of the time"</p> <p>"I think we would have benefited from having a Standing Neutral because we have had strategic drift"</p>	<p>"(...) those are goals in terms of sustainability, there's goals in terms of innovation, in terms of retaining and attracting talent. This is crucial for organizations, and crucial for the transformation that is happening now(...)"</p> <p>"We don't use it (Standing Neutral) to solve conflict, we use it to have better outcomes"</p>	<p>"We wanted more flexibility, more innovation (...) that we found models like this with Vested"</p> <p>"We had not achieved the outcome that we (...) arrived at in this agreement. Then the scene would have been a little different, I think"</p> <p>"and that's where I think this is so brilliant, we have a third party who understands the content of the agreement, what we have discussed through the Vested journey we have had and we get a completely different discussion"</p>
P2a	Standing Neutral help parties create clarity and credibility in a Vested deal	<p>"Otherwise, the client starts going over there, meanwhile we carry on in this direction, and then you get a gap. So, that's where the standing neutral help you to correct that course to stay together"</p> <p>" (...) and again, act as a neutral observer, who can give you an impartial view. So that was good, that really helped"</p>	<p>"So actually, having (Vested) contracts where you work on that level of outcome are more interesting (than rule-based contracts), but also more complex. This is why it is good having the neutrality of the Standing Neutral help us evolve the contract.</p> <p>"Whenever we actually say 'this is our intention', do you, reading from a third party looking at it, can you understand that intention, or do you interpret it as something else"</p> <p>"You need to be aligned, which means you have to come in willing to adapt to that culture"</p>	<p>"And my opinion is that in this partnership, we are very much in agreement, that we see both sides and agree that the deal should be a win-win"</p> <p>"Very good visions and thoughts in the beginning, then we really break everything. When there are fixed prices and such at the bottom, then the discussion becomes very difficult after that"</p> <p>"Because in Vested there is no classic or formal negotiation process as the parties co-create the agreement. One of the main goals was to answer the question: how do we establish a pricing model that provides a balanced outcome for both parties, ensuring that we achieve the joint desired outcomes of the deal"</p>
P2b	Standing Neutral help parties maintain trust during the relation in a Vested deal	<p>"(...) you know the relationship is very strong, very strong. Our Compatibility and Trust Assessment scores, we do it every year. We have a KPI connected to it, it's a point 8-7 on that compatibility scale"</p> <p>"(...) we are in what they call 'Champions League of relationships scores', you know. It is really good, so we're very proud of that"</p>	<p>"(...) the reason why there is trust in the Vested partnership is because there is a true possibility of win win. You can truly have it both ways"</p> <p>"I keep calling it a marriage. You need to be as invested as you would be in a marriage, because it is a trust relationship"</p> <p>"You need to deal with love, you need to support people, you need to truly build a team."</p> <p>"It is about creating a family, creating a culture"</p>	<p>"As we have based our agreement on abiding the guiding principles, we have established social norms to always follow within the partnership, which builds trust.</p> <p>"Then we had to build that trust, again. Just as we have done through the Vested journey with SN3. So, I think it would have been very difficult, that trust, because it takes time"</p> <p>"We have KPIs directly related to using the CaT analysis and answering how things are going in the partnership. So, there is already a common thread from our desired outcomes to KPI follow-up"</p>

Table 7 - Findings: Cases' understanding and use of Standing Neutral

4.2.3 Standing Neutral as a cost and time effective ADR-technique

In the theoretical chapter, it was assumed that parties in a Vested deal use a Standing Neutral because there is a cost and time benefit associated with resolving problems at an early stage. The interview data showed that this assumption can be related to a previous finding about the Standing Neutral being a proactive, fast-response technique (see chapter 4.1.4). Findings suggest that applying a Standing Neutral to advise parties on smaller issues have benefits like preventing an escalation of problems, as indicated by the cases in the previous chapter. This find is in congruence with Groton and Dettman (2011) and Vitasek et al. (2019) view of Standing Neutral as a pre-emptive ADR-technique as it is a ‘hands-on’ approach to the relation (Vitasek et al., 2019, p. 13). Compared to mediation, Standing Neutral is considered more time and cost effective because of this high level of readiness, in addition to the neutral being familiar with the relation (Vitasek et al., 2019, p. 38). As the findings from chapter 4.1.3 does not support proposal 1b, the Standing Neutral term can be recognized as unindicative for any reactive roles.

Standing Neutral used proactively was something that was found in all cases in this study, especially through the use of (a) Deal Architect(s) upfront and (a) Single Standing Neutral(s) after signing the contract. However, as discussed in the previous chapter, some companies decide not to use a Single Standing Neutral because they do not see the need for it. Kate Vitasek explain that companies do not want the small cost of using a Standing Neutral because they are shortsighted, perhaps naive, they forget that business is dynamic and complex, and conflict may occur. When conflicts escalate and litigation becomes the only solution, studies confirm that judicial proceedings have high direct and hidden costs as well as being time-consuming (Vitasek et al., 2019, p. 34). SN1 explains that he informs his clients about the benefits of applying a Standing Neutral in terms of cost and relation, and that arbitration is the more costly alternative. This is in congruence with literature, which describe arbitration as ‘litigation-in-disguise’, because the cost of arbitration often is just as cost inefficient as litigation (Todorović & Harges, 2022; Vondra & Carver, 1994). SN1 is paid by the hour for the work he does when the parties bring him in. He explains that the benefits of this is that the parties only pay when they need him, but the disadvantage can be that the parties wait longer before they contact him. SN1 thus encourages a fixed price upfront, because then the parties would probably use his services more, and the relationship as a whole would probably benefit from this. SN1 considers Standing Neutral as a small cost for the

benefit of decreasing friction in relations and prevent further escalation of conflict, but that some parties struggle to see this perspective. The naive outlook on the deal is perhaps best exemplified in case 1, as the managers did not perceive the cost of implementing a Standing Neutral from outside the organization as valuable. Case 1 explains that their managers potentially saw this as a person who would not be beneficial for the deal, but rather a costly choice. Case 2 confirms the same view and explains that some companies do not see the benefits of using a Standing Neutral, they only see the costs of it. Case 2 emphasizes that it is important for companies to realize that a Standing Neutral actually can create genuine value to the deal and beneficial outcomes.

