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INTERNATIONAL NEGOTIATION ACADEMY

Negotiation: The Genesis of Management



Negotiation Skills Training

- Managers at senior, middle and junior levels
- Labour Union Negotiators
- Conflict dispute resolution mediators
- Sales Negotiators
- Buyers
- Hostage & Crowd Control Negotiators
- Facilitators

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THE WORST DEALS EVER and WHY!

Trading America for a Small Island

American and Dutch history was forever transformed when Dutch Ruler, Johan de Witt, in 1667, traded Manhattan Island (the world's most valuable real estate) for a small poor 'spice' island in Indonesia. As a result of this, America later became a British colony instead of a Dutch colony with English as the official language instead of Dutch. Nieuw Amsterdam's name was changed to New York and if this deal did not take place, **Americans would all be speaking Dutch** today!

The Dutch East Indian Company also went bankrupt (largely due to this) in 1800.

How could anyone be that **stupid**?

During the hostilities between England and Holland in the seventeenth century, lots of money was made by the Dutch East Indian Company through buying spices in 'their' colonies in Indonesia and selling it in Europe. They had control over the whole of Indonesia except for one small poor island called Pulau Run (controlled by the British, enabling them to compete and denying the Dutch the monopoly). In the negotiations (the Treaty of Breda) the Dutch offered to give the British **Manhattan Island for 'ownership' of Pulau Run**. England agreed.

Why would anyone be so **short-sighted**?

It can only be due to one or more of the great destroyers of rationality in all negotiations: pride (**ego**), lust for **power**, hate, **greed**, anger, envy, trust (faith), 'principles', **lust**, hope, charity, **sloth** (laziness)* or the opposite of these.

INTENSIVE PROGRAM in NEGOTIATION SKILLS

NEW DATES for 2012:

- 1 – 3 March (Houghton)
- 21 – 23 April (Mumbai)
- 5 – 7 May (Houghton)
- 23 – 25 July (Houghton)
- 16 – 18 August (Cape Town)
- 10 – 12 September (Houghton)

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There are, of course, some other traits and emotions that cause people to make irrational decisions at times.

In this case, the **greed** (and the pride of 'being in total control of Indonesia) of the Dutch **overpowered** all other forms of **logic**.

How are **you** affected by your ego and your crave for money?

Mugabe's Great Land Grab

Zimbabwe gave the world a salient example of how to turn the **breadbasket of Africa into a charity case!**

Mugabe's attempt to right a colonial wrong stands out as a particular bad one, abusing and starving his own people in the process.

The causes cannot be found in famine, or nature; only in the **stupidity** and **impatience** of an old man*. Yes, others, like Britain's promises and Mugabe's loss of popularity at the polls were also to blame, but in the end it was Mugabe himself who came to an agreement with the War Veterans and the militarists in his own Party to the forceful taking of fertile farm land from the 'white' citizens of his country.

Of the original 4000 farmers there are now only 300 left. Crop production sunk to a mere 30% of the crop of 2001. The new owners (mostly Mugabe's cronies) simply did not have the capital, machinery and know-how to turn the land back to the **agro-enterprises** they had been! Mugabe himself conceded recently that 50% of the land lies fallow!

At the core of this we have a dreadful combination of his personal **anger, envy, greed and pride** (ego), which became more important than the **interests** of the millions who live in 'his' country!

How often have **you** made the wrong choices due to your uncontrolled emotions; your envy of others and your need to be important (pride)?

Hank Paulson and Lehman Brothers

When Dick Fuld (CEO of Lehman Brothers) negotiated with Hank Paulson (Secretary of the USA Treasury) about a possible bailout for Lehman Brothers in September 2008, Paulson told Fuld to **'go to hell'**.*

Hours after Lehman's attorneys filed for bankruptcy, Hank Paulson stood in the West Wing of the White House, with the Stars and Stripes draped behind him, announcing to the world that **he had elected** to allow Lehman Brothers to fail, thereby obliterating the world economy! This started the **biggest economic crash** worldwide that we have seen in a generation! Stocks, companies and banks tumbled worldwide. Millions were out of work within months! Ironically, shortly after this 'negotiation' Hank Paulson and the Treasury bailed out many huge banks, insurance firms and car producers for much more than what Fuld requested for Lehman's!

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“The **enmity between Paulson and Fuld** shimmered below the surface. Hank found Fuld to be graceless and **arrogant!**”*

At the core of it all it seems to be personal envy, pride (**ego**) and **dislike** (hate).

How many times have **you** allowed your dislike of someone to influence you into making far-reaching decisions in your personal and work life?

Rabbits for a Christmas Hunt

Thomas Austin found life in Australia somewhat boring and ordered 24 rabbits from his brothers in England for a Christmas hunt. They were released on his estate in Victoria and started to breed!

In 1866 more than 14,000 were shot on Austin’s estate alone! In another year 1,120 square miles of **farmland were stripped bare** by the rabbits.

The devastation continued and without natural predators the land devastation created by the rabbits can apparently be seen from space! *

Although the Government of Australia introduced some recent measures (e.g. the importation of the controversial Chinese calcivirus), the rabbit population was estimated in 1940 as being 800 million! Many rabbits also seem to develop a resistance against any ‘viral solution’ and just keep on reproducing at a rabbit-rate again!

At the base of this we find a **gluttonous, egotistical man**, perhaps even hoping that many, like him, will enjoy the shooting. He was obviously only interested in his **own pleasure regardless** of the devastation he would be causing. Austin died a rich man, seemingly unconcerned! No wonder that the rabbit is perhaps the most hated animal in Australia! No Easter Bunny cards for your Australian friends please!

How many times have **you** acted out of **self-interest** and without **proper research** when planting foreign plants and trees; importing exotic birds or using controversial pesticides?

Oops, the hyphen is missing!

The world’s exploration of space almost came to an end and millions of Dollars of hardware was destroyed due to a missing hyphen! The unmanned spacecraft, Mariner 1, was launched in July 1962. The objective was to study Venus and it had ultra **expensive equipment** on board. Four minutes after take-off the mission was aborted and the Mariner crashed.

The main problem was found to be in the programming of the guidance computer. The programming expression read ‘**R-dot-bar sub n**’ instead of ‘**R-dot-bar sub-n**’! In layman’s language it meant that this caused the computer to treat minor deviations as **serious** and to start making huge course corrections. NASA called it “**the most expensive hyphen in history**”.

The cause of this (and there are thousands of costly examples) lies in **laziness** (sloth) and **too much trust** in others and in ‘the system’ (in the past it was always right)!

ADVANCED PROGRAM
in
NEGOTIATION SKILLS
(Completion of the Intensive Program a pre-requisite)

DATES for 2010:

10 - 12 July (Houghton)
12 - 13 November (Houghton)

Book Now!

Have **you** read your contract with the bank, the cell phone company, the new car, properly? One comma or hyphen could make all the difference

Manie Spoelstra

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