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NEGOTIATING LEGAL ADVISORY SERVICES IN A BRAZILIAN SME: DEBT RESTRUCTURING, EMPATHY, AND VALUE CREATION

NEGOCIANDO SERVIÇOS DE CONSULTORIA JURÍDICA EM UMA EMEP BRASILEIRA: RESTRUTURAÇÃO DE DÉBITOS, EMPATIA E CRIAÇÃO DE VALOR

NEGOCIANDO SERVICIOS DE ASESORAMIENTO LEGAL EN UNA PYME BRASILEÑA: RESTRUCTURACIÓN DE DEUDAS, EMPATÍA Y CREACIÓN DE VALOR

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ABSTRACT

The negotiation studied in this article was held between a distributor of frozen fish from northeastern Brazil and a law firm providing corporate advice. In this negotiation, the distributor sought ongoing support to restructure its bank debt, identify clauses, and organize its finances. The company has liabilities of over R$1 million, and its debt service alone exceeds its operational profit. To be paid fairly, the law firm proposed a monthly fee of three minimum wages. However, the client managed to get the fee down to one minimum wage. After three rounds of negotiation, the parties finally agreed on a fee of R$2,500 for the first three months and then two minimum wages from then on. The same factors of empathy, assertiveness, and temporal flexibility that in previous cases were found to be crucial for the law firm's negotiator in reaching favorable outcomes were, in this case, used to balance the firm's demand for fair compensation with the extreme financial constraints of the client, who was in the midst of a crisis. The main factors involved in the negotiation were the parties' credibility and trust, as well as the use of incremental agreements.

Keywords: negotiation; debt restructuring; empathy; trust; small and medium enterprises; Brazil.

RESUMO

A negociação estudada neste artigo foi realizada entre um distribuidor de peixe congelado do nordeste do Brasil e um escritório de advocacia que oferecia consultoria corporativa. Nessa negociação, o distribuidor buscou apoio contínuo para reestruturar sua dívida bancária, identificar cláusulas e organizar suas finanças. A empresa tem passivos superiores a R$1 milhão, e seu serviço da dívida sozinho excede seu lucro operacional. Para ser pago de forma justa, o escritório propôs uma taxa mensal de três salários mínimos. No entanto, o cliente conseguiu reduzir a taxa para um salário mínimo. Após três rodadas de negociação, as partes finalmente concordaram com uma taxa de R$2.500 pelos primeiros três meses e, a partir de então, dois salários mínimos. Os mesmos fatores de empatia, assertividade e flexibilidade temporal que em casos anteriores foram considerados cruciais para o negociador do escritório alcançar resultados favoráveis foram, neste caso, usados para equilibrar a exigência do escritório por uma compensação justa com as extremas restrições financeiras do cliente, que estava em meio a uma crise. Os principais fatores envolvidos na negociação foram a credibilidade e a confiança das partes, bem como o uso de acordos incrementais.

Palavras-chave: negociação; reestruturação de dívidas; empatia; confiança; pequenas e médias empresas; Brasil.

RESUMEN

La negociación estudiada en este artículo se llevó a cabo entre un distribuidor de pescado congelado del noreste de Brasil y un bufete de abogados que ofrecía asesoramiento corporativo. En esta negociación, el distribuidor buscó apoyo continuo para reestructurar su deuda bancaria, identificar cláusulas y organizar sus finanzas. La empresa tiene pasivos superiores a R$1 millón, y su servicio de deuda por sí solo supera su beneficio operativo. Para ser pagado de forma justa, el bufete propuso una tarifa mensual de tres salarios mínimos. Sin embargo, el cliente logró reducir la tarifa a un salario mínimo. Tras tres rondas de negociaciones, las partes finalmente acordaron una tarifa de R$2,500 por los primeros tres meses y luego dos salarios mínimos a partir de entonces. Los mismos factores de empatía, asertividad y flexibilidad temporal que en casos anteriores se consideraron cruciales para que el negociador del bufete alcanzara resultados favorables se utilizaron, en este caso, para equilibrar la demanda de una compensación justa con las extremas limitaciones financieras del cliente, que se encontraba en plena crisis. Los principales factores implicados en la negociación fueron la credibilidad y confianza de las partes, así como el uso de acuerdos incrementales.

Palabras clave: negociación; reestructuración de deuda; empatía; confianza; pequeñas y medianas empresas; Brasil.

1 INTRODUCTION

This case study analyzes a frozen fish distributor, a family-owned business since 2004. Although the distributor's financial woes have increased during the COVID-19 pandemic for several reasons, including lower demand and an ineffective financial management system, the accumulated bank debt has increased to over R$1 million (Aylmer *et al.*, 2026; Bastos & Dias, 2026a; Cunha & Dias, 2021; Delgado & Dias, 2025; Dias, 2021; Valle *et al.*, 2025). Most crises in Brazilian SMEs expose structural flaws in financial management and require intervention from an advisory service (Gasparini *et al.*, 2025; Navarro & Dias, 2024; Santos & Dias, 2024; Soliva & Dias, 2025).

A law firm proposed illegal advisory services to better reorganize the company's liabilities and improve financial management through debt restructuring, identification of abusive clauses, full compliance, and separation of the company owner's personal affairs from the company's. However, the owner stated that the company would not be able to afford to incur further expenses given that the current monthly debt service already exceeded the company's operating profit (Dias & Lopes, 2021; Dias & Panzarini, 2025; Martins & Dias, 2026; Prata & Dias, 2026; Samartin & Dias, 2025; Valente & Dias, 2023). All these issues were present in all the cases above. They addressed this by balancing the value created in the negotiation with affordability for the party of interest in several Brazilian companies (Bastos & Dias, 2026b; Dias *et al.*, 2022; Santos & Dias, 2024; Sartori *et al.*, 2020). The negotiation Type, following Dias (2020) is depicted in the following Figure 1:

Figure 1. Four-Type Negotiation Matrix

Source: Dias (2020). Reprinted under permission.

2 THEORETICAL FRAMEWORK

Research on the negotiation of professional services has increasingly been carried out in the context of the financial crises and, consequently, has focused on how trust, empathy, assertiveness, and flexibility are negotiated. This literature review reflects a specific case, a frozen fish distributor and a law firm, within the wider scope of academic work conducted by Brazilian researchers and academics from other countries.

Several studies were consulted to reach this conclusion. The importance of credibility in influencing negotiations, trust as a decisive factor in agreements, and in reducing transaction costs in negotiations between parties in separate organizations were issues of interest in the study of Dias & Panzarini (2025). Their research found that trust was high in civil construction negotiations, which aligns with findings by other researchers, such as Raiffa *et al.* (2002), Salacuse (2003), and Zartman (1988). The distributor's history of punctual payments helped strengthen its position in negotiations with the law firm.

Regarding empathy, several studies in negotiation research have examined the subject in detail. Studies such as Dias (2021) explored the impact of the pandemic upon negotiation style, concluding that crisis increases levels of empathy towards counterpart's constraints while not abolishing assertion; in the same line, a more recent study on the matter (Bastos and Dias, 2026a) conducted an in-depth analysis on the issue of emotional finance influencing Negotiation in Business Environments under Stress, given how producers of value in all sectors, without exception, are frequently flooded by an overabundance of information; then, another study (Valente and Dias, 2023, 14-33) analyzed the process of structuring of Negotiation in Retail Pharmacy Businesses; as for the wider scope of literature, as aforementioned, researchers, such as Rubin & Brown (1975), Shell (2006) stated that increased levels of Negotiator's Empathy facilitate problem-solving by raising awareness of the respective interests of counterpart. In the investigated case, the tested firm demonstrated high levels of the above-mentioned Empathy while defending the value of services provided, thus exhibiting the synthesis of Empathy and Assertion in the process of Negotiation in Crisis.

The literature concerning negotiation defines time as one of the variables that can be negotiated, often substituting for other concessions that could decrease value. Thus, instead of offering discounts, parties can agree to postponements that are acceptable in the negotiations under study, for example, during changes in the regulation of the sector, such as those renegotiated by Soliva and Dias (2025) and the cases of acquisitions of medium- and large-sized companies, where temporal flexibility was used to preserve strategic alignment, as happened in the negotiations studied by Gasparini *et al.* (2025). The agreed term was the payment of R$2,500 for three months. Then, two minimum wages proved to be an incremental term favorable to both parties, allowing them to find a balance between the positions each took in the negotiations.