Furthermore, the interview data show that case 2, during workshops in the pre-signing phase of the contract, considered the use of Standing Neutral to be a waste of money. This was based on the consideration that using Standing Neutrals is costly and unnecessary. However, case 2 changed this perception as the workshops went on and the Standing Neutral proved to be beneficial. This example, as well as Kate Vitasek's experience with companies not realizing the worth of implementing a Standing Neutral, might encourage the need and understanding for Standing Neutrals as a success factor in Vested deals.

Summing up, interview data from this study suggest Standing Neutral as a proactive ADR-technique, with the intent of preventing escalating issues that has to be resolved with mediation or arbitration. Kate Vitasek explains that companies decide not to have the small costs of a Standing Neutral because they do not see the need for it, which is confirmed by case 1. This, and case 2's change in perspective, do perhaps advocate for better communication concerning the benefits of having a Standing Neutral in terms of cost. Based on this, proposition 2 is supported.

4.2.4 Standing Neutral creates clarity and credibility

In the theoretical chapter, Standing Neutrals was assumed to help parties create clarity and credibility in a Vested deal, thus preventing misalignment and potential dispute. Gibbons et al. (2021) define the credibility problem as a matter of believing in each other's promises, and the clarity problem as a shared understanding of such promises (Gibbons et al., 2021, p. 2). Interview data in this study show that Kate Vitasek views contradicting perceptions as the most common reason for conflict in Vested deals, thus indicating lack of clarity and

credibility as reoccurring problems. She explains that these misalignments often are a result of parties deciding not to apply a Standing Neutral after the deal is signed, because they do not see the need for it. The reason for this is that a Deal Architect has been present upfront in the crafting of the agreement to align the parties (Vitasek et al., 2019, p. 23), which makes them so certain that nothing will change, believing that the relation will stay the same throughout the whole deal.

The interview data imply three reasons for clarity problems in Vested deals: new employees, New Sheriff in Town and the price model. Case 1 describes their onboarding process of new employees as deficient and that a Standing Neutral to some extent could help with this, but that it would be even better if the Standing Neutral could identify and solve problems. Case 2 and 3 also understand the onboarding process as important to keep alignment in the Vested deal and has used Standing Neutrals in different ways to make sure that new employees understand the Vested culture and mindset. New Sheriff in Town as ailment 11, describes a situation where a new manager comes into the Vested deal without having the necessary knowledge or understanding of Vested (Vitasek & Cambresy, 2018, p. 43). The New Sheriff is power hungry and wants fast results – it is a manager that contrasts Vested values and intentions. An important aspect here will therefore be to implement strategies for preventing the new manager from drifting towards a win-lose relational deal and support her in adapting the Vested mentality (Vitasek & Cambresy, 2018, p. 43). Case 3 explains that a Standing Neutral could be used in such situations because it would be a neutral party with power as an expert to give the New Sheriff insight into how Vested works. Case 1 describes reoccurring problems of New Sheriffs as their managers are still learning and exploring Vested but does not mention Standing Neutral as a potentially supporting third party.

Furthermore, empirical findings in this study show that the experts identify the price model as a potential reason for misalignment. The price model in Vested deals differ from traditional deals as it should be fair in terms of balancing risk and reward and is an essential part of changing the focus of the organizations from transactions to outcomes (Vitasek et al., 2010, p. 58). A fair and transparent price model is also relevant for building trust (Vitasek & Manrodt, 2012, p. 11). SN1 and SN2 describe the price model as sensitive and incentivizing in relation to behavior. They explain that sometimes parties later in the deal realize that their price model has serious flaws or does no longer drive behavior as first intended. To prevent this from escalating into bigger conflicts, SN2 suggests bringing in a Standing Neutral to advice and

recommend the parties a price model that could work better for both. SN3 also acknowledges that price model is a potential reason for conflict and points to guiding principles as a tool to help resolve issues related to the price model. However, case 3 does not seem to share the same realization as SN3 because they have faith in the price model, and they do not have a specific plan if problems should arise. Still, they explain that they could involve SN3 if it was necessary, like he was when the price model originally was crafted.

Summing up, findings suggest that implementing a Standing Neutral to create clarity and credibility in a Vested deal, could be helpful. The findings also show that applying (a) Deal Architect(s) upfront could help create clarity and credibility in the Vested deal, before the contract is signed. Furthermore, three clarity problems were discovered: new employees, New Sheriffs and the price model. The interview data indicate that involving Standing Neutrals could prevent misalignments related to such situations. There was not discovered any credibility problems in the buyer-supplier relation, but research shows that if clarity issues are not resolved, problems of credibility might occur as a consequence (Gibbons et al., 2021, p. 16). Therefore, the findings in this study do not only support proposition 2a, but it also encourages a modification of it to maintain clarity and credibility throughout the lifetime of a Vested deal. The following modification is made to proposition 2a: Standing Neutral help parties create and maintain clarity and credibility in a Vested deal.

4.2.5 Standing Neutral maintains trust

The interview data suggest that the informants understand Standing Neutral as an important ADR-technique to maintain trust during the relation in a Vested deal. Trust is considered relevant in relational contracts, like Vested, because it creates a collaborative environment (Ndubisi & Umar, 2018, p. 50). Also, research show that parties who trust each other are less likely to act in self-interest (Keller et al., 2021; Ndubisi & Umar, 2018). The interview data show that all cases used multiple Deal Architects upfront to create trust and cooperation between the parties, which the cases considered beneficial for the relation moving forward. However, it is also important that parties maintain the trustworthiness throughout the relation, because this facilitates a long-term relationship (Ndubisi & Umar, 2018, p. 50). Still, as previously discussed, some companies decide not to continue with a Standing Neutral, often as a result of a naive trust in the contract and relation (Frydinger et al., 2016, p. 33).

