

INTERNATIONAL NEGOTIATIONS STRATEGIES

The International Negotiations Principles provided by the ICC (International Chamber of Commerce) are based on the idea that the best deals are struck between negotiating partners that not only want or need to collaborate, but also respect and trust one another. These Principles provide the direction for creating a productive working relationship, for transactions of any kind or length.

Every deal and set of negotiating partners is different, and the ICC Principles may be useful in different ways for different deals. The Principles may be used as:

- A checklist of considerations for a party to take into account during preparation for and conduct negotiations.
- A basic set of guidelines the parties can agree to use as a reference point for the conduct of negotiations. Nevertheless, the ICC Principles are not intended to impose a legally binding obligation on the parties.
- A benchmark for guiding a party's own conduct during negotiations.

1. PREPARE CAREFULLY

- Engage the right people within your organization, define your objectives clearly, and review any history of dealings with your counterpart.
- Learn all you can about your negotiating partners and the reality of the commercial context in which they operate. Image their likely interests, priorities, limitations and scope of authority.
- Be ready to explore with your counterparty the various legal rules available to govern your deal.

2. TAKE CULTURAL DIFFERENCES INTO ACCOUNT

- Educate yourself on the local business practices of your negotiating partner.
- Be sensitive to your own culturally-rooted habits and assumptions about how to conduct business.
- Develop a practice that encourages you continually to question your assumptions and probe for assumptions your negotiating partner may be making about you.
- Keep in mind the value of being able to deal well with difference.

3. ALLOCATE APPROPRIATE HUMAN AND TECHNICAL RESOURCES TO A NEGOTIATION

- Anticipate the people you'll need to have in the room or on standby to support negotiations, such as people with decision-making authority on issues at hand, specialized technical experts, translators, legal drafters, tax advisors, and local counsel.



- Aim to maintain consistency on the negotiating team – avoid presenting a revolving cast of characters.

4. AIM TO DEVELOP AN OPEN AND RELIABLE WORKING RELATIONSHIP WITH YOUR NEGOTIATING PARTNER

- Deals are often on-going commitments that evolve over time as circumstances change. A good working relationship between the parties will make it easier to address both sides' future needs efficiently and effectively.
- Acting with transparency and the genuine desire to understand and find solutions can help focus discussions on substance.
- Negotiation partners need not be friends to create a productive working environment.

5. BEHAVE WITH INTEGRITY

- You don't need to reveal everything, but everything you say should be true.
- Lying or misleading imperils the deal, the working relationship at hand and your reputation in the trading community, and may ultimately lead to legal sanctions.
- Your willingness to bring your values and integrity to the table is a signal to your negotiating partner of how seriously you are approaching the negotiation.

6. MANAGE YOUR EMOTIONS

- Act rather than react – modeling that you are acting independently of a counterparty's provocation is powerful.
- A counterparty that views you as reasonable may ask for help, allowing you to collaborate on a solution, rather than hiding information out of pride or fear, which may lead to an unrealizable agreement or no agreement at all.

7. BE FLEXIBLE

- Be open to thinking creatively with your negotiating partner about how your interests may complement each other and be satisfied without diminishing value for either party.
- Only a mutually beneficial deal will be sustainable over time — if one party receives disproportionate benefit, the other party may be unable to implement the agreement.
- Understanding the difficulties your negotiating partner may be facing is an important element in building a realistic, durable deal.

8. MAKE REALISTIC COMMITMENTS

- Agree to only those things you genuinely intend to undertake, as you would expect your negotiating partner to do.
- Clarify your negotiating partner's scope of authority: people may overstate their authority and make commitments they can't make or keep.

- Know your alternatives, and know when to leave the table because you can find a more suitable deal elsewhere.

9. CONFIRM THE AGREEMENT TO ENSURE A COMMON UNDERSTANDING

- Review carefully what was agreed with your negotiating partner at the end of a negotiating session, resolving any details on which your views diverge.

10. BE READY FOR THE CASE WHERE NEGOTIATIONS DO NOT SUCCEED

- Negotiations may not reach conclusion for a variety of reasons, either within or beyond the control of the parties.
- Anticipate such situations, prepare and be ready to discuss alternative options with your negotiating partner.



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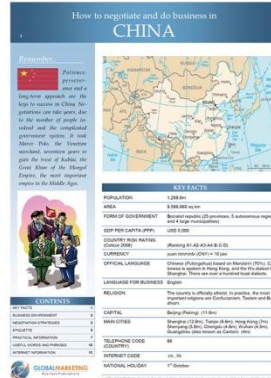


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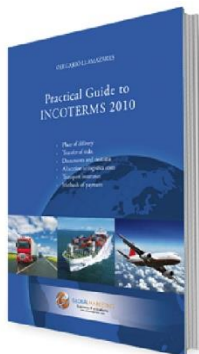


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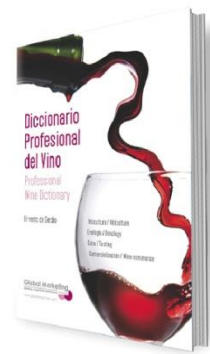
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