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Business Negotiation, from Mediation to Arbitration

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Abstract

A good deal is the one that was correctly negotiated and was implemented without any kind of trouble. A successful deal can also be made even if specific problems showed along the way but they have been corrected in a timely manner and in the interests of both parties. These corrections can be the object of a new negotiation, or can be done through an eventual mediation of the conflict and, ultimately, by arbitration.

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Introduction

This article is intended to be a rundown of how to resolve potential conflicts arising in the conduct of business. Negotiation is a first resolution and if it doesn't offer mutually accepted solutions to the sides involved, they can appeal to mediation or arbitration.

The Mechanism of Conflict Negotiation in Business

Communication, in general, and especially communication in an organized environment is considered more difficult because:

- each of us is tempted to assume that people will behave identical in identical situations;
- we all have the tendency to group people, very roughly, into categories such as: good, bad, smart, incompetent, etc..
- first impressions alter later judgments and tend to become prejudices
- liking or disliking develops as we discover (or don't discover) common features, preferences and characteristics
- there is a tendency to expand occasional or negative actions, attitudes and points of view, to a person's entire frame of behaviour (the fact that an individual couldn't manage a in a certain situation, as they were unable the make the right decision
- instinctively, people use their own reference points and principles in evaluating other people, convinced that they are right in their judgment. It is often forgotten that there really are no "correct" answers when people are asked to interpret their own emotions, attitudes and impressions. For example, different individuals interpret a drawing in different ways, but none could say which interpretation was right and which was wrong.

In the process of negotiating, setting the goals becomes a priority for the following reasons:

- the objective is a sine qua non condition for the effectiveness of the negotiating process;
- the objective sets the direction of the negotiation process and also provides points of reference for the process orientation;
- the pre-established objectives offer the possibility of quantifying the results obtained after negotiation;
- the objectives offer the possibility of defining the correct status and position to the negotiation partners;
- the objectives outline a set of meanings, which reflect the capabilities of those who are negotiating.

In any negotiation, information is power. The more information a negotiator holds, the more he can anticipate the needs of the negotiation partner and bring them in his advantage. However, there is a moment in the negotiation process when information sharing is the best thing a negotiator can do. Where there is a lack of understanding, a well-considered information can unlock and the ease the communication.

The beginning of the negotiation is the stage in which both sides state their initial requests. This stage comes with information about the attitudes, aspirations, intentions and perceptions of the parties on the subject of negotiation.

Establishing the positions and status of the two negotiation parties - each party states and justifies the negotiation position and tries to appreciate the opponent's position by getting information and testing arguments.

The process of negotiation itself, in which each side tries to overcome impasses, compromises in order to reach an agreement. During this phase, a negotiator tries to test the weaknesses and arguments of the other party and to convince them to abandon their position in order to approach more to his position.

On the other hand, this is the phase the negotiator consolidates his position through the information he offers to the other party.

The conclusion of the negotiation - reaching an agreement, stating the terms of a final agreement, ensuring that the commitment stays closed and each party adheres to what they promised (the implementation) and also a revision and reflection on the acquired experience. In this phase, the parties decide if the opponent stands to his initial position or he is open to compromise.

If the satisfaction of one party's interests necessarily implies that the other's interests cannot be met, then the conflict is perceived as a void of a negotiation, in which the positive outcome goes only to the winner with the result of conflictual behaviour for the other.

The collaboration is based on the win-win strategy, the parties involved in this strategy are concerned to reach an agreement that satisfies the needs of both parties, or at least not opposing the others interests by maintaining interpersonal relationships between the parties and ensuring that both *sides will accomplish their personal goals.*

The competition is based on win-loss strategy, each side trying to get gain, at the expense of the opposite party. Addressing the conflict involves the completion of the necessary steps in order to make sure that personal goals are achieved, regardless of the cost of the damaged relationship between the parties.