Following this perspective, Williamson (2008) describe the benign approach, which is characterized as parties having too much trust in the deal and relation, often resulting in one party being exploited by the other in an act of opportunism (Williamson, 2008, p. 10). The interview data indicate that case 3 is located within this approach as they have a lot of trust in their deal and describe it as the best deal ever made. This is substantiated by their decision of only keeping the Standing Neutral as part of governance the first year of the deal. They explain that there will be conducted an assessment to evaluate whether SN3 will continue on as Standing Neutral in the same way as now or if he becomes their 'free zone', as the parties call it, when necessary. If the parties decide not to continue with the same use of SN3, a consequence might be that one party will take advantage of the other party when an opportunity presents itself (Vitasek & Manrodt, 2014, p. 24). As mentioned above, this situation is described by Kate Vitasek as a common result when parties do not appreciate the value of having a Standing Neutral throughout the deal to maintain the relationship. This perspective is also the foundation for the alteration of Figure 3 as Single Standing Neutral being a continuum of the Deal Architect role (see Figure 6). Case 2, on the other hand, seems to be aware of the potential disruptions that may occur during the lifetime of a contract. Williamson (2008) addresses the awareness of future uncertainty as having a credible approach, indicating that parties integrate a cooperative nature (Williamson, 2008, p. 10). Case 2, based on their use of Standing Neutral as a proactive ADR-technique to support when disruptions occur, have the credible approach to outsourcing.

The interview data also reveal Compatibility and Trust assessments as a relevant part of maintaining trust in relationships. SN2 describes these digital tools as 'health checks', which is something he, and all the other Standing Neutrals that was interviewed, have experienced. Kate Vitasek mainly talk about these surveys as important in order to uncover potential gaps in perception that can cause misalignment. SN1 provides practical insight into how he conducts such assessments in case 2: first the parties answer multiple questions in a survey that is made to show how the relation is going. As this is just a digital assessment, SN1 explains that he also uses in-depth interviews with a certain number of important stakeholders in the deal. SN1 was picked to do these conversations because he is considered trustworthy by the parties, which, in turn, lead to honest answers and insight into details about the relation. SN2 confirms the value of conducting Compatibility and Trust assessments and explains that the benefits can bring the deal to the next level – a journey which can be difficult for the parties to conduct by themselves. SN3 is also set to conduct yearly 'health checks' and case 3

explains that this is part of the desired outcomes and objectives. This finding indicates that parties in a Vested deal actively integrate tools to maintain trust in the relationship, which can be conducted by Standing Neutrals and used to improve certain areas that need some extra attention.

Interview data from this study also show that the parties to a certain extent seem to understand Standing Neutral as a 'Vested' concept, not an ADR-technique for other types of contracts. One of the reasons for this assumption is based on the aspect of trust. As mentioned in the previous chapter, Case 1 describes Standing Neutral as 'wrapped up' in the Vested philosophy, indicating it as a concept within this business model. Case 1 explains that more traditional transactional contracts would not have the necessary trust to successfully implement a Standing Neutral, a view Case 3 seems to share. SN3 explains that he has never seen a non-Vested deal apply a Standing Neutral, not in the way it is intended at least, emphasizing that traditional deals often use a mediator. Case 2 substantiates the importance of trust by calling it a marriage, because the parties need to be equally invested in the relationship – with love, support and team building mentality. This relational investment is in congruence with Ndubisi and Umar (2018) description of commitment as an important factor to show partner effort (Ndubisi & Umar, 2018, p. 50). Case 3 and SN3 agree that Standing Neutral could be applied in other types of relational-based contracts, because they build on some of the same elements as Vested, like trust and collaboration. They argue that seeing the effects of this would be interesting. This finding thus indicates trust as highly relevant for the implementation of Standing Neutrals in Vested deals.

Summing up, findings in this study suggest that cases maintain trust mainly through the yearly Trust and Compatibility assessments, because these 'health checks' provide valuable insight into how the deal and relation is going. By improving certain areas that show up on the assessment, Standing Neutrals can prevent potential escalation of problems, thus maintaining a strong relationship between the parties. Furthermore, this preventative process has relevance to the parties' understanding of Standing Neutral as a proactive ADR-technique. It was also discovered that companies not only use Standing Neutrals to maintain trust, but also to create trust in the pre-signing phase of the contract with the Deal Architect. Based on this, a modification to proposition 2b is suggested: Standing Neutrals help parties create and maintain trust during the relation in a Vested deal. Furthermore, findings suggested a potential threat to the relation in Case 3 because they seem to have a benign approach to the dynamics

of their contract. Perhaps this indicates a need for more awareness around naive trust and thus a better communication of the benefits of using a Standing Neutral throughout the deal.

5.0 Discussion

This master's thesis explores the research problem: *How and why do some companies use Standing Neutral throughout the life of a Vested deal in the Facility Management industry?*

The research problem is elaborated on by the research questions; How do companies in the Facility Management industry apply Standing Neutral in Vested deals, and what creates the need for Standing Neutral in Vested deals for companies in the Facility Management industry? As such, the first question explores how parties in a Vested deal understand the phenomenon of Standing Neutral in Vested deals and elaborates on how such a neutral third party might be used in the management of buyer-supplier-relations. The second research question elaborates on the need for Standing Neutral, in relation to Standing Neutral being a solution to cost and time ineffectiveness, problems of clarity and credibility, and lack of trust. In this chapter, the main findings from the analysis will be discussed.

5.1 How do companies in the Facility Management industry apply Standing Neutral in Vested deals?

One of the main findings from chapter 4.1 is that all informants view Standing Neutral as an umbrella term for a variation of roles, thus supporting proposition 1. All cases use Deal Architects upfront and a form of Standing Neutral after the contract is signed. The interview data show that there are benefits of continuing with a Standing Neutral after the pre-contract signing phase, as it secures prompt action in terms of issues. Furthermore, this is in accordance with the second main finding, which indicates Standing Neutral as a proactive ADR-technique. Data from the interviews show that the cases mainly use Standing Neutral in a proactive way: (a) Deal Architect(s) is/are involved in the contract development process in order to create a collaborative environment, and (a) Single Standing Neutral(s) is embedded into governance as a standby resource for whenever the parties need support. Additionally, the findings unexpectedly implicate a new use of the Standing Expert role. The role of Standing Expert is by definition reactive, but the interview data suggest that this role also might be used

proactively, here in terms of onboarding. These discoveries of Standing Neutral as a proactive ADR-technique are in line with proposition 1a.

The interview data show that one case had implemented Standing Neutrals reactively. However, they didn't regard this as best practice. None of the other cases show a reactive use of Standing Neutral and the understanding of the ADR-technique seemed to be related to its intent of being proactive, indicating proposition 1b as unsupported. Findings further suggest that traditional ADR-techniques, like mediation and arbitration, are implemented into situations where dispute already is a factor, and the buyer-supplier-relation is hard to maintain. The interview data show that it is the preventative characteristics of Standing Neutral that makes it valuable and distinct from mediation and arbitration.