In terms of preparation and adaptability, as highlighted previously, several academic papers address preparation and effective negotiation. Geiger (2017) created a model of issue-based tactics for business-to-business negotiations to create value using a variety of negotiation tactics. More recently, Aylmer *et al.* (2026) studied B2B negotiation and found that crisis negotiations were effective when parties displayed adaptability and empathy to reach a sustainable agreement. Navarro and Dias (2024) also studied nonmarket negotiation in various contexts, emphasizing that performance and stakeholder management in government, NGOs, and communities must be integrated to anticipate the counterpart's constraints and negotiate effectively to create value. These studies support the law firm's new strategy, which is based on the firm's ability to provide clients with a broader range of services (compliance and financial governance).

Studies examining different cultures have also shown how cultural dimensions can affect negotiations and how institutional and environmental contexts shape negotiation outcomes. Thus, negotiation cannot be viewed independently from cultural and environmental contexts. Salacuse (2006), for example, has analyzed the issues faced in leadership negotiations. Furthermore, within the specific Brazilian context in which this negotiation took place – a time of health crisis – the influences of such external factors upon expectations and upon empathy between different cultures were further increased. As in other cultures around the world, this client prioritizes the distributor's liquidity preservation, and this issue has considerable influence on the nature of negotiation in Brazilian business in general.

The study includes contributions to the analysis of negotiation processes. In this regard, Yin (2004) considers the case study an appropriate method for studying complex situations. Similarly, Saunders *et al.* (2009) analyzed business processes in a didactic way. In Brazil, several authors have used simulations and role-play, as well as case studies in distinct areas, to contribute to analyses of negotiation processes. Thus, this descriptive single-case study aims to analyze the negotiations between a frozen fish distributor and a law firm.

Additional examples of negotiation in crisis, framed from a sector-based perspective, include the manner in which the way of conducting of collective bargaining in restaurants, during a crisis, is balanced between labor interests and management's interests (Prata and Dias, 2026), that in the coffee sector, supplier-retailer negotiation processes are flexible, and maintain an ongoing relationship (Samartin and Dias, 2025), as well as, how to negotiate the renting of construction equipment, in view of establishing lasting relationships, in the short and long term (Martins and Dias, 2026). Here, the way of negotiating the legal services of a frozen fish distributor in a financial crisis at minimum wages plus an increment, paid in installments, over time, which increases in value, to obtain fair value, through incremental agreements, is the same type of negotiation.

Finally, we summarize the main themes from previous research on negotiation, highlighting their applicability to the cases studied within the broader discussion of negotiation in times of crisis, to which the current study also contributes. Furthermore, Brazilian research offers a wealth of qualitative studies with a variety of perspectives on negotiation in different sectors, prepared to face the challenges of crisis, in which negotiations are constantly being restructured and new sources of value are being created.

3 METHODOLOGY

This research uses a descriptive, single-case study design. To capture the complexity and intricacies of negotiation in an SME under financial distress, the negotiation between the SME and a law firm has been the unit of analysis (Yin, 2004). The studied case is that of a real negotiation, conducted by the author, thus providing a unique insight into crisis-driven negotiations conducted under considerable financial stress, with the party conducting the negotiation experiencing considerable disorganization and dealing with conflicts of interest that can negatively affect long-standing relationships (Aylmer *et al.*, 2026; Dias, 2021; Valle *et al.*, 2025). By using the narrative of the single case study under investigation, combined with secondary material on negotiation, the case has been studied within the framework of negotiation theory and practice (Dias & Panzarini, 2025; Martins & Dias, 2026; Prata & Dias, 2026; Samartin & Dias, 2025). By triangulating different data sources (Dias *et al.*, 2022; Santos & Dias, 2024; Valente & Dias, 2023), the researcher was able to provide a sound and reliable analysis and interpretation of the single case study under investigation.