The compromise is based on the acceptation that a win-win type solution is not possible.

In this case, the negotiator adopts a position that involves a low-gain and a limited loss, both in terms of interpersonal relationships, as well as the objectives of the two parties.

The accommodation implies that one side is careful with the opposing part needs, in order to strengthen the relations, if the object of negotiation is not of major importance/ is limited in terms of resources. Giving up and avoiding the conflict are seen as ways to protect the relationship between the parties.

The avoidance means that the conflict is seen as a situation what should be avoided at all cost. Personal goals usually are not accomplished and the interpersonal relationships are not maintained.

This style involves postponing the negotiation until a better opportunity, or simply withdrawing from a threatening situation.

The Importance of Business Mediation

The mediation means to get solutions much faster and cheaper than the ones obtained through justice. Through mediation, the legal system is released for more important problems. Legal disputes are very expensive and last for months, even years, until a legal trial is completed. Due to charges and long deadlines very few civil disputes reach court. A problem solved through mediation cannot be appealed in a court of justice.

The mediators, in order to be accepted by the parties in the conflict, must demonstrate at least the following:

- Are neutral. Chairman Cutler has had success in mediating the conflict between Israel and Egypt at Camp Dawin, regarding Syria Peninsula because he was perceived, at the time, as being neutral by both sides in the conflict;
- Understand the subject of negotiation;
- Have the proper experience in mediating similar conflicts;
- Will use a system/procedure with good results.

The mediation process is conducted depending on the size and the importance of the issues and the parties in conflict:

a) In case the object of the conflict is considered as a minor problem that must be resolved between colleagues working in the same company, the mediator may invite all staff members at the mediation meeting in one room.

The mediator has no direct involvement in solving the case and there is no need to be specialized in the field/area of the mediated subject. He should be a person with authority for the parties in conflict, with the ability to lead a discussion, to meet deadlines, to stop tensions. He has to be a balanced person (not choleric), to listen without judging.

He does not give any advice and he is not or behaves as the head of the staff/ team for which he mediates the conflict.

The mediator has the first word and will explain the rules of negotiation.

The discussions take place in two rounds:

- In the first round each participant states his/her position without comments and remarks. The stating time will be equally split between the persons in conflict. The mediator makes a brief recap after each presentation and possibly a final one.
- The discussions are organized during the second round:
  - Feedback from both sides;
  - Solutions proposals or requests.

Example of mediation for multiple topics

The employees working for a company that provides service at the clients' residence are supposed to use their personal car to travel for service intervention (as specified in their working contracts). But the company can provide access to the parking lot in the yard for only half of them, and the rest should use a leased parking at a distance of 200 to 300 m. The mediator will try to help the people involved in the negotiation process to decide who will have access to the yard and who will be using the rented parking area.

b) In the case of a major conflict, the mediator, in the first phase, will contact the parties involved in the conflict, recommended via a telephone conference. Separately contacting the parties in conflict could discredit the mediator as being neutral. During the telephone conference, the mediator will propose to the parties in conflict to accept a compromise and emphasizes the need for flexibility in order to prevent possible dead end situations/gridlocks.

During the conference, the mediator will explain the teams in conflict the process stages, the timing and place for each meeting, highlighting that the mediation can advantageous for all of them, if the process is correctly followed.

The mediator will attempt to discourage the participant choice/desire to appeal to a superior authority/court of low, emphasizing the fact that the participants in the mediation should have decision making authority, thus preventing the unpleasant situations that might occur during the mediation process.

In the end of the telephone conference, the mediator will ask the parties in the conflict, to send written statements about the taken/assumed positions and a file containing copies of all important documents regarding their statements. Then the parties must exchange information. Sending the information, both to the mediator, as well as to the opponent, will discourage sending massive documentation.

The mediator will insist that the parties' statements should contain at least the following:
- the conflict circumstances/starting point;
- the problems to be solved;
- the conflict resulting damages;
- the type of agreement stated by parties/ the claims.