5.2 What creates the need for Standing Neutral in Vested deals for companies in the Facility Management industry?

The interview data presented in chapter 4.2 show several benefits for applying Standing Neutral in a Vested deal. Firstly, one of the main findings is that the cost of having continuous involvement from a Standing Neutral is more effective than resorting to mediation, arbitration or litigation, in line with proposition 2. The interview data show that this is because Standing Neutral is a smaller, known cost compared to more traditional ADR-techniques – also considerably cheaper than litigation, which can be a very costly and time inefficient alternative. This finding resonates with findings implicating Standing Neutral as a proactive ADR-technique. As a result of Standing Neutral being used proactively, it prevents smaller issues from escalating into big conflicts. In theory, this perspective implies that parties in Vested deals will never have to resort to mediation or arbitration to resolve conflict as long as the Standing Neutral play an active part along the way.

Secondly, another main finding is that having a Deal Architect present in the pre-contract signing phase create clarity and credibility between the buyer and supplier. Having clarity and credibility is necessary when parties enter into a buyer-supplier-relationship, because it fosters a collaborative environment. Findings in this interview study suggest three reasons for clarity problems in Vested deals: new employees, New Sheriff in Town and the price model. These elements, if not handled, can create misalignment between the parties that can affect the relationship in a negative manner. The interview data thus suggest using a Standing Neutral to

prevent these potential problems and to maintain the relationship. These findings implicate a modification to proposition 2a, suggesting that Standing Neutrals create and maintain clarity and credibility in the buyer-supplier-relation. Keeping the parties aligned prevents an escalation of conflict, while Standing Neutrals also keep cost and time efficiency maintained.

Third, another main finding is that Standing Neutrals maintain trust in the relation of a Vested outsourcing deal through the use of continuous involvement and yearly Compatibility and Trust Assessments. Just like clarity and credibility, trust fosters collaboration in the buyer-supplier-relation, which is substantial for keeping long-term cooperation in relational outsourcing deals like Vested. Additionally, the findings show that cases use Deal Architects upfront to create trust in the pre-contract signing phase, which implicate that proposition 2b is modified to propose Standing Neutrals as relevant for maintaining but also creating trust in the relation in a Vested deal. However, interview data in this study imply that some companies have naive/benign trust in the relation, which again might hinder parties in appreciating the value of Standing Neutrals continuously involved in governance. When companies decide not to continue with Standing Neutrals throughout Vested deals, they might be in danger of experiencing distrust and problems. When such situations become reality, the parties might resort to mediation, arbitration or even litigation, which usually are costly and time-consuming affairs.

5.3 Theoretical and practical implications

In the theoretical chapter, six propositions were proposed in relation to the use of Standing Neutral in Vested deals. The table below sum up the propositions and how they are supported by the findings in this study. The table also provides insight into theoretical and practical implications, which will be elaborated on in the following chapters.

	Propositions	Results	Theoretical implications	Practical implications
P1	Parties in a Vested deal can modify the role(s) of Standing Neutral(s)	Supported	The cases use a combination of several Standing Neutral roles in their Vested deals	By communicating a continuation of the Deal Architect and Single Standing Neutral roles, companies in Vested deals can easier recognize the advantages of having both roles

P1a	Standing Neutral is a proactive ADR-technique to prevent dispute between parties in a Vested deal	Supported	The cases understand and use Standing Neutral as a proactive ADR-technique	Communicating the concept of Standing Neutral closer to how it is defined in literature and by cases, might highlight the proactive benefits of it. This can also clarify how Standing Neutral differs from more traditional, reactive ADR-techniques, thus indicating the advantages of its pre-emptive nature
P1b	Standing Neutral is a reactive ADR-technique for parties to resolve dispute in a Vested deal.	Not supported	The cases do not consider Standing Neutral to be a reactive ADR-technique, even though it has been used reactively by some	Standing Neutral should not be presented with reactive roles, because this contrasts to how literature and cases define it. By removing the reactive roles, it improves the understanding of the concept and the benefits of using it in Vested deals
P2	Using a Standing Neutral in a Vested deal is more time and cost effective than resorting to mediation, arbitration or litigation	Supported	The cases do consider Standing Neutral as being more cost and time effective than resorting to mediation, arbitration or litigation.	By improving the communication of Standing Neutral as a cost and time effective ADR-technique, more companies in Vested deals might understand the benefits of using it, thus potentially increasing the number of applications
P2a	Standing Neutral help parties create and maintain clarity and credibility in a Vested deal	Modified	The informants consider Standing Neutral to be relevant for creating clarity and credibility in Vested deals. The findings also suggest that the cases view Standing Neutral as a way of maintaining clarity and credibility. These findings result in a modification of the proposition	Clarity and credibility are important elements of a Vested deal and it should thus be communicated how Standing Neutral can help create and maintain this in Vested deals. This can potentially increase the number of applications
P2b	Standing Neutral help parties create and maintain trust during the relation in a Vested deal	Modified	The cases understand Standing Neutral as relevant for maintaining trust during the relation in a Vested deal. Additionally, the findings show that Standing Neutrals are used to create trust in the pre-contract signing phase. These findings result in a modification of the proposition	Trust is important in Vested deals for creating long-term cooperative buyer-supplier-relations, and it should thus be communicated how Standing Neutral can help create and maintain this in Vested deals. This can potentially increase the number of applications

Table 8 - Summary table of propositions

5.3.1 Standing Neutral as an ADR-technique

As mentioned earlier, Hietanen-Kunwald and Haapio (2021) argue that there is a need for preventive and proactive ADR-techniques in order to maintain buyer-supplier-relationships (Hietanen-Kunwald & Haapio, 2021, p. 7). Hietanen-Kunwald and Haapio (2021)

demonstrate this in Glasls 9-stage model (see Figure 1) where using a mediator is suggested to intervene on issues in the first escalation of conflict, before the parties stop showing commitment and cooperation (Hietanen-Kunwald & Haapio, 2021, p. 7). However, based on this perspective, Standing Neutral can be argued as an even more proactive and preventative ADR-technique than mediation, because the neutral is part of governance and can thus advice on any matter immediately (see Figure 9). Using a Standing Neutral for onboarding of new employees or New Sheriffs, for changing the price model and for conducting Compatibility and Trust Assessments, are examples of how this ADR-technique might be more proactive than a mediator. For example, in a situation where there is a shift in employees, Hietanen-Kunwald and Haapio (2021) would involve a mediator after problems occur as a result of an unsuccessful onboarding process. In Vested deals, on the other hand, the parties would use a Standing Neutral to assist in the onboarding process of new employees to prevent potential misalignment later on. This implicates that maintaining a buyer-supplier relation through traditional mediation is more difficult than in Vested deals where the relation is continuously governed by a Standing Neutral.