Positions, interests, options, alternatives, and resulting outcomes were thematically analyzed to examine the negotiation at hand in greater depth (Raiffa *et al.*, 2002; Salacuse, 2003; Zartman, 1988). In sum, three areas were analyzed: 1) the focal negotiator’s levels of empathy and assertiveness; 2) the degree of temporal flexibility displayed during the negotiation; and 3) levels of credibility and trust shown by the focal negotiator (Dias, 2021; Dias & Lopes, 2021; Gasparini *et al.*, 2025; Soliva & Dias, 2025). As always, to verify the study’s validity, additional Brazilian cases were analyzed to identify recurring patterns (Martins & Dias, 2026; Samartin & Dias, 2025). Note, however, that single-case studies carry a series of inherent limitations, including, among others, the approximated financial information utilized and the highly specific sector in question (Dias, 2020d; Sartori *et al.*, 2020). Under the methodological approach adopted in the present study, utmost care was taken not to divulge sensitive information to which the researcher was exposed, and, above and beyond that, only negotiation dynamics were analyzed and discussed, with all other aspects of the law firm under study remaining outside the scope of the research (Dias *et al.*, 2022; Santos & Dias, 2024). As such, in addition to an in-depth examination of crisis-driven negotiation in an SMF under financial stress, the findings obtained via this study provide the researcher with an in-depth examination of the interplay among the following three variables in such a scenario: levels of empathy displayed by the negotiator, levels of trust exhibited by the counterparty, and flexibility shown by the said counterparties.

4 CASE ANALYSIS

4.1 BACKGROUND

The negotiation concerns the operational and financial diagnosis of the client's business: a distributor of frozen fish based in Fortaleza/CE that operates under the *Simples Nacional* tax regime[1] and a law firm providing corporate advice. The law firm presented and discussed a proposal for legal consultancy aimed at managing and restructuring the company's banking liabilities, to identify abusive fees, hidden charges, and opportunities to reduce the Total Effective Cost (CET) of debts. The company has been operating since approximately 2004 and has faced financial challenges since the period of social isolation in 2020 with the pandemic:

The company's central problem is financial disorganization, a mix of personal and business accounts, and high bank liabilities, estimated at more than R$ 1 million in the PJs. The sales model is also predominantly passive, with the client taking orders

[1] *Simples Nacional* is a simplified tax regime in Brazil designed specifically for micro and small enterprises (SMEs). It was created to reduce bureaucracy and consolidate multiple taxes into a single monthly payment.

by phone. Alex makes sporadic active sales. The business bottleneck is not operational capacity (which supports up to R$ 600 thousand/month), but revenue generation. Freelance salespeople also receive a 4% commission. Hiring salespeople is very difficult, even with attractive vacancies (fixed salary, commission, benefits); the main focus of sales is restaurants and small markets.

- About 70% of the products sold come from Pará, since the local production of Ceará does not meet the demand of Fortaleza (includes fillet, serigado, snapper and salmon).
- There is an intention to regularize the company and obtain the Federal Inspection Seal (SIF), which requires a minimum land area of 40x50 meters for laboratory and inspection rooms, with an estimated cost of more than R$ 1 million.
- Relevant monthly operating costs: energy between R$ 15 thousand and R$ 16 thousand; rental of warehouses in Fortaleza of R$ 4 thousand; difficulty in hiring freelance salespeople.
- Estimated monthly revenues between R$ 300 thousand and R$ 400 thousand, with a profit margin between 10% and 20%, pressured by the financial costs of loans

The business recently paid off a debt and has a history of multiple loans (11 and 12 loans were mentioned at different times). Abstract clauses are immediately observed in several loans. The fleet includes a utility vehicle, a box truck, and a refrigerated vehicle. Motorcyclists make deliveries of up to 80 kg. A conflict in inventory management was identified: a lack of a process flow. The first meeting was a strategic session held on July 16, where the diagnosis, proposed strategy, action plan, and value proposition were presented.

The company's Managing Partner suggested including his wife, the Chief Financial Officer, at the next negotiation meeting, which took place on August 27. It was left to discuss whether or not to accept the proposal at the next meeting. The second meeting was attended by the company's owner, the Financial Director, and the Partner Lawyer. The firm proposed a continuous management service for bank liabilities in a monthly advisory model (not a single fixed amount), similar to an accounting service, in the amount of three minimum wages. The firm already knows that the minimum amount that can close the contract is two minimum wages for an annual contract.[2]

4.2 NEGOTIATION

At the beginning of the negotiation, the lawyer sat in an equidistant position at the table to facilitate the negotiation, presented all the pains of the company that has a bank debt that exceeds 1 million reais with multiple loans, the monthly revenue varies between R$ 300 thousand and R$ 400 thousand, with a pressured net margin (10% to 20%), insufficient to cover the obligations. Monthly loan expenses already add up to R$ 50 thousand, with the projection of a new commitment of approximately R$ 30 thousand, raising the monthly debt to about R$ 80 thousand, only in the payment of debts, an amount that exceeds the projected operating profit.