After the mediator receives the materials requested above, he will schedule, as soon as possible, the first meeting, in the morning (because it takes a whole day for a mediation process), in his office or another neutral location, accepted by both sides in the conflict.

At the first meeting, the mediator will begin with a presentation that can include:
- his expertise in the field;
- point out that he, as a mediator, will not come with a solution, but will only help the parties to reach one;
- mediation is taking place to discuss the position of each party, in the hope of obtaining a compromise or possibly even a win-win solution, which depends only on the contribution of the parties in conflict.

Each side in the conflict begins with an opening statement, which is an important moment in mediation, especially if the conflict lasts for a long time and his opponents did not discuss in polite circumstances are did not discuss at all. Now is the time they can communicate their requests directly to the other side, and thus be more willing to compromise. If the opposing parties are respectful and state their positions based on the facts, then an agreement could be easily reached, and, through a fruitful collaboration in which the parties bring new ideas, a win-win solution could be also reached.

At the first meeting, the following could be achieved:
- each party understands the problems that led to the appearance of conflict;
- each of the parties knows and understands the other party wishes;
- both parties accept and understand that the mediation process has started and there is a possibility of solving the conflict in an acceptable way to both sides

During the next scheduled meeting, the mediator discusses separately with each of the parties (while the other side waits in another room). The mediator asks each of parties to present the issues, according to their importance, and he also tries to determine if these problems could be considered in the case of a trail in the court of law. The mediator should try to determine each side in a conflict to be inclined to compromise.

In the second meeting with each side, the mediator tries to determine each party to propose a deal, considering that it often happens to receive very good first deals. Then, he asks for permission to transmit the proposal to the other party in order to proceed to their negotiation.

After reaching a compromise, the parties should document and sign a written agreement.

In the end, the negotiator, with the involvement of the parties in conflict, could accomplish the following within the mediation process:
- to facilitate the communication between the parties in conflict;
- to determine the parties to accept a compromise;
- to determine the parties to focus on issues, not on emotions;
- to convince the parties that mediation has ended with success;
- to convince the parties that the agreement will be respected by all sides in the conflict.

In Romania, the mediation has a great importance in conflict resolution. There is a Code of conduct which sets out a number of principles. Individual mediators voluntarily decide to follow these principles in conflict resolutions by their own responsibility.

In order to achieve the purposes of the Code, the mediation is defined as any process in which two or more parties agree on a mediator to assist them to reach to an agreement without any damage for them or reference to legal legislation.

Organizations that provide mediation services can develop more detailed codes tailored to their specific context or types of mediation services offered, as well as with regard to specific areas such as family mediation cases or commercial mediation.

The mediator schedules and organizes the mediation on a convenient date for both parts. The mediator should appreciate his experience and skills to lead the mediation before accepting the appointment and, on request, to disclose information regarding the parties' experience and practice.

The mediator should not act, begin to act, or to continue to act in any direction, disclose any circumstances that might be interpreted as affecting his neutral position, or appear to constitute a conflict of interest.

The disclosure of this type of information is a continuing obligation during the entire mediation process.

Such circumstances shall include:
- any personal relationship or business relationship with one of the parties;
- any financial interest, directly or indirectly as a result of the mediation,
- the mediator or a member of one of the companies may act in another way/status, than the one assumed in the mediation process.

In such cases, the mediator could accept to continue mediation, if he/she considers himself able to carry out the process, with full independence and neutrality and he is to ensure the parties about the fact that impartiality is provided during the mediation.

All the time, during the mediation, the mediator must act with visible impartiality towards the parties and engage all parties equally, in accordance with the mediation process.

The mediator shall ensure in particular that, prior to the beginning of the mediation, the parties have understood and expressly agreed with the terms and conditions of the agreements, including in particular any applicable provisions relating to privacy obligations of confidentiality of the parties and the mediator.

The mediator may hear the parties separated, if considered useful.

The mediator should ensure that all parties have adequate and equal opportunities to be involved in the mediation process.

If the mediator considers appropriate, he shall inform the parties and stop mediation if:
- reaching an understanding that the mediator considers to be illegal and which cannot be applied, considering the circumstances and the competence of the mediator in making such an assessment, or
- the mediator considers that continuing mediation will not result in an agreement (the agreement).

The mediator takes the appropriate measures to ensure that, regardless of the reached agreement, the parties know and understand the terms and conditions of this agreement.

The parties may withdraw from mediation at any time, without having to provide any justification.

If not previously communicated, the mediator must provide complete information on the costs of the mediation process and the way he intends to apply it. He should not accept the mediation, before all sides concerned accept the principles of his remuneration.

The mediator keeps confidential all information arising from mediation or having contact with this, including the fact that the mediation itself took place, except where the law requires or relies on public policy. Any confidential information obtained by mediators from one of the parties should not be disclosed to the other party, without the explicit agreement of the first or if the law requires so.

The law on mediation process and on the profession of mediator states the following essential aspects:
- Mediation is a voluntary way of solving conflicts amicably, with the help of a third person, qualified mediator, in terms of neutrality, impartiality and confidentiality.
- Mediation is based on the parties trust in the mediator, as the person able to facilitate negotiations between them and to support them to resolve the conflict by getting a solution mutually convenient, efficient and durable.
- If the law allows it, the parties, individuals or legal persons, can choose the mediation voluntarily, even during a trial, agreeing to solve in this way any conflicts of civil, commercial, family nature, as well as in other subjects, as required by law.
- the provisions of this Act are applicable for conflicts in the field of consumer protection, in case a consumer invokes a damage as a result of the purchase of products or services, to improper reliance on contractual clauses or warranties, to the existence of abusive clauses in contracts concluded between consumers and businesses or to breach other rights stipulated by national legislation or of European Union legislation in the field of consumer protection.
- Citizens or legal entities are entitled to solve through mediation both outside and within the framework of compulsory procedures for amicable settlement of conflicts as required by law.

The mediation agreement shall contain, under penalty of nullity absolute, the following clauses:
a) The identity of the parties under the conflict or their representatives
b) The object of the conflict;

c) The mediator's responsibility to give explanations to the parties about the principles of mediation, its effects and the applicable rules and legal requirements if applicable;
d) The statement of the parties, in the sense that they want mediation, and that triggers that they are determined to cooperate for this purpose;
e) The commitment of the parties in conflict to respect the rules applicable to the mediation;
f) The obligation of the parties in the conflict to pay proper fees and expenses incurred by the mediator during mediation, as well as the means of payment and the advancement of such sums, including in case of waiver of mediation or of proceedings of failing, as well as the proportion that will be supported by the parties, taking into account, if necessary their social situation,. Unless otherwise agreed, such amounts shall be equally paid by the parties;
g) The parties' understanding regarding the language in which the mediation it is going to be conducted.

The mediation contract is documented and finalized as a written document if not, it is under penalty of nullity absolute. It shall be signed by all the parties in conflict and the mediator and with a copy for each person who signs the document. The parties in the conflict could empower on attorney or another person, in the terms of the law, to close and sign the contract of mediation.

Mediation procedure ends, depending on the case:
a) by reaching an agreement between parties as a result of settlement of the conflict;
b) by mediator's sentence/judgement that the mediation failed;
c) by depositing the contract by one of the parties.

If the parties in conflict reached only a partial agreement, as well as in the cases stated at line (1) point b) and (c)), any party may apply to the competent court or arbitral.

- upon the closure of the mediation procedure, in any of the cases stipulated above, the mediator shall draw up a report which shall be signed by the parties, personally or through a representative, and the mediator. The Parties shall receive a copy of the document.
- When the parties in conflict have reached an understanding, an agreement shall draw up which will contain all the terms accepted by them and has the value of a certified document under private signature. The parties' agreement must not contain provisions affecting law and order. The parties' agreement may be affected by legal terms and conditions.
- The agreement may be subject to verification by a public notary authentication
- In any phase of the mediation procedure, any of the parties in conflict have the right to terminate the contract of mediation, after written communication to the other party and to the mediator. The mediator notes the unilateral termination of the contract of mediation and, in a maximum of 48 hours from receipt of acceptance, draws up a report closing the mediation procedure.

The Importance of Arbitration

The importance of the arbitration is the fact that the referee has the role of a judge, but resolutions are taken more quickly and at a lower cost than in the case of specialized courts resolve conflicts. At first, arbitration or preliminary meetings organizes referees whereby arbitrators asking parties in dispute all relevant documentation submission process of arbitration.

Before the first meeting, both sides will submit a map with information on side parties and the referee. At the beginning of the process of arbitration, each Party supports a plea, and then witnesses are called and interviewed by both parties. Anyone can object to a question if this is offensive, irrelevance or unfounded. The referee will ask questions of clarification, witnesses or parties will carefully listen to the samples, but he will help to discuss them or approve them, because it might look as being biased. Within 30 days of the final hearing, the referee will send

a written decision of both parties and usually winning side or both sides can result in instant recognition by the arbitrator to be registered and legalized.

The main forms of arbitrary depending on material competence:
- having general competence of arbitration in matters of international trade;
- Arbitration having special competence in the field of international trade.

According to the territorial court the level of arbitration:
- bilateral Arbitration type created by bilateral and international conventions have competence to settle disputes originating only from international trade relations between subjects of law of the national legal order of the States signatories to this Convention;
- arbitration with a universal vocation, whose territorial competence extends to the planetary scale, they are empowered to settle disputes between participants in international trade relations of all countries of the world.

Depending on organizational structure:
- ad hoc Arbitration (occasionally)-is constituted by the parties to resolve a particular dispute and works up to the settlement of that cause. No pre-set structure and the Parties shall appoint arbitrators and method of appointment, shall establish rules of procedure and arbitration.
- permanent Arbitration (institutional)-in terms of an existing permanent organizational structure, administrative. That means a mechanism designating referees, secretariat, headquarters, rules of procedure allowing the parties to use them for the purpose of the establishment and settlement of the Dispute Tribunal's arbitrary. After the settlement of the dispute, the Court of first instance arbitrarily dissolves. Permanent character of arbitration does not suppress the fleeting nature of the arbitrary Tribunal, formed with the help of administrative structures, only to resolve a particular dispute only.

Depending on the powers conferred on arbitrators:
- strict law Arbitrage - law arbitration is that in which the referee applied the rules for resolving the dispute (whether set by the party, be it in procedural aspects, as well as in terms of Fund process.
- equity-arbitrage to this arbitration arbitrators are not held to observe certain procedural rules to apply pre-set or the right material for the competent trial Fund they lead after the requirements of equity, whose content varies from case to case and is even stated the referees and respecting the principles of right justification.

According to the joins the subject-matter of the dispute:
- national Arbitration aims to resolve a dispute springing up from a contract devoid of adherent, as all international items likely to confer such adhesions are in one State.
- the foreign Arbitration disputes originating with international contracts, i.e. acceding connections with at least two different States.

Practical Examples

During the period 1.01.2013-1.01.2016 I have collected a wide array of data on the percentage of contracts concluded through negotiation and who arrived later to a renegotiation, or mediator, to arbitration. The data collected have targeted several companies called here generic F1, F2, ... Fn (for confidentiality reasons) and the results are presented in the following table (Table 1):

Table 1. The number of contracts concluded by companies F1 ... F5 in the 2013-2015 (PC)

Year	Contracts concluded by company					
	F1	**F2**	**F3**	**F4**	**F5**	**TOTAL**
2013	10	103	27	71	56	267
2014	17	85	29	102	67	300
2015	18	115	20	37	45	235

F1 is a company producing bread and pastries, F2 is a firm which fitted alarm systems, F3 is a beauty salon, F4 a business office and F5 stationery and a consulting and training firm. The data presented in the above table are related to all contracts concluded by companies of my study and other firms, either through negotiation or through direct procurement or tender. I was interested to find out what percentage of firms which, from a possible conflict in carrying out the contract, seek mediation or arbitration.

I found the following: while it appeared small or larger problems in carrying out the contracts, companies generally prefer to solve problems amicably, possibly by renegotiation, if necessary, part of the contract.

In the following table (Table 2), we presented companies that have come to mediation, and in the last table (Table 3) the number of companies that have turned to arbitration to resolve a conflict emerged in carrying out the contract.

Table 2. The number of contracts to be concluded by the companies' mediators F1 ... F5 in the 2013-2015 (PCs)

Year	Agreements reached at mediation, by					
	F1	**F2**	**F3**	**F4**	**F5**	**TOTAL**
2013	0	1	0	3	0	4
2014	1	3	0	4	0	8
2015	1	2	0	3	0	6

As shown in the table above, there are companies that have not resorted to mediation even if problems arose in their contracts, preferring to be taken jointly with business partners. This is not due to the relevant legislation through ignorance if the firms studied, but find some mutually convenient and acceptable to the partners. Note that less than 10% of the contracts without absolutely any problem, all other miscellaneous situations arose as small or larger delay of payment (in the case of firms F1, F2 and F4), less than the mandatory minimum stipulated by contract but with the request to maintain lower price stated in the contract for the minimum required lots of ordered (F4) late delivery of the goods, (F1), payment to an exchange rate favourable to one party and not to the course of the contract (F3). Company happened to receive from F3 and his supplier other than the ordered commodity at a time in which have very great need for raw material commissioned for its order (that is, a different type of cream used for body wraps, less than requested by the customers of the Salon). Company F5 had fewest conflicts, i.e. in 2013 had two cancellations a period of training and a week of training, small delays in the 2014 and 2015 had only contracts without incident.

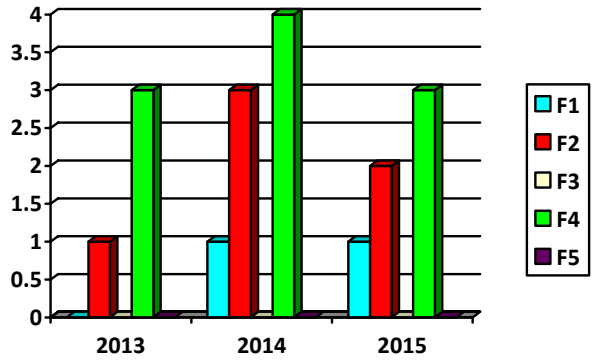

Fig. 1. The number of companies that have turned to mediation in the 2013-2015

Of the total contracts to various problems which have arisen and which have turned to the solution the mediation (18 contracts), for 14 of the contracts (both of F1, 5 out of 6 contracts of F2 and 7 of the 10 contracts of F4), the main topic of discussion was the delay in the payment of contractual obligations by the client in question was delivered to the requested goods or services have been carried out at the time the payment from the customer even delayed more than eight months. In the other 3 cases, F4 received orders goods less than the mandatory minimum stipulated in the contract and the beneficiary of the contract price had wanted the application set for minimum lots, in which case the company F4 would be sold at a loss whereas price had been offered for certain quantities. For example, packaging and labelling of some individual supplies would have generated additional costs for F4 that lacked coverage in the price to the customer. The client wanted the merchandise to be delivered weekly even if the contract is settled monthly delivery and this aspect would have generated additional transport costs for F4. Virtually all three contracts were concluded between the company F4 and different companies belonging to the same owner. F2 company had a contract with the mediation for some unfair terms from a bank that has altered the fees and introduced other commissions of any loan contracted by the company in 2012 without F2 agreement and notification to the firm F2.