Furthermore, this argument might indicate that ADR-techniques, like mediation and arbitration, are not suitable for relational contracts at all. As discussed, complex outsourcing deals where the parties benefit from long-term cooperation, should integrate relational governing mechanisms (Williamson, 2008, p. 6). Implementing a mediator or arbitrator into a deal might first and foremost indicate that there already are disagreements between the parties, and secondly the process of using such ADR-techniques might harm the relationship even more. Parties in a relational outsourcing deal needs an ADR-technique which fosters the collaborative nature of trust and alignment to prevent the relationship from going sour – Standing Neutral can be a solution.

5.3.2 Highlighting the proactive roles of Vested

One of the main findings referred to in chapter 4.0 is that reactive variations of the Standing Neutral term might not be applicable for the concept. This finding became apparent as the informants mainly defined Standing Neutral as a proactive ADR-technique with the intent of preventing possible escalations of issues. Even though the informants have experience with some of the reactive roles in Vested deals, they still consider the proactive use of a Standing Neutral to be best practice. This understanding of Standing Neutral is in congruence with how

theory defines the ADR-technique; proactive, fast responsive and preventative to issues (Vitasek et al., 2019, p. 4). The Standing Neutral purpose is to resolve issues before they escalate into bigger conflicts by eliminating friction between the parties in Vested deals (Vitasek et al., 2019, p. 15). However, literature also presents three reactive roles connected to the Standing Neutral term: Standing Expert, Standing Mediator and Standing Arbitrator (Groton & Dettman, 2011; Vitasek et al., 2019). These Standing Neutral roles are usually implemented after dispute arise, reactively, which implicate a contrast to how theory *define* Standing Neutral.

Based on this, one can argue that theory is contradictory in its definition of Standing Neutral to the roles it entails (see Figure 2) – and that informants understand Standing Neutral as one thing but use it (to some degree) in alternative ways. These conflicting perspectives do perhaps call for clarification in the form of an altered model that captures the definition and understanding of Standing Neutral:

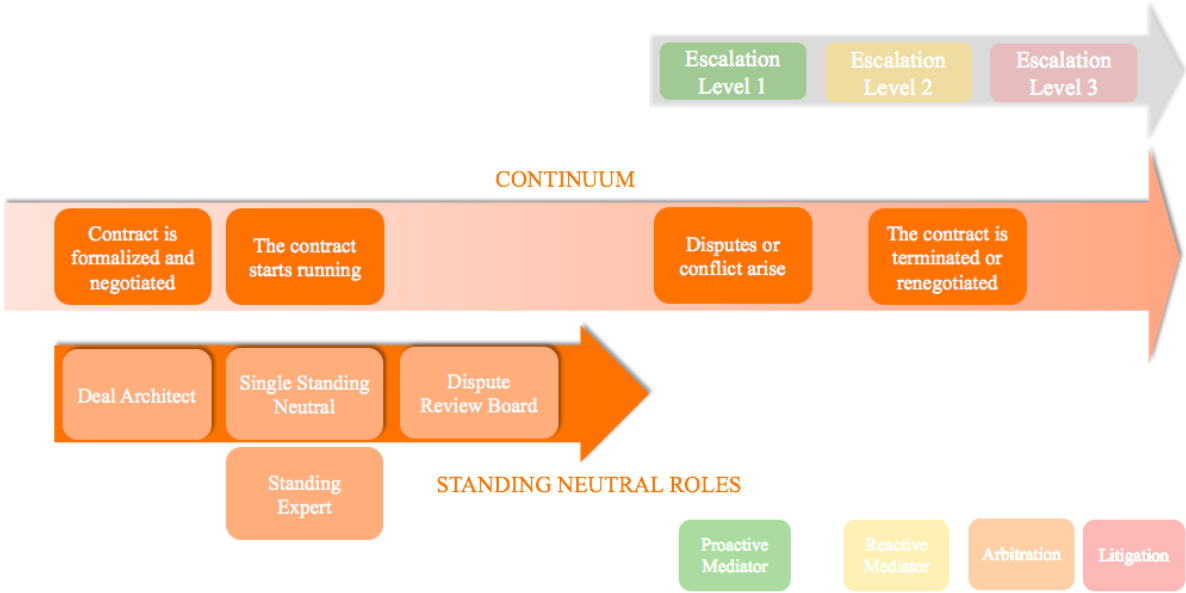


Figure 9 - Overview of Standing Neutral roles with an alteration from Figure 8

Figure 9 is a revised illustration of Standing Neutral roles based on the new understanding of the concept of Standing Neutral. All reactive roles are removed in an attempt to make the figure closer to the definition and understanding of Standing Neutral as being purely proactive, which is a suggestion that also demonstrates the difference between Standing Neutral and more traditional ADR-techniques, like mediation and arbitration. By only fading

out the traditional ADR-techniques, Standing Neutral stands out as distinct from them. Additionally, as the figure clearly displays Standing Neutral as a pre-emptive concept, it highlights Standing Neutral as part of Vested. Even though Vested did not create the concept of Standing Neutral, it is an ADR-technique which fits this type of formal relational contract well, as argued in the chapter above. Perhaps this new understanding could encourage more companies to integrate Standing Neutral into their Vested contracts, when the concept is more clearly defined and overall, more in line with the Vested philosophy.

5.3.3 Deal Architect and Single Standing Neutral as a continuation

Another main finding from the analysis is that parties ought to have Standing Neutrals throughout the lifetime of Vested deals, not only in the pre-signing contract phase. Vested deals begin with applying (a) Deal Architect(s) to facilitate alignment and a trusting environment, during the development of the contract (Vitasek et al., 2019, p. 23). In this initial phase of forming the relation, parties are in honeymoon phase and thus feel aligned and trusting (Groton & Dettman, 2011, p. 183) – they are committed to the relationship. However, the honeymoon phase sometimes makes parties forget or ignore that people and dynamics change, which Vitasek et al. (2019) explain as part of human nature (Vitasek et al., 2019, p. 59). Groton and Dettman (2011) thus argue that continuing with a Standing Neutral is important for the deal in order to maintain alignment and stability (Groton & Dettman, 2011, p. 183). The aim of Standing Neutral is to provide continuous governance of the relation, as stated by the second critical element of the Standing Neutral Process (Vitasek et al., 2019, p. 12). By embedding Standing Neutral as part of governance, the neutral gets insight into the relation and the chance to become a trustworthy third party that the parties can contact for support. The continuous involvement also has benefits of prompt resolution of issues before they escalate into bigger conflicts (Vitasek et al., 2019, p. 13). Literature thus strongly implicate a benefit of having a Deal Architect upfront, but also a Standing Neutral present after signing the contract.

The findings further implicate that the informants have the same perspective on the benefits of continuous involvement of Standing Neutrals, in congruence with theory (Groton & Dettman, 2011; Vitasek et al., 2019). The informants consider both the Deal Architect and Single Standing Neutral role to be important in order to keep alignment, trust and the Vested philosophy vibrant between the parties. However, the findings also reveal that some

companies do not continue with Standing Neutral after signing the contract, perhaps as a result of still having a honeymoon mood (Groton & Dettman, 2011, p. 183) and influenced by naive trust, as discussed in the analysis. As a result of parties feeling aligned and trusting in the relation, they might ignore changing conditions in business environments. This naive trust is described as the benign approach by Williamson (2008), and might cause opportunism (Williamson, 2008, p. 10). Not implementing Standing Neutrals as part of governance in the contract might cause misalignment over time, and result in lost trust and collaboration between the parties. Such losses would also mean drifting away from the values and guiding principles of the Vested business model.

The altered understanding of Standing Neutral (see Figure 9) suggests Deal Architect and Single Standing Neutral (and Dispute Review Board for deals in the construction industry) as a continuum. The model highlights the benefits of using a combination of Standing Neutral roles. The continuation does not imply that these two roles have the same function, it only suggests that companies in a Vested deal who apply (a) Deal Architect(s) upfront, automatically continue with (one of) the same person(s) as Standing Neutral. This altered understanding of the Standing Neutral concept might enable parties to meet the second critical element of continuous involvement, that is essential for a successful Standing Neutral process (Vitasek et al., 2019, p. 12), and in addition prevent companies from having a benign approach/naive trust in the relation (Vitasek et al., 2019; Williamson, 2008).

5.3.4 Effects of the new understanding of Standing Neutral roles

Data from the study show that the need for Standing Neutral in business relations is related to benefits of cost and time efficiency, clarity and credibility, and trust. These advantages implicate why companies should apply Standing Neutrals as part of their governance and might be what parties need to have a successful, long-term buyer-supplier relationship (Gibbons et al., 2021; Keller et al., 2021; Ndubisi & Umar, 2018; Williamson, 2008). The common denominators between such benefits are related to the altered understanding of Standing Neutral (see Figure 9), which suggests Standing Neutral as an ADR-technique with proactive roles and the continuum of Deal Architect into Single Standing Neutral (or Dispute Review Boards if construction industry). These findings implicate that it is the *continuous pre-emptive nature* of Standing Neutral that essentially create the benefits of cost and time efficiency, clarity and credibility, and high levels of trust – because the Standing Neutral

prevents smaller issues from escalating into conflict. When parties in a complex Vested outsourcing deal implement a Standing Neutral in the contract to govern the relationship, they show that they are aware that they operate in a changing and complex business environment (Vitasek et al., 2019, p. 45) where contracts are incomplete and lacking (Hart, 2017, p. 1735). When companies have continuous involvements of (a) Standing Neutral(s), parties prove that they are not naive (benign) but that they are prepared (credible), because disruptions will happen (Vitasek et al., 2019, p. 2).

5.3.5 Practical implications

This master's thesis provides insight into how companies in Vested deals apply Standing Neutral(s) and the benefits and challenges related to this. The findings suggest that even though Standing Neutral is a collective term for several proactive and reactive roles, it is only the proactive roles that seem to be in line with literature and how the informants define the concept. Furthermore, the findings also show that it is beneficial to keep Standing Neutral(s) active throughout the whole buyer-supplier-relationship. Hence, an altered understanding of the concept is suggested (see Figure 9).

It is the pre-emptive nature of Standing Neutral which distinct it from more traditional ADR-techniques. Mediation and arbitration are neutral third parties who are involved after dispute has risen in a buyer-supplier relation, implicating these as reactive ADR-techniques. Standing Neutral, on the other hand, is part of governance and has a high level of readiness, which enable the neutral third party to proactively prevent small issues from escalating into bigger conflicts. Thus, by highlighting the proactive roles of Standing Neutral in the new framework (see Figure 9), companies in Vested deals might get a better understanding of how Standing Neutral differs from mediation and arbitration, and maybe appreciate the benefits of applying it. This contribution is a clarification of the concept closer to the theoretical definition of it.

As discussed, Standing Neutral contributes to maintaining high levels of trust and alignment in Vested outsourcing deals. These are important aspects to maintain in complex relational outsourcing contracts because they secure long-term cooperation. Thus, having continuous involvement of a Standing Neutral to secure high levels of trust and alignment might be considered as win-win for all parties. However, the findings suggest that some companies have a more naive approach to the dynamics of business, often as a result of starting their

relation in the honeymoon phase. The altered model (see Figure 9) therefore suggests the role of Deal Architect and Single Standing Neutral (or Dispute Review Board if the deal is within the construction industry) as a continuum. When highlighting the reciprocal involvement of these roles, companies in Vested outsourcing deals might benefit from such a clarification. Firstly, this way of communicating the concept substantiates the need for both roles and continuous involvement to prevent distrust and misalignment later in the deal. Secondly, the findings show contradicting understandings related to the Deal Architect role: most informants view this role to be separate from the Standing Neutral term. By communicating a continuum of the Deal Architect and Single Standing Neutral roles, the awareness of Deal Architect as a Standing Neutral role might be clarified.

Vitasek et al. (2019) argue Standing Neutral to be the least understood ADR-technique (Vitasek et al., 2019, p. 4). By communicating the altered understanding of the Standing Neutral concept (see Figure 9), companies in Vested deals might get a clearer picture of the role and the benefits of applying it, which in turn might increase the use of Standing Neutrals in Vested deals. Findings show that Standing Neutral is considered an important part of the Vested business model, and that such a role could be beneficial to apply to other types of relational contracts as well. Standing Neutrals in non-Vested deals might be an interesting approach to explore further.

6.0 Limitations and future research

6.1 Reliability and validity

During the process of conducting this research study, three limitations became apparent. Firstly, all three cases were initially intended to each represent buyer, supplier and Standing Neutral in one deal. However, one informant representing the buyer side in one of the cases did not have the opportunity to participate in the interviews. Hence, perspectives emerging in this particular case might be considered as somewhat one-sided. Still, the informant on the supplier side of the deal explained that the representative from the buyer side most likely would have close to similar views on Standing Neutral. Although some caution has to be taken according to the informant's statement of buyer-supplier agreement, this limitation does not seem to decrease the trustworthiness of this master's thesis.

Secondly, the number of cases could have been more extended to have an even better basis for cross-case comparisons, possibly resulting in even more solid and reliable findings. The timeframe for this master's thesis did however make it difficult to conduct more interviews. The descriptions of the research process concerning the aims and questions in this master's thesis is executed as transparent and carefully as possible for the reader to follow, thus increasing the level of dependability.

Thirdly, the researcher only collected data through interviews and did not have the opportunity to observe Standing Neutrals in practice for example. If triangulation of methods had been used as a methodological tool, this master's thesis might have gotten even higher levels of credibility (internal validity). Furthermore, pattern matching in the analysis showed that one of the propositions predicted in the theoretical chapter was not supported by findings, affecting the credibility of this master's thesis. However, this did not seem to affect any of the other propositions in a negative way, rather the opposite. A negative outcome for this proposition was also somewhat expected because it was not in line with theory. Therefore, the credibility does not seem to decrease so much that it has any effect on the results.

The three limitations mentioned above are important to consider when reading this master's thesis. Still, the researcher has taken several measures to create trustworthy data implications that might contribute to literature.

6.2 Future research

This master's thesis explores the use of Standing Neutral and the findings suggest benefits of applying this neutral, third party in Vested deals. However, the findings also show that Standing Neutral potentially could be applied to other relational contracts, because they fundamentally build on the same values as Vested, like trust and collaboration. Hence, it would be interesting to further research the possibility for application of Standing Neutral in non-Vested relational contracts, in order for others to reap the same benefits.

Furthermore, several of the informants expressed that there is a need for more research on the Vested business model, and that they consequently appreciate the research that is conducted in this master's thesis. The informants shared that they believe a lot of companies could benefit from using the Vested business model because of its focus on collaboration and long-

term cooperation. Accordingly, further research should be conducted on the Vested business model because awareness can result in more companies implementing the model.

Lastly, the findings showed an informal use of Standing Neutral, which there seems to be none or little research on. This was an unexpected finding, and it could be of interest to research further in order to measure the effects of it.

7.0 Conclusion

The purpose of this master's thesis was to explore the research problem: *How and why do some companies use Standing Neutral throughout the life of a Vested deal in the Facility Management industry?* Through qualitative interviews with experts and three cases, findings show that companies in the Facility Management industry with Vested deals apply Standing Neutral in different ways, depending on their needs: alone or in combination, upfront, proactive, or reactive. However, the reactive use of Standing Neutral started a discussion of whether this was a correct or good use of the neutral. However, it was concluded that such use and understanding of the term would be in conflict with the literary definition, the intent and understanding of Standing Neutral as a proactive ADR-technique by the informants.

Furthermore, the findings show that companies in the Facility Management industry apply Standing Neutral to Vested deals because it has benefits of creating and maintaining trust and alignment in the buyer-supplier relation, which are significant elements to ensure long-term cooperation. Additionally, the findings imply Standing Neutral as a cost and time efficient ADR-technique. Standing Neutral is a small, continuous cost that parties pay to maintain a collaborative environment and prevent issues from escalating into bigger problems.

Finally, this master's thesis contributes to theory by proposing an altered concept of the Standing Neutral (see Figure 9) that seeks to communicate the concept of Standing Neutral in a clear and simple way. The altered understanding of the concept highlights the proactive roles in Standing Neutral, it clarifies the need for continuous involvement of a Standing Neutral in Vested deals, and it demonstrates the distinction between Standing Neutral and more traditional ADR-techniques.

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Appendix

Theme	Proactive mechanisms	Reactive mechanisms	Conflicts: General	Standing Neutral	Contract	Relationships
Q&A						
Question	<i>What type of proactive mechanisms have you implemented in the contract?</i>	<i>What reactive mechanisms have you implemented into your contract?</i>	<i>What causes of conflicts have you experienced in this agreement?</i>	<i>When in the contract process was Standing Neutral used?</i>	<i>Which points do you consider most valuable to you?</i>	<i>What steps have you taken to build a good buyer-supplier relationship?</i>
Answer						
Question	<i>Have you used a neutral third party in previous contracts? If yes/no, elaborate.</i>	<i>What is your experience with situations where a neutral third party reactively enters a conflict?</i>	<i>What reflections have you made up in previous conflicts (in other agreements)?</i>	<i>Do you consider it profitable that Standing Neutral has been used? If so, elaborate.</i>	<i>When is the Standing Neutral introduce/invited? Is this described in the contract?</i>	<i>How do you experience the relationship?</i>
Answer						
Question	<i>What measures have you taken to maintain the win-win mentality?</i>	<i>What effect do you think a neutral third party has on the buyer-supplier relationship when it is used reactively?</i>	<i>Do you think Standing Neutral can work in traditional agreements as well?</i>	<i>What experiences/opinions have you made up for Standing Neutral?</i>	<i>What experiences would you like to take with you further into new contracts?</i>	<i>How often do you meet the other party in the agreement?</i>
Answer						
Question	<i>What effect do you think a neutral third party has on the buyer-supplier relationship when it is used proactively?</i>			<i>How often and how have you used Standing Neutral?</i>	<i>Does the contract state if you can trade Standing Neutral during the agreement?</i>	
Answer						
Question				<i>How did you choose and agree on a Standing Neutral?</i>	<i>Does the contract say anything about situations where the Standing Neutral no longer appears neutral to all parties?</i>	
Answer						
Question				<i>What role does your Standing Neutral have? For example, can the person make decisions on behalf of the company?</i>		
Answer						

Appendix 1 - Interview guide

Are you interested in taking part in the research project

“The Use of a Standing Neutral in Vested Deals”?

