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## Success factors in decision making and negotiation processes for raw material supply transactions

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### Abstract

Scientific Study on the economic and especially the psychosocial factors of success in negotiation processes between buyers (procurers) and suppliers (producers) in the food trade. In particular it examines the economic and mental satisfaction in the decision-making and in the negotiation processes for efficient food supply. It is examined primarily as transparency in addition to Harvard concept at annual meetings (or between the year) favoring a satisfactory result for both negotiators. In a structural equation model, the Harvard negotiating points are brought with transparency in communication and this in terms of economic success experiences and the sociomental satisfaction.

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### 1. Introduction

#### *1.1. Every day new horror stories let us scare up...*

The number of people on this earth is increasing, but on the other hand raw materials, especially food, are distributed unequally.

A lot of people don't get any of them, or the prices where you still can get them are growing and growing and growing... (Sarris, Conforti, and Prakash, 2011).

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### *1.2. So we all believe...*

If humans do not have enough to eat or drink, they would become "uncontrollable". It can not be that many countries are not available to global goods.

With the delivery of food and beverage people will face survival. It may not be that the levy of a few controls and is impeded from profiteering (Cotula et al., 2009).

### *1.3. So some people and organisations go a further step with their allowances...*

A uniform and controlled release must be created; otherwise we face a growing problem. A shortage of plans for other developments, people can do in the back. If the people do not eat or drink enough, they also do not need further plans and lose ambitions and their ideals and standards (World Food Programme, 2009).

The UN Food and Agriculture Organization (FAO) in early June 2010 in their semi-annual "Food Outlook" recognizes that the cost of food imports are rising, particularly in the poorest countries. This now threatens a famine in Africa, because the poorest countries pay more and more for imports. More particularly, the financial burden on food imports as calculated by the UN organization in the world this year to amount to about \$ 100 billion (81.8 billion euros) (Fao, 2011).

In return, however, new debts are created to import the daily needs for the people. In particular, the ten million people in the eastern Sahel in West Africa, according to the UN World Food Programme (WFP), are facing a period of starvation. Already, more than one billion people suffer from hunger and malnutrition. Therefore, on a three-day "Conference on Nutrition", FAO, with representatives from the 192 member states in November 2009 set to a five-point plan against hunger (Fao, 2011).

But there are not only reasons of force majeure, such as crop failures and weather conditions, but also political miscalculations and bad decisions, as well as illegal price fixing for ever higher prices.(McMichael 2001)

But the increase in biofuels demand raises prices for cereals and rice. More and more people can afford less and less food. A food crisis is imminent, thus expanding the common social life more and more threatened.

In countries like Egypt the meat prices have risen by 50% and threatens riot. And an end to price increases is not clear, as the Food and Agriculture Organisation (FAO) points out. But the fault lies not only in the interests of environmental conditions, but increasingly in the wrong policy.

### *1.4. Price of rice doubled!*

Other countries in Africa are worse affected by the rising prices. Thus, the price of a kilogram of rice in Mauritania, West Africa, doubled in the last three months. At the same time in Zimbabwe, the price of corn increased by 59 percent and in neighbouring Mozambique by 57 percent. In the Democratic Republic of Congo, a portion of fish a year ago cost 10 dollars (8.3 Euros), today it is 25 dollars (20.8 Euros). For a 25-kilogram bag of rice, people must now pay 30 dollars - not for many financially viable. The policy is completely overwhelmed with the demand increase in the consumer society and the related allocation problems (Fao, 2011).

### *1.5. But what is the truth...*

Famous critics, such as Bjorn Lomborg, criticize these negative attitudes and campaigns.

In addition to individual Traders there are many other winners by rising commodity prices. Therefore, many welcome this development because the higher commodity prices have also reached to a certain extent of producers. A lot of people (Indians, Chinese,...) can afford more than ever before (Lomborg, 2002).

### *1.6. Many questions are open now...*

Do we lose control over our food supply chain and is there no future for food for all?

Do always get less people something to eat in the future?

Or is that only a horror scene, because with fear its easy to earn money...

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