

# OB 6332.X01 Negotiation & Dispute Resolution

## Syllabus Spring 2014

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**Course description.** Many of the important things that managers do require the agreement of others: making deals with suppliers and customers, acquiring capital from investors, forming joint ventures, resolving labor disputes, and hiring new people, to name just a few. Getting agreement requires reconciling the other parties' interests with your own – precisely what negotiation and deal design are all about.

**Learning objectives.** You will learn three dimensions of effective negotiation and deal design:

*Table skills.* Preparing, opening, creating and claiming value. Many people are uncomfortable negotiating because they see it as conflict or because they are afraid of being taken advantage of. We discuss negotiating techniques that are simultaneously non-confrontational and hard-nosed. Good preparation is critical to this technique. We will develop a checklist for negotiation preparation.

*Deal design.* Complicated deals and long-term relationships call for a contract. Contracts are negotiated, but often what is negotiated includes the terms for future negotiations. Contracts can be used as a tool to overcome barriers to agreement and shape future relationships. We discuss how to tailor contracts to the situation.

*Game shaping.* Some of the most critical maneuvers in a negotiation, particularly in complex negotiations, go on away from the table. These moves set the context of the table talks or affect the options available to the negotiator. We discuss some of the most commonly used techniques, such as the use of agents and coalition sequencing.

**Hands-on approach.** Negotiation is a practical skill, and the best way to learn a practical skill is hands-on experience. Much of the class revolves around a sequence of negotiation simulations. You learn by doing and by comparing your experience with those of your classmates. The simulations also give you a chance to experiment with new techniques. The negotiations are sequenced so that each provides a new and greater challenge; we start simple with a negotiation that involves just two parties and a single issue, and end with one that involves six parties and five issues. We also check our new skills and insights against cases and videotapes of real world negotiations and negotiators.

**eLearning web site.** All of the class preparation materials are posted to this site well prior to when they are due. Follow-up materials are posted to the site after a class is complete.

Preparation materials include reading and viewing materials, as well as a package of your PRIVATE information for the negotiation simulations. During the semester you will read *Getting to Yes* by Fisher, Ury and Patton. If you read only one book on negotiation, this is the one. If you read many, this is the one to start with.

**Housekeeping.** Grades are computed on the basis of the following formula:

*Participation 33%*

*Negotiation preparation quizzes 33%*

*Final exam 33%*

*Participation.* The most important component of participation is conscientious engagement in the negotiation simulations – not just taking part, but being well prepared and actively pursuing your bargaining role. Striving to do the best you can in each negotiation is critical to a good learning experience – both your learning experience and those you are assigned to bargain with. In the end, important lessons can be learned from failure as well as from success. For this reason, your participation will not be judged on the basis of how well you do in the negotiations.

The second component of participation is class discussion. Everyone is expected to participate regularly. Beyond this, I am more concerned with quality than quantity. Think of this as a laboratory class in which we “do” in order to draw out general principals and prescriptions. Quality participation advances this agenda.

*Negotiation preparation quizzes.* Prior to each weekend meeting, I will ask you to prepare for upcoming negotiations and cases. Preparation includes doing the essential reading about the concepts and tools to be discussed, and preparing the take place in the negotiation itself. Your preparation will culminate in a quiz that asks you questions on elements you have prepared.

*Final exam.* The final exam will be case-based, and will challenge you to draw on the lessons and experiences from the class to address a particular negotiation situation.

**Negotiation simulation rules.** To maximize your own learning experience as well as those you are negotiating with, it is imperative that you abide by the following:

- Unless otherwise instructed, *do the pre-negotiation preparation entirely on your own.*
- *Written confidential information is NOT to be shown to anyone prior, during or after the negotiation.* Doing so detracts from the experience of all involved. But

while negotiating you may DISCUSS as much or as little of this information as you see fit.

- Some negotiations include a scoring sheet. When negotiating, *DO NOT make reference to the scoring sheet values either directly or indirectly.* You may communicate how you see the trade-offs in any other terms. So, if you are negotiating for bread and butter, you may say “I’d prefer having another piece of bread over another tab of butter.” DO NOT say “I get a score of 5 points for another piece of bread and only three for butter.”
- *Strive to get the best outcome for your role possible.* Make no deal that is not in your interest. Be prepared to explain your strategy and actions in class.

**Internet surfing, e-mailing and instant messaging during class are strictly prohibited.** It is distracting to fellow students and instructor alike. First violation gets a warning, second violation gets you thrown out of the classroom.

## **Calendar and Assignments**

### **Sessions 1/2 Jan 17 & 18**

**Topic** Table skills: Preparing and opening a negotiation. Value creation.

#### **Preparation Assignment**

- Complete the class survey.
- Prepare Frasier (A). Think about the questions for the case linked below.

#### **Essential reading**

- Chapters 2 & 3, *Getting to Yes*
- "Investigative Negotiation" in course packet
- Read Grays.com case in your negotiation folder
- For Saturday class, read Vivo Telecom in your negotiation folder

#### **Background reading**

- Chapter 1, *Getting to Yes*

### **Session 3 Jan 25**

**Topic** Table skills: Value claiming. Credibility and persuasion.

#### **Preparation Assignment**

- Prepare Winemaster.com in negotiation folder. Be ready to negotiate in class.

#### **Essential reading**

- Chapters 4 & 5, *Getting to Yes*
- "The Science of Persuasion" in course packet

#### **Background reading**

- “Is Greed Good?” linked below

### **Sessions 4/5 Feb 7 and 8**

**Topic** Repeated negotiations and contracts.

#### **Preparation Assignment**

• Prepare Pushing the Envelope case in course packet. Think about the questions for the case posted below.

#### **Essential reading**

- Read Adam Baxter 1978 in the negotiation folder. More instructions on negotiating this will be given in class.
- Chapters 6 & 7, *Getting to Yes*
- "Getting Past Yes" in course packet

### **Session 6 Feb 22**

**Topic** Repeated negotiations and contracts.

#### **Preparation Assignment**

• We will negotiate the Hawks Contract in class. Material will be handed out then.

#### **Essential reading**

- Chapter 8, *Getting to Yes*
- "Betting on the future" in course packet

### **Sessions 7/8 March 7 & March 22**

**Topic** Game shaping: Auctions v negotiations. Coalition building.

#### **Preparation Assignment**

- Prepare the Spectrum Auction in negotiation folder. Be ready to negotiate.
- Prepare C.K. Coolidge in negotiation folder, for Saturday class.

#### **Essential reading**

- "3-D Negotiations" in course packet
- "Chapter 11: Bidding in Competition" in course packet

### **Session 9 & 10 April 26 & May 3**

**Topic** Game shaping: Coalition building.

#### **Preparation Assignment**

Prepare Cement Coalition in course packet. Be prepared to negotiate in class.

Prepare Adirondacks - the case is directly below this item. Be prepared to negotiate in class.

#### **Essential reading**

- "Reengineering Negotiations" in course packet