This is an inquiry about participation in a research project where the main purpose is to *explore the use of Standing Neutral (neutral third party) in Vested deals through qualitative interviews*. In this letter we will give you information about the purpose of the project and what your participation will involve.

Purpose of the project

The purpose of the project is to explore the practical aspect of using Standing Neutral in Vested deals. We will conduct qualitative interviews in the form of expert interviews and interviews with parties (buyer, supplier and Standing Neutral) in three Vested deals. The aim of the thesis is to gain insight into how and why companies use a neutral third party.

The problem thesis is: Why do some companies use a Standing Neutral throughout the life of a Vested deal?

The research questions are:

- 1. How do companies in the Facility Management industry apply Standing Neutral in Vested deals?*
- 2. What creates the need for Standing Neutral in Vested deals for companies in the Facility Management industry?*

The research project is our master's thesis.

Who is responsible for the research project?

Norwegian University of Life Sciences (NMBU) is the institution responsible for the project.

Why are you being asked to participate?

You are asked to participate in this research project based on your position and knowledge on the practical use of a Standing Neutral.

What does participation involve for you?

If you chose to take part in the project, you agree to participating in an online interview. It will take approx. 60 minutes. The interview includes questions regarding Standing Neutral, Conflict management and contract relations. We will audio record the interview and take notes.

Participation is voluntary

Participation in the project is voluntary. If you chose to participate, you can withdraw your consent at any time without giving a reason. All information about you will then be made anonymous. There will be no negative consequences for you if you chose not to participate or later decide to withdraw.

Your personal privacy – how we will store and use your personal data

We will only use your personal data for the purpose(s) specified in this information letter. We will process your personal data confidentially and in accordance with data protection legislation (the General Data Protection Regulation and Personal Data Act).

- *Supervisor and we (students) as authors of this Master Thesis will have access to personal information.*

- *Your name and contact information will be stored on a cloud-based, two-factorized user that is only available to the authors (students) of the thesis. The computer used in the work also has a time-based lock of 30 seconds, which can only be reopened with a private password.*
- *Audio recordings will be encrypted and will be deleted after transcription.*
- *You will be able to be identified directly if you agree to the use of name and position.*

What will happen to your personal data at the end of the research project?

The project is scheduled to end the 1st of July 2022. *At the end of the research project all personal data will be deleted.*

Your rights

So long as you can be identified in the collected data, you have the right to:

- access the personal data that is being processed about you
- request that your personal data is deleted
- request that incorrect personal data about you is corrected/rectified
- receive a copy of your personal data (data portability), and
- send a complaint to the Data Protection Officer or The Norwegian Data Protection Authority regarding the processing of your personal data

What gives us the right to process your personal data?

We will process your personal data based on your consent.

Based on an agreement with *Norwegian University of Life Sciences (NMBU)*, NSD – The Norwegian Centre for Research Data AS has assessed that the processing of personal data in this project is in accordance with data protection legislation.

Where can I find out more?

If you have questions about the project, or want to exercise your rights, contact:

- *Norwegian University of Life Sciences (NMBU) via*
 - *Student: Jenny Marie Ottersland Myhre, Phone: +47 40104499, E-mail: jenny.marie.ottersland.myhre@nmbu.no*
 - *Supervisor: Silja Korhonen-Sande, Office Phone: +47 67231137, E-mail: silja.korhonen-sande@nmbu.no*
- *Our Data Protection Officer: Hanne Pernille Gulbrandsen, Phone: +47 40281558, E-mail: personvernombud@nmbu.no*
- *NSD – The Norwegian Centre for Research Data AS, by email: (personvertjenester@nsd.no) or by telephone: +47 55 58 21 17.*

Yours sincerely,

Silja Korhonen-Sande
(Supervisor)

Jenny Marie Ottersland Myhre

I have received and understood information about the project “*The Use of a Standing Neutral in Vested Contracts*” and have been given the opportunity to ask questions. I give consent:

- to participate in *an interview*

- I do not consent to publication of information that allows me or my company to be identified, this includes name, name of company.

I give consent for my personal data to be processed until the end date of the project, approx. *1st of July 2022*.

(Signed by participant, date)

Appendix 2 - Letter of Consent, NSD

Quote check regarding the research project: “The Use of Standing Neutral in Vested deals”

In this master’s thesis you have been interviewed based on your experience and knowledge on the use of Standing Neutral in Vested deal in the Facility Management industry. You have received a document with quotes that is used in this project.

I have received and understood information about my quotes in this project and have been given the opportunity to demand alterations. I give consent:

- that these quotes are published

(Signed by participant, date)

Appendix 3 - Quote Check consent form

Hi Jenny

Please find enclosed the signed consent paper and a copy of the quote check. I have made to word changes in the quote check document which are in red font. Minor word changes that are just the right English words (probably my fault as I was speaking at 100Km per hour!!)

Good luck

Appendix 4 - Example of Quote Check answer from informant

Had a contract with FID before that, which was a traditional contract. **It was international for about 10 countries.** It also had a lot of the elements, but a traditional contract has **not the relationship with scope** with FID, and I think that is what helped us then, when FID came to us and suggested this model. Would we be interested in going forward, subject to doing a compatibility assessment. Would we be interested? And initially we were. It looked unique. It looked different. And if **scope** if we get it, it would extend our deal with a three years as well. And it did extend it that time as well but it also extended in its scope. So, we now look after it globally. 30 countries and, yeah hundreds of buildings. And about like **10 local contracts.** That is local contracts that sub-**covered** to our master contract, which covers all of **scope**. The idea of that is **that**, these local contracts, deal with any unique country regulations either government or FID. That tend to be where countries,

Had a TC contract with the buyer before for about 22 countries and 30 sites
 Had suffered a lot of the elements
 But the relationship was strong

 The buyer suggested the United model
 Interested in doing a Compatibility assessment

 Attracted by the uniqueness of the deal + extension of deal with three years

 Supplier got extension of deal and scope

 Now look after 30 countries and hundreds of building

 10 local contracts and one master contract
 local contracts cover unique country regulations,
 Overall the master contract rules

Appendix 5 - Example of coded interview



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