

USING DECISION ANALYSIS IN SETTLEMENT NEGOTIATIONS

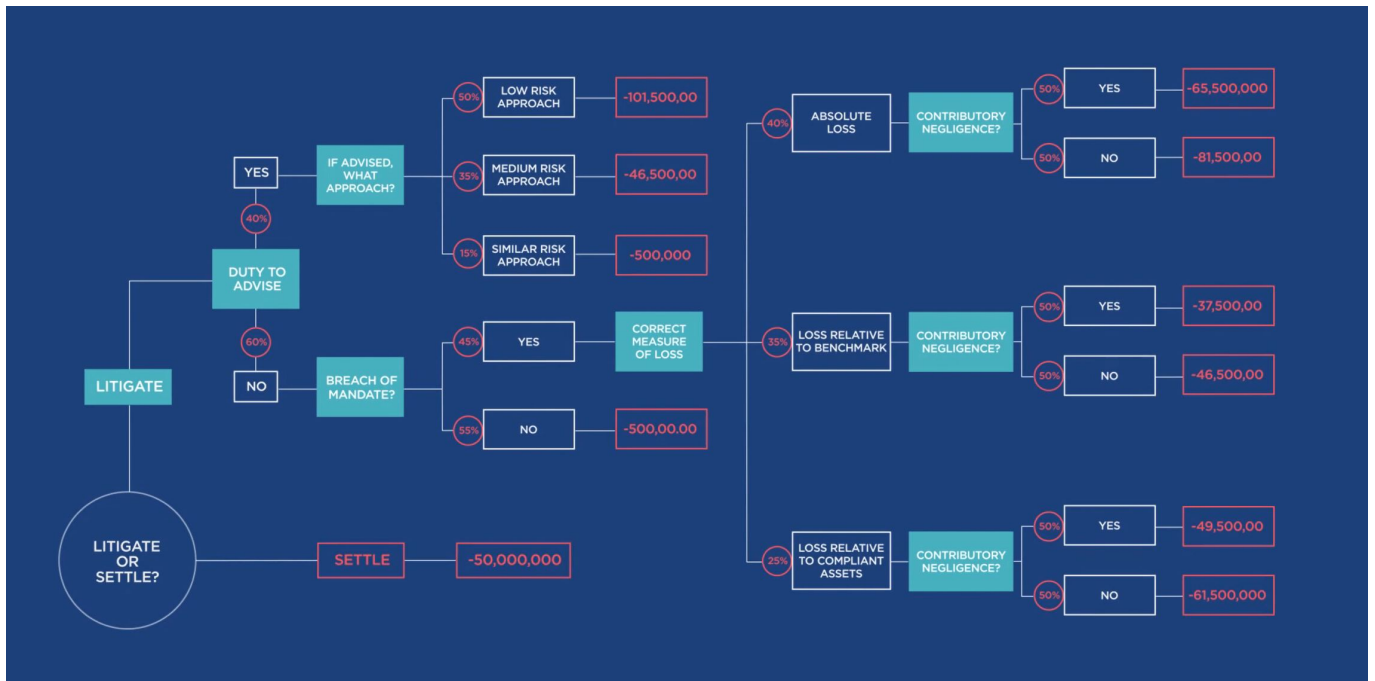
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Legal Briefings

USING DECISION ANALYSIS IN SETTLEMENT NEGOTIATIONS

This is the latest in our series of discussions about how clients have used HSF's Decision Analysis models as part of their strategy for disputes management.

This week, International Arbitration Partner [Chris Parker](#) discusses how it was used to **support a settlement negotiation** with an opposing party:

We were acting for a European client in a high-value arbitration dispute relating to termination of a contract relating to a key Asian market. In order to succeed, our opponent had to show that: (i) our client had breached the relevant contractual provisions; (ii) the breach was material; and (iii) the proper contractual termination procedures had been properly followed. If they failed on any of these limbs, our client would be entitled to damages for wrongful termination.



Read Part 1 of our Decision Analysis Series - [Using Decision Analysis to evaluate a settlement offer](#)

Read Part 3 of our Decision Analysis Series - [Using Decision Analysis for distressed debt valuations](#)

Read Part 4 of our Decision Analysis Series - [Using Decision Analysis for case management](#)

A major challenge in the mediation was to express the risk the other side faced that their termination would be found to have been wrongful. By using a decision tree presentation, we were able to illustrate to the mediator that even if our opponents gave themselves favourable probabilities on each of the issues in the case, their overall prospect of success was tens of millions of dollars lower than they were suggesting.

It was a very effective communications tool, and the client was very impressed by the decision tree approach.

[Read more on decision analysis](#)

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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