For all 18 contracts from this study have concluded agreements to mediate conflicts and were extinguished without reaching a court. A small rankings show that most had reached the mediation as the primary cause delay in payment from the customer (14 out of 18, - 77,78%), followed by requests for contracts with smaller lots but maintain a preferential price (3 of 18), and a contract concerning unfair terms from Bank. Graphically (Figure 2), the situation looks so:

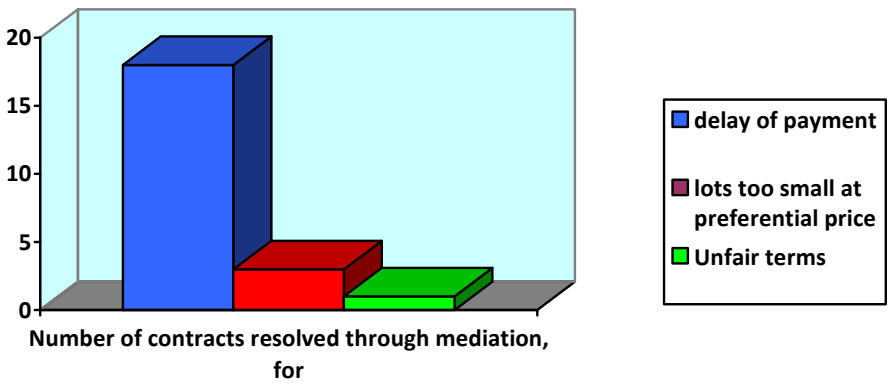

Fig. 2. The ranking of reasons

The share of those who have turned to mediation in the case of firms surveyed is as follows: in the year 2013 is 1.498% percentage for 2014 have turned to mediation and 2.667% 2015 turned 2.554%, resulting in an average of 2.239% percentage for all the companies analysed for those three years. Graphically, this is shown as follows (Figure 3):

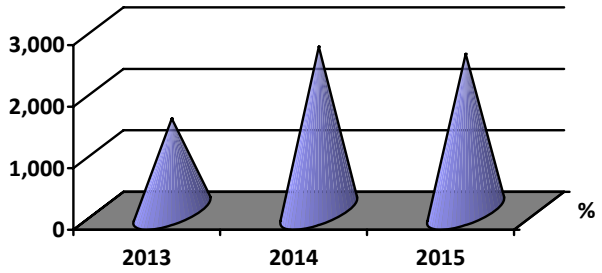

Fig. 3. The share of companies that have turned to mediation in the 2013-2015

It can be seen readily that only a small number of legal persons resorting to the services of mediators to resolve any conflicts arising shall in carrying out a contract. This is due, in the case of interest, desire and availability for business partners to reach the convenient quick solutions without payment of additional sums of money. In other cases might need to intervene on legislation relating to the mediation or the desire of the parties to the conflict shall be resolved in court, often to pay lawyers with considerable sums representing the percentage of the value of the contract in order to obtain solutions can be worse than if he had been able to reach agreement.

The things are almost similar to the arbitration, the data are presented in Table 3.

Table 3. The number of contracts to arbitration concluded by firms F1 ... F5 in the 2013-2015 (PCs)

Year	Contracts to arbitration concluded by firms					
	F1	F2	F3	F4	F5	TOTAL
2013	0	1	0	1	0	2
2014	0	0	0	0	0	0
2015	0	1	0	1	0	2

I've noticed a greater reluctance of firms in resorting to an arbitrator at the Arbitration Court may, and unavailability of conflicts very extensive in the case of firms surveyed in the present case. Thus, the graph is presented in such a situation (Figure 4):