The company operates with multiple juridical persons, a strategy used to divide revenue and remain in Simples Nacional. The current accountant charges a low fee and does not offer strategic tax support, which is risky amid changes such as tax reform. It was warned that any inflow of funds into the company's account can be considered invoicing, requiring the issuance of a note and payment of taxes, unless it is formalized as an intercompany loan. The objective is to regularize the company's sanitary status, with an estimated investment of R$ 1.5 million to obtain the State seal from the health authorities. The needs include scaling rooms, a laboratory, a cold room for waste, a cafeteria, and changing rooms. The work to separate the handling of frozen food from that of fresh fish was prompted by an inspection notification.

It was explained to the entrepreneur that the legal and advisory advice will prioritize the financial organization and management of bank liabilities with debt negotiations with banks, extend terms, change the debt profile, diversify sources of financing, resize guarantees, review contracts, abusive clauses, balance, interest, term, purpose of credit and guarantees offered, in addition to implementing a plan to separate personal and business finances. At least seven lawyers were involved in administrative and judicial negotiations, and the cost of delivery is based on the

[2] The minimum wage in Brazil is a legally established baseline salary that employers must pay workers and serves as the foundation for labor rights, social benefits, and contributions. As of 2026, the monthly minimum wage is R$ 1,621.00, which is about US$ 324 at an average exchange rate of R$ 5.00 per dollar.

complexity of the service. The need to build and maintain a minimum cash reserve equivalent to three to six months of operating expenses, estimated at R$ 350,000, was emphasized. This amount should be protected and, preferably, invested in low-risk, highly liquid instruments (e.g., Bank Deposit Certificates (CDBs) in digital banks such as fintechs) with a yield close to 1% per month. The lawyer will act as a business strategist within the Fishery operation. There was talk of the need to hire salespeople to enhance the company.

It is known that the fish company's interest is to negotiate debts with banks and organize without financial flow to have money left in the cash. The law firm is interested in closing the monthly legal and advisory contract. The predictability of the monthly amount is very interesting for the bank's financial health, while the company would solve the insolvency problem. Soon after the proposal for advice in 3 minimum wages (R$ 4,863.00) was presented again, the owner of the company, in a respectful manner and arguing that at this moment the client would not be able to pay the proposed amount, made the counter-proposal of a monthly payment of 1 (one) minimum wage (R$ 1,1621.00). The client explained that the client understands the complexity of the service that will be performed, but emphasized that his margin to negotiate any increase in the company's expense/cost is compromised.

4.3 ZONE OF POSSIBLE AGREEMENT (ZOPA)

The ZOPA is now anchored between three minimum wages and one minimum wage. The firm's idea is to close at least two salaries to avoid compromising deliverables, and may also establish a gradual increase or decrease in values over the months.

4.4 OPTIONS

The company representative also said that monthly loan payments to banks must be paid on time because failure to do so can lead to account-blocking measures. This action conserves the company's cash, and a cost of more than three minimum wages will harm the company as a whole. The lawyer later argued that, without his advice and the possibility of filing lawsuits, the monthly payments on poorly managed loans would further harm the company's cash. Managing bank liabilities would be the only way for the company to get a financial breather and think strategically from now on.

The lawyer also proposed, in addition to liability management, correcting financial management and creating operational flow in light of the company's limited organization, labor compliance, and a vision for lawyers working in corporate finance within the business. It would be more beneficial to accept the full proposal of the lawyers' bench. The firm proposed adding services that were not in the initial scope of the business (Bank Liability Management) so as not to change the initial proposal value and to generate even more value. It was an irresistible offer for the company.

The parties carefully evaluated the addition of services in the proposal, asked for coffee and water, and went to the bathroom because the meeting had lasted more than an hour. When they returned, they showed satisfaction with the increase in the number of services proposed. They launched the proposal of R$ 2,500.00, a small increase from the company's initial proposal. They claimed that, at that moment, it was the highest amount they could honor to close the contract.

4.5 ALTERNATIVES (BATNA)

It is known that the best alternative in case of non-agreement (BATNA) would be the contract for the advice and management of bank liabilities at 2 minimum wages. The lawyer then weighed the proposal for services and sought not to distort the object to reach a fair agreement for both. The client understood that, within two to three months, they would be able to reduce the monthly amount paid in installments for interest and loans to banks by creating operational and financial flow. Thus, the company would save enough money to pay for legal advice.

4.6 FOLLOWING THROUGH

The office adjusted the proposal to R$ 2,500.00 per CNPJ, for three months, with an increase to two minimum wages soon after the initial period. The office evaluated this alternative because it was either this value or it would not close the contract with the company. In this way, the office's initial scope would be maintained. It would generate enough value to increase the net profit of the fish operation with the initial negotiation of some loan contracts that border on the absurd.

Everything agreed between the parties, we consider the agreement between them a success since the company was interested in organizing and negotiating debts with the banks; it was found in the strategic session by the lawyer that the company also had problems in management and sales. In this particular area, the firm develops a training routine, and some lawyers have an MBA in management and assemble a sales team. It would be very advantageous for the firm's portfolio to deliver this service as an "overdelivery," generating more value in the relationship with the client.

5 RESULTS AND DISCUSSIONS

This study examines aspects of the negotiation between the Brazilian SME and the law firm to present results within the theories and empirical studies currently available. The aspects of negotiation covered by this study, i.e., the interactions between aspects of negotiation, such as empathy and assertiveness, trust and credibility, and temporal flexibility, whilst seeking to confirm previously known aspects of negotiation, also aim to extend the current body of knowledge on negotiation within the framework of several Brazilian and international studies.

On the one hand, the law firm studied in this case (when analyzing the terms and conditions of its offer to the SME) recognized the client’s serious financial problems. Its team acknowledged the high interest payments the company was making, which exceeded its operating profit. At the same time, the firm correctly valued its work and negotiation efforts and understood that, without its intervention, the client’s financial problems would be exacerbated in the medium and long term. This complexity in negotiation, where, in addition to being assertive, one must also be empathetic, was highlighted by Dias (2021) in analyzing business negotiations during the pandemic period, in which much more empathetic negotiations took place; however, assertiveness was never extinguished in such contexts. The same applies to the research studies conducted by Prata and Dias (2026) regarding collective bargaining in restaurants, which also show how the negotiating party, in this case, the management, manages to be understood by the labor representatives when showing empathy towards their concerns whilst remaining extremely assertive regarding management interests.

On another note, trust and credibility also played a decisive role in the negotiation for the law firm's services to the SME. The client’s history of timely payment made a big difference, as the favorable treatment enjoyed by the client in good times was now converted into an asset for the SME in times of crisis. The importance of trust in civil construction negotiations has been noted by Dias and Panzarini (2025) as it is a determinant for a positive outcome. Also, the relevance of transparency and consistency in building trust in virtual negotiations was recognized by Santos and Dias (2024). Internationally, trust is described as a mechanism that reduces transaction costs in business negotiations and that it enables more cooperative outcomes in conflict (Raiffa *et al.*, 2002; Salacuse, 2003; and Zartman, 1988). This case supports perspectives on trust and credibility that were accumulated through routine transactions and then transferred and used effectively in the SME's professional service negotiations during the crisis.

The use of temporal flexibility throughout the negotiation enabled an agreement that satisfied both parties. Even though the negotiated minimum wage increased at the end of the three months, for the first three months the client only had to pay R$2,500. For the rest of the agreement, the client had up to two minimum wages to pay, an amount the client could afford given its previous financial situation. This allows for an analysis of how temporal flexibility in negotiations can help reach sustainable agreements. According to Gasparini *et al.* (2025) and Soliva and Dias (2025), temporal flexibility is extremely common in Brazilian negotiation and can even replace monetary concessions. As Raiffa *et al.* (2002) and Salacuse (2006) note, time is the most powerful variable in negotiations, whether locally or internationally.

This is another critical element for structuring proposals, as studied by Geiger (2017). In this case, the proposal for professional legal services was completed with an additional set of services provided by the same law firm, focused on compliance and financial governance. As such, value was created to compensate for the increased fee paid by the company, whose operations were served by the law firm. This is another key variable manager use when structuring negotiations and, as Geiger (2017) analyzed, issue-based tactics (such as adding value) are critical to creating value in negotiations. Aylmer *et al.* (2026) and Navarro and Dias (2024) also studied adaptability in agreement-sustaining tactics in B2B negotiations, in the context of financial services (Bastos and Dias, 2026a) and nonmarket negotiations (Bastos and Dias, 2026b). In the case studied here, the ways the service proposal was adapted to the client's current needs, under financial stress, constitute a relevant addition to these previous analyses.

The negotiation under analysis includes aspects related to the cultural and contextual factors of the parties involved. In this sense, Brazilian research on the subject has highlighted that the negotiation strategies adopted by parties involved in commercial transactions are influenced by cultural dimensions and the institutional environment of the countries in which such negotiations take place (Dias *et al.*, 2020; Lafraia *et al.*, 2026; Sartori *et al.*, 2020). Shared external shocks, such as those caused by a pandemic, can change the parties' expectations and lead to greater empathy across cultural boundaries (Dias, 2021). In this sense, the negotiation under analysis includes aspects influenced by the cultural and contextual factors of the parties involved. Furthermore, the analysis examines how psychological biases affect decision-making by parties involved in crisis negotiations (Bastos and Dias, 2026a).

In comparison with other cases, this case study also affirms the findings identified in other contexts. Thus, the study of negotiations in the leasing of equipment for use in construction (Martins and Dias, 2026) reached the same conclusion regarding the negotiator's adaptability and the durability of their relational contact with the counterpart. Likewise, negotiations between a coffee retailer and a supplier (Samartin and Dias, 2025) sought to balance short-term, urgent goals with the long-term objective of sustaining a partnership with the same counterpart. Another case the author studied refers to collective bargaining carried out by restaurants (Prata and Dias, 2026). In that scenario, negotiations also focused on maintaining an empathetic attitude, while taking a firm stance vis-à-vis the counterparty, in an attempt to satisfy their interests.

On the other hand, some aspects were expected, while others challenge current knowledge of negotiation. Therefore, this case study contributes to the comparison of negotiation strategies. Specifically, it complements research by confirming certain aspects and extending the scope of current negotiation theories. A key finding from this case study is that non-monetary concessions (incremental payment and broader scope of services offered) can form the basis of negotiation agreements in professional service markets, with value sought to be created by the negotiator. In other words, for SMEs under financial hardship, a key factor is the client's history of compliance with contractual obligations, which affects its bargaining power in negotiations with the professional service provider.

In summary, the dynamics analyzed here show that, in crisis negotiations, great importance must be given to empathy, trust, assertiveness, and flexibility in timing. The study also identified the value of the SME's compliance history, as well as the potential to offer a package of services that can be incremental to the client's needs and perceived as valuable by the counterpart. In addition, the case studied here challenged an assumption previously held by the author, namely that, in crises, the main way to terminate negotiations would be through monetary concessions.

6 CONCLUSION

This study examined a negotiation in more detail involving a distressed SME (Small and Medium-Sized Enterprise) from Brazil and a law firm offering corporate advisory services. As in prior research on negotiation, such as negotiation under uncertainty, the negotiation under study involved key elements found in prior research on negotiation generally, including empathy and assertiveness. Yet, in terms of specifics, the negotiation also involved key elements of professional service negotiation found in corporate law firms representing SMEs, particularly the role of trust and temporal flexibility, which greatly influenced the degree of bargaining power the distressed SME possessed. These elements strongly influenced the terms and conditions of possible services to the distressed SME and how a service proposal might be adapted to better meet its circumstances under distress.

FUTURE RESEARCH

More research is needed to understand better the dynamics studied in this single case, i.e., the impact of compliance history and step-by-step agreements across different types of negotiations and sectors. This could also include a comparison between SMEs and large corporations. A study of cross-cultural negotiations could also investigate how different institutions and cultures shape assertiveness versus empathy in negotiations. Multi-case studies including quantitative research could be used as an alternative approach to the research undertaken here. The growing digitalization of negotiations and the use of virtual negotiation platforms would also be an area worth further study, particularly regarding how trust is created, issues are managed in professional services, and the value perceived to be created. Continuing research in these areas will provide greater insight into how negotiations can be managed to sustain relationships and create value when a party is experiencing financial difficulties.

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