



PROFESSIONAL FRAMEWORK

ANALYZING HUMAN BEHAVIOR IN NEGOTIATION

17 psychological and strategic factors for business negotiations in oil trading, investment and major partnerships.

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Three practical stages: Understand · Verify · Structure
- ★

Practical assessment tool and final recommendations

17 factors in three parts

Part I	6 factors
Part II	5 factors
Part III	6 factors

Each factor is covered by one slide: key question, what to examine, how to test it and the professional interpretation.

Never focus only on what the other party says

1

What do they say?

Statements, promises and proposals – the starting point, never the conclusion.

2

What actually motivates them?

Interests, needs and pressures behind the stated position.

3

What do their actions prove?

Behavior shows their intentions, capabilities and limitations.

Important: these 17 factors are a practical analytical framework for negotiation, not a standardized psychological test. No single behavior proves that someone is honest, dishonest, capable or incapable. Distinguish between **observation**, **interpretation** and **evidence**.

For each factor, ask four questions

1

What should we examine?

The facts, documents and behaviors that matter.

2

What signs should we observe?

Positive indicators and warning signs.

3

How can we test our assessment?

A small, specific, verifiable request.

4

What action should we take?

Decide proportionally to the evidence.



PART I

Factors 1–6

Understanding the Other Party’s Interests and Motivations

- 1 Interests
- 2 Intent
- 3 Capability
- 4 Logic
- 5 Competition
- 6 Motivation

PART II

Factors 7–11

Understanding Working Methods, Behavior and Decision Structures

- 7 Structure
- 8 Behavioral Awareness
- 9 Personality
- 10 Past Performance
- 11 Communication

PART III

Factors 12–17

Understanding Concessions, Position and Underlying Needs

- 12 Small Win
- 13 Concession Value
- 14 Position & Status
- 15 Underlying Needs
- 16 True Cost
- 17 Decision-Making

1

PART I

Understanding the Other Party's Interests and Motivations

Factors 1–6 of 17

1 Sense of Interests

INTEREST

KEY QUESTION

What does this person expect to gain from the transaction?

Every negotiator seeks some form of benefit: profit, income, credibility, market access, ownership, influence or commercial security.

WHAT TO EXAMINE

- Do they focus more on their own profit or on mutual benefits?
- Are they willing to link their rewards to actual results?
- Is their expected benefit proportionate to their contribution and responsibilities?

HOW TO TEST IT

Ask: "If this project succeeds, exactly what benefit will you receive, and what will you contribute in return?"

Professional interpretation: Seeking benefits is not a weakness; a sustainable deal needs mutual value. The risk arises when someone seeks the benefits while transferring responsibilities and risks to others.

2

Sense of Intent

INTENT

KEY QUESTION

Does this person genuinely intend to execute the transaction?

Intent cannot be observed directly. What we can evaluate is the consistency between statements, behavior and actions over time.

POSITIVE INDICATORS

- They provide verifiable information.
- They answer specific questions.
- They cooperate with reasonable verification procedures.
- They fulfill commitments within agreed timeframes.

WARNING SIGNS

- Grand promises without corresponding action.
- Repeated changes to previously agreed terms.
- Pressure for payment before product, authority or structure is verified.
- Refusal to permit independent verification.

HOW TO TEST IT

Instead of "Are you serious about this deal?", request a small, specific, verifiable action.

Professional interpretation: Good intentions without sufficient capability are not enough. Friendly behavior is not proof of genuine intent.

3

Sense of Capability

CAPABILITY

KEY QUESTION

Can this person actually deliver what they promise?

In oil trading, someone may be an excellent salesperson without being the product owner, an authorized seller or a party with genuine supply capacity.

ASSESS FIVE DIMENSIONS

- Technical and professional competence.
- Financial capacity.
- Legal and commercial authority.
- Actual access to resources, products or markets.
- Proven experience executing comparable transactions.

HOW TO TEST IT

Ask the person to clarify their role, signing authority, relevant documentation and independently verifiable examples of previous performance.

Professional interpretation: Claimed capability is different from demonstrated capability. A person may be honest but still lack the ability to execute the transaction.

4

Sense of Logic

LOGIC

KEY QUESTION

Are the person's claims and proposals commercially and practically consistent?

A logical negotiator can explain the relationship between price, quality, cost, risk, timing, responsibility and profit.

INDICATORS TO EXAMINE

- Their figures and calculations are consistent.
- They acknowledge practical limitations.
- They provide reasons for their claims.
- They revise conclusions when given credible new evidence.

HOW TO TEST IT

Present a realistic scenario and ask them to explain the costs, risks and financial outcome step by step.

Professional interpretation: An illogical answer does not automatically prove fraud. However, unresolved contradictions should prevent financial commitments based on that person's claims.

5

Sense of Competition

COMPETITION

KEY QUESTION

Is this person trying to build a deal or defeat the other party?

Some negotiators define success as a mutually beneficial agreement. Others want to prove they hold the stronger position, even when it damages the transaction.

INDICATORS

- Do they fight over every minor concession?
- Do they withhold information to maintain an advantage?
- Do they view the other party's success as a threat?
- Can they accept a fair commercial arrangement?

HOW TO TEST IT

Present a proposal with clearly defined mutual benefits. Observe whether they discuss a workable structure or only extract more concessions.

Professional interpretation: Competition can strengthen negotiation. Personal rivalry, humiliation and power struggles can destroy an otherwise profitable opportunity.

6

Sense of Motivation

MOTIVATION

KEY QUESTION

What drives this person to act now?

Motivation differs from interest: an interest is what a person wants to obtain; motivation is what drives them to pursue it. Examples: income, timing, company growth, reputation, professional pressure or a strategic objective.

HOW TO READ IT

- Why is this deal important to them at this particular time?
- What would change in their plans if it were not completed within three months?

HOW TO TEST IT

Ask: "Why is this transaction important to you now? What would change if it were not completed within the next three months?"

Professional interpretation: Clear motivation can accelerate cooperation. But urgency is not automatically a good opportunity; time pressure is sometimes used to force a premature decision.

2

PART II

Understanding Working Methods, Behavior and Decision Structures

Factors 7–11 of 17

7 Sense of Structure

STRUCTURE

KEY QUESTION

How does this person organize responsibilities, authority and execution?

Some negotiators work through clear procedures and defined stages. Others rely on personal relationships, verbal assurances and loosely defined agreements.

WHAT TO EXAMINE

- Who makes the final decision?
- Who has authority to sign the contract?
- What are the approval, payment and execution stages?
- How is each party's responsibility defined?
- What happens if a dispute arises?

HOW TO TEST IT

Ask the person to map the transaction from the initial contact to final delivery.

Professional interpretation: In complex transactions, an unclear structure can cause losses even without fraudulent intent. Structural transparency is a primary risk-management tool.

8

Sense of Behavioral Awareness

BEHAVIORAL AWARENESS

KEY QUESTION

Can this person understand other people's behavior, reactions and interests?

This factor examines the ability to read a situation, listen to concerns, recognize tension and adapt the negotiation approach.

POSITIVE INDICATORS

- They listen without constantly interrupting.
- They distinguish genuine concerns from superficial objections.
- They adjust their position when given relevant new information.
- They manage disagreement without personal insults.

HOW TO TEST IT

Present a genuine, evidence-based disagreement. Do they first try to understand the issue, or resort to defensiveness, aggression or pressure?

Professional interpretation: Calm behavior does not prove honesty; a dishonest person can also be composed and persuasive. Evaluate alongside evidence and actual performance.

9 Sense of Personality

PERSONALITY

KEY QUESTION

How does this person behave under normal conditions and, especially, under pressure?

Rather than labeling someone's personality, assess observable behavioral patterns.

OBSERVABLE PATTERNS

- Accountability: do they acknowledge their mistakes?
- Consistency: do positions change without reasonable explanation?
- Tolerance: can they hear "no" without becoming insulting?
- Self-control: do they decide impulsively under pressure?
- Fairness: do they follow the rules they demand from others?

HOW TO TEST IT

Do not rely on one encounter. Observe the person across different situations, particularly when interests conflict.

Professional interpretation: Personality cannot be reliably established in a single meeting. A documented behavioral history is more informative than a first impression.

10

Sense of Past Performance

TRACK RECORD

KEY QUESTION

What does this person's actual history reveal about their performance?

Past performance helps assess risk, although it does not guarantee future results.

WHAT TO EXAMINE

- Were previous transactions executed, or merely discussed?
- Is the person's exact role in them established?
- Can previous clients, suppliers or partners confirm the history?
- Is there a record of disputes, non-performance or changing terms?
- Is the experience comparable to the current scale?

HOW TO TEST IT

Independently verify at least one relevant transaction rather than relying solely on references supplied by the person.

Professional interpretation: An impressive but unverified track record is only a claim. Limited experience does not make someone unreliable; it means risk must be assessed in proportion to the evidence.



11

Sense of Communication

COMMUNICATION

KEY QUESTION

Can you exchange accurate, transparent and actionable information with this person?

Communication is not simply speaking persuasively. Someone may be an excellent speaker while remaining vague about important details.

POSITIVE INDICATORS

- They provide clear and direct answers.
- They distinguish facts from assumptions and promises.
- They confirm important points in writing.
- They acknowledge when they do not know an answer.

HOW TO TEST IT

After the meeting, write a summary of price, quantity, roles, conditions and next steps, and ask the other party to confirm it.

Professional interpretation: Good communication reduces misunderstandings but does not replace valid documentation, legal authority or contractual safeguards.

3

PART III

Understanding Concessions, Position and Underlying Needs

Factors 12–17 of 17

12

Sense of Small Win

SMALL WIN

KEY QUESTION

Can a small, genuine achievement create confidence and momentum?

In lengthy negotiations, some people need tangible signs of progress before committing to the next stage.

EXAMPLES

- Agreement on a technical requirement.
- Completion of preliminary document checks.
- Agreement on the allocation of responsibilities.
- Signing an appropriate confidentiality agreement.
- Confirmation of the next stage of the process.

HOW TO TEST IT

Divide a large transaction into smaller, clear, measurable stages.

Professional interpretation: A small win must be genuine and low-risk. Agreeing to a meeting or signing a document does not prove that a product exists or financing is available.



13

Sense of Concession Value

THE VALUE OF A CONCESSION

KEY QUESTION

Does a concession have greater value to the other party than the cost it creates for you?

One of the most important principles of negotiation. Changing a meeting time may cost you little but matter greatly to them; a price cut may cost you a lot but barely influence their decision.

HOW TO APPLY IT

- Identify what the other party values most.
- Find concessions that cost you little but matter greatly to them.
- Exchange concessions for specific commitments.
- Never surrender important concessions for nothing in return.

HOW TO TEST IT

Oil-trading example: be flexible on delivery scheduling or inspection arrangements, but never abandon essential controls over payment, quality or title for a verbal promise.

Professional interpretation: Intelligent concession-making increases the value of an agreement; it is not simply giving in.

14

Sense of Position & Status

POSITION & STATUS

KEY QUESTION

What position or role does this person want to occupy in the transaction?

Some people seek more than financial returns: title, ownership, decision-making authority, professional reputation or recognition as a principal partner.

INDICATORS

- They emphasize their title in contracts or introductions.
- They value ownership over short-term compensation.
- They are sensitive about decision-making meetings.
- They resist being classified merely as an intermediary.

HOW TO TEST IT

Discuss role, authority, equity, responsibilities and decision-making rights separately.

Professional interpretation: A properly designed role can help secure agreement. But a formal title should not be granted without considering actual authority, responsibilities and proportional contribution.



15

Sense of Underlying Needs

UNDERLYING NEEDS

KEY QUESTION

What fundamental need lies behind the other party's stated demand?

The stated interest may be "30% equity"; the underlying need might be investment security, control, credibility, stable income or assurance about one's role.

OPEN-ENDED QUESTIONS

- "Which part of this agreement matters most to you?"
- "What would need to be guaranteed for you to proceed confidently?"
- "If this condition changed, what would be your main concern?"

HOW TO TEST IT

Use open questions, then test your interpretation through direct answers and observable behavior – never treat it as fact.

Professional interpretation: Once the underlying need is clear, an alternative solution may satisfy the other party without increasing your cost.



16

Sense of True Cost

TRUE COST

KEY QUESTION

What is the actual cost of this decision for each party?

The stated price is only one component. Consider direct expenses, time, capital tied up, risk exposure, opportunity cost, legal obligations and the cost of failure.

HOW TO ASSESS IT

- Identify cash and non-cash costs for each party.
- Estimate the cost of delays and non-performance.
- Establish who bears the principal risks.
- Assess the cost of exiting or replacing a partner.

HOW TO TEST IT

Example: if an intermediary demands a high commission but takes no meaningful execution risk, examine whether the service justifies the compensation.

Professional interpretation: Ask not only “Who receives the greater profit?” but also “What value, cost, risk and responsibility does each party contribute for their share?”



17

Sense of Decision – Making

DECISION PROCESS

KEY QUESTION

How does this person make the final decision, and what conditions must be satisfied?

Someone may express agreement in a meeting without having final authority. The decision may depend on a director, partner, bank, investment committee or regulator.

WHAT TO EXAMINE

- Who is the final decision-maker?
- What documents are required for approval?
- Has the budget or financial authority been approved?
- What obstacles remain, and what is the timeline?
- What could cause the transaction to be rejected?

HOW TO TEST IT

Ask: "What steps and approvals remain between our current position and the final decision?"

Professional interpretation: Verbal agreement is not a final decision. Until authority, approvals and execution conditions are clear, do not treat the transaction as secured.



Three stages of a real negotiation

STAGE 1

Understand

Factors 1–6 and 15

Interests, intent, capability, logic, competition, motivation and underlying needs.

EXPECTED OUTCOME

Understand why the other party is negotiating and what they want to achieve.

STAGE 2

Verify

Factors 7–11 and 17

Structure, behavior, personality patterns, track record, communication and decision process.

EXPECTED OUTCOME

Establish what can actually be verified, who has authority and how the deal will be executed.

STAGE 3

Structure the Agreement

Factors 12–14 and 16

Small wins, concession value, position and true cost.

EXPECTED OUTCOME

Build an agreement that addresses both parties' interests, defines responsibilities and avoids unnecessary risk.

Evaluate a negotiating counterparty

1 • Record the basics

Counterparty or company name, plus the current stage: initial screening, document and capability verification, negotiation of terms and price, or contract preparation and execution.

2 • Rate the evidence

Mostly verbal claims • Some documents reviewed • Independent, verifiable evidence available.

3 • Score the 17 factors

Score each from 1 (weak) to 5 (strong). Leave a factor unscored if you do not have enough information. Base scores on evidence, not first impressions.

Serious warning sign? Suspicious documentation, an unjustified advance-payment demand or a major unresolved contradiction. An average score alone is not a basis for acceptance or rejection, and a serious warning sign must not be overridden by high scores elsewhere.



1 Interest Expected benefit vs. contribution	2 Intent Statements consistent with actions
3 Capability Authority, resources, execution capacity	4 Logic Consistency of claims and calculations
5 Competition Handling of conflicting interests	6 Motivation Reason for acting; genuine urgency
7 Structure Clarity of roles, responsibilities, stages	8 Behavioral Awareness Listening and managing disagreement
9 Personality Accountability and consistency	



10 Track Record Independent, verifiable history	11 Communication Clear answers; written confirmation
12 Small Win Genuine, measurable progress	13 The Value of a Concession Concession value vs. its cost
14 Position & Status Title, authority and responsibility aligned	15 Underlying Needs Needs behind stated demands
16 True Cost Cost, risk and responsibility per party	17 Decision Process Final authority and approvals

☐ A serious warning sign exists (suspicious documentation, unjustified advance-payment demand or major unresolved contradiction).

Three principles for oil trading and investment

- 1 Assess **people** through their behavior, **claims** through evidence and **capabilities** through demonstrated performance.
- 2 Never sacrifice essential transaction controls to preserve a relationship or obtain a minor concession.
- 3 Before any financial commitment, establish what each party contributes, who holds authority, what can be verified and what happens if the transaction fails.

These 17 factors are not a method for detecting lies through body language or guessing another person's thoughts. Their real value is that they help you ask better questions, collect evidence and make commercial decisions based on facts rather than premature trust or unsupported suspicion.



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