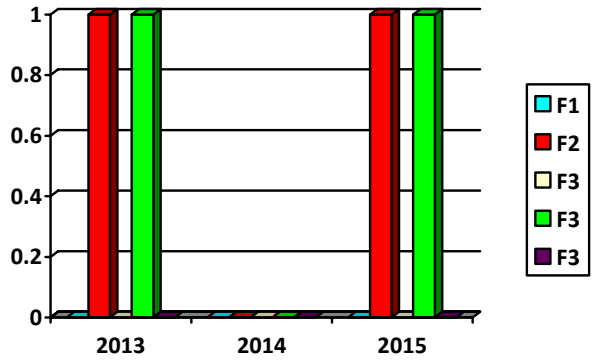

Fig. 4. The number of companies that have turned to arbitration in the 2013-2015

In the case of arbitration, in all 4 cases the underlying cause for which he got to appeal to an arbitrator was delaying the payment from the customer. Basically, the 4 cases are similar: F2 installed alarm systems to the beneficiaries (for more offices and outlets) and the payment have delayed more than eight months. As a result of notifications by, customers have returned in part money (less than 20%) to the supplier, this F2 was considered evidence of good faith. Things were similar for F4 that delivered goods ordered its beneficiaries under the agreement and the payment was to be made in 60 days from invoice, but it was issued 5 invoices without payment. Following arbitration, the amounts outstanding were deferral of payment and some of these have been paid, parts are pending payment.

The share of those who have turned to arbitration in the case of firms surveyed is as follows: in the year 2013 is 0.749% percentage for 2014 have turned to arbitration 0% and in 2015 turned 0851 per cent, resulting in an average of 0.80% percentage for all the companies analysed for those three years. Graphically, this is shown as follows (Figure 5):

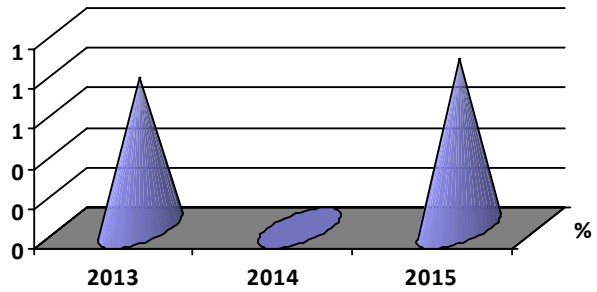

Fig. 5. The share of companies that have turned to arbitration in the 2013-2015

For both mediation and arbitration sectors, I found that there are very many people who turn to these dispute resolution procedures and problems in carrying out the contracts. Lawyers prefer legal settlement whereas most often involve higher fees because there are more opportunities for attack (the Fund, appeal etc.).

Conclusions

As stated in the introduction of this article, I intended to do a rundown of various ways of solving conflicts. When negotiating a deal between two sides, we all want everything to proceed without any problems. During business discussions, many issues that may arise can be solved amiably, avoiding spending large sums of money in the court of law. One of these forms of resolution is the mediation, another one is the arbitration. Both are conducted by outside persons/professionals who can help the parts in conflict find solutions for new situations.

Personally I would like recommend more serious checking of the business partner. If it is necessary, you may request certain guarantees which are equivalent to the value of the contract. Also, perhaps it would be more prudent in surrendering the tempting conclusion of contracts but with unknown partners, in favour of contracts with partners who proved solid and good payers.

The great advantage of mediation is that the discussions from mediation, although the parties come prepared with certain clauses/proposed times views, and generates new perspectives. Difficult problem faced by many of the companies at the moment present is lack of cash resources and the emergence of financial bottlenecks even if the company has a turnover. More and more companies are confronted with the lack of the money. There are also companies operating at the limits of the law, that open and close to various business not exactly honest. This is why I recommend concluding business with serious partners, known or which form part of those already checks somehow. If all businesses would flow properly and honestly, would no longer have any front working mediators, any arbitration or courts of law.

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