

Effective settlement negotiations – and when to end them

a few observations



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Internal (fundamental) requirements



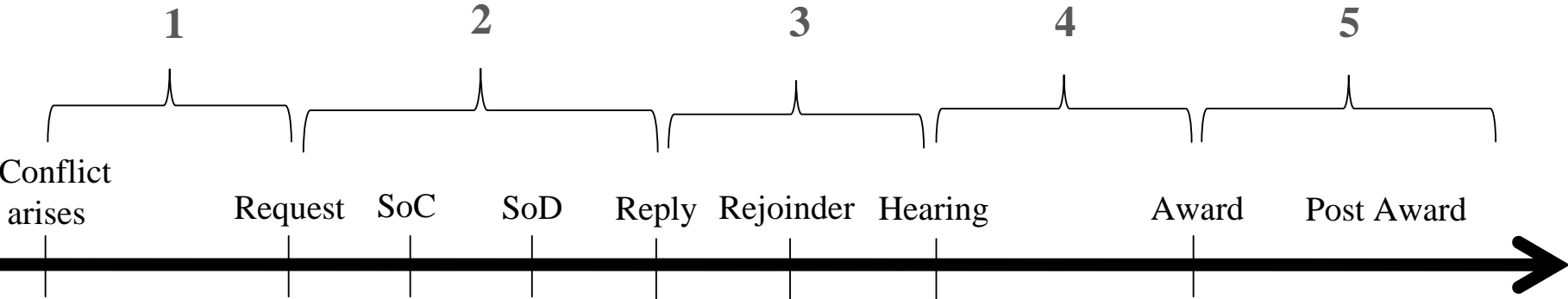
- Realistic expectations
- Legal assessment
 - homework on facts and law
 - total risk exposure/opportunity
 - defined settlement range
 - get through to the client
 - strategy

Methods



- Direct negotiation between the parties
- Third party assistance
 - Mediation, conciliation, dispute review etc. etc.
- Pros and cons
 - Nature of conflict
 - Type of party relationship

Timing



Practical issues



- Timing
- Negotiate and agree the procedure
 - Start and finish
 - Authority
 - Explicit conditions / subjects for binding agreement (avoid Azpetrol)
 - Involve the adjudicator in the settlement negotiations?

Practical issues



- Prepare, prepare, prepare
- First offer
- Reduce tension
- Flexibility
 - concessions and adjustments of the range
 - know your fall-back position
- Creativity
 - no fixed pie

and when to end them...

- When outside the settlement range and there is no reason to adjust

