

**UNIVERSITY OF PENNSYLVANIA  
THE WHARTON SCHOOL  
DEPARTMENT OF LEGAL STUDIES AND BUSINESS ETHICS**

**LEGAL STUDIES 806 SYLLABUS  
Spring 2009  
Tuesdays 3:00-6:00,  
PROF. KENNETH L. SHROPSHIRE  
NEGOTIATION AND DISPUTE RESOLUTION (MBA)**

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**Course Objectives:** Our time together in class, electronically and in small group/one-on-one coaching sessions, will be focused on enabling you to become a more effective negotiator and conflict resolver. This effectiveness in negotiating and conflict resolution requires many things, including:

- The creativity to execute deals that others might overlook;
- Knowing when to walk away;
- The patience and insight to understand the expense of litigation and other alternatives to settle costly disputes;
- The strategic skill to get your fair share of what is negotiated;
- The insight to recognize ethical traps – and the wisdom to avoid them;
- Understanding the importance of relationships;
- The ability to work with people whose backgrounds, expectations, culture, and values differ from your own;
- The ability to resolve conflicts; and
- The capacity to reflect and learn from your experience.

This course links both the science and art of negotiation and conflict resolution, but it is more “art” than “art appreciation.” It will give you the opportunity to identify your strengths as a negotiator and to work on your relative weaknesses. More fundamentally, the course will provide both a conceptual framework to diagnose problems and promote agreement in a range of settings from your organization to your home.

**Non-disclosure Agreement:** You must sign and submit the attached agreement before we get underway. If you would prefer not to sign, you must drop the course.

**Assigned Reading:** G. Richard Shell, Bargaining for Advantage: Negotiation Strategies for Reasonable People (2d. edition, Penguin); Roger Fisher, William Ury & Bruce Patton, Getting to Yes (Penguin 1991); Bulk Pack of additional readings. Also, a complete recommended readings list will be distributed later in the course.

**Recommended Reading:** Max H. Bazerman & Margaret A. Neale, Negotiating Rationally (Free Press 1993). Kenneth L. Shropshire, Negotiate Like the Pros (McGraw-Hill 2008)

### **GRADING FACTORS:**

Nothing is accepted late. **Late assignments receive an F.** Missing a single class will disrupt the learning environment in this course. **If you miss two classes** you are doing a tremendous disservice to the learning environment and the instructor may give you **an F** in the course absent a written medical (**not work related**) excuse from a medical provider. Attendance includes attending either live or via the Wharton Video Network presentations by two guest speakers. At a minimum, each unexcused absence will cause your grade to be lowered one full step (A to B, B- to C- etc.) **If you anticipate that you will have any attendance problems please do not take this course.**

1. **Peer Evaluations** (10%): You will rate your classmates on three dimensions using a 1-10 scale – 1 being poor and 10 being excellent: 1) overall preparation and commitment to the exercises and contributions to the course, 2) skill in one-time negotiations where the future relationship does not matter much, and 3) skill in negotiations where the future relationship matters significantly. This will be submitted **AT THE END OF THE COURSE**. There will be a peer evaluation tool posted on webCafé. It is your responsibility to keep track of your evaluations of your fellow students. Your evaluations will be submitted at the end of the term. The final results will be distributed once calculated. There is no need to indicate the class in which you negotiated with the peer. If you negotiate with someone more than once, submit only your single overall evaluation, not two or three. If you do not negotiate with an individual, do not submit a peer evaluation on them.
2. **Negotiation Performance**: At the professors option course grade may be increased by one half of a grade for outstanding class participation and negotiation performance.
3. **Journal Entries** (30%): Six journal entries are due, beginning with class 2 and ending with class 11. Classes in which a journal entry is due are marked by an asterisk. Please write no more than a two-page analysis of a negotiation from the previous week's class by answering the questions given in the end of this syllabus. **YOU MUST ALSO KEEP A LOG OF YOU PAPERCLIP NEGOTIATIONS IN EVERY JOURNAL ENTRY THAT IS SUBMITTED (Question 7). A BRIEF SUMMARY OF YOUR PAPERCLIP NEGOTIATION WILL BE DUE BY CLASS 11.** Please see instructions on pages 6 & 7.
4. **Mid-term Exam** (30%): Class 7 (March 24, 2008)
5. **Analytical Paper** (30% of your grade: 6-8 pages, double-spaced). This paper should focus on some high profile negotiation of the past or present. The paper should display the facts of the negotiation, related negotiation research, as well as your analysis. **TURN IN A PARAGRAPH DESCRIBING YOUR TOPIC IN CLASS 6. THE PAPER IS DUE AT NOON ON THE FRIDAY FOLLOWING THE LAST DAY OF CLASS – MAY 1.** This is your chance to demonstrate your

ability to analyze negotiations as a consultant, advisor, or strategist for others – something we will do throughout the course. Do not use the paper to write about a personal negotiation you face or have faced in the past. This topic is best suited for your journal. **LATE PAPERS WILL RECEIVE AN F. THERE WILL BE ABSOLUTELY NO EXCEPTIONS!**

Viable topics may be found in sports and entertainment (NHL, salary negotiations, stadium financing deals), history (end of the Korean War, Cuban missile crisis), business (AOL-Time Warner, RJR Nabisco merger). The topic should be of interest to you and have enough information available where you can do an in-depth analysis of the negotiation. If you choose to do a topic that is not well documented you may be doing yourself a disservice as this will require more work on your part. However, if it is a topic that truly interests you, you can look into the history of the various parties involved in the negotiation, where you may find richer documentation or find alternative ways of getting undocumented information, such as interviews with insiders. You need more than just a few newspaper articles. You must be able to tie your analysis to topics that we discuss in class or those that you have seen in the readings; **your analysis must reflect what you have taken away from this course.**

The best papers, those at the “A” level, will include a wide range of citations; negotiations research from beyond the course readings; and, analysis beyond a couple of sittings. They will also include research on negotiations beyond the materials presented in class. The worst papers, those at the “C” level, will merely summarize the details of a high profile negotiation.

All papers should include appropriate references and citations to relevant books and articles.

***Do not exceed the page limit. Again, late papers will receive an F and there will be no exceptions!***

## CLASS TOPICS AND ASSIGNMENTS

**Class 1: Jan. 27**, Distributive Bargaining: The “Zone of Agreement.”

Read: Bulk Pack (“BP”) Item #1 and #9 (on recruiting negotiations);  
Suggested: Negotiating Rationally Chapter 1, 2 & 9. Negotiate Like the Pros Introduction  
Class activity: Negotiate “Cessna” and “SUV.” Complete NDAs.

**\*Class 2: Feb. 3**, Foundations #1 and 2: Bargaining Styles and Expectations.

Read: Bargaining for Advantage (B for A), Introduction and Chapters 1-2; BP #2, 3, 4.  
Suggested: Negotiating Rationally Chapter 3, 4 & 7. Negotiate Like the Pros Chapters 1-3.  
Class activities: Negotiation Style Analysis. Negotiate “New Recruit” and “Appleton v. Baker”

Video: *“Man in the Gray Flannel Suit”*

**Class 3: Feb. 10**, Foundations #1, #4 and #5: Bargaining Style Relationships and Interests.

Read: B for A, Chapters 4 and 5. Suggested: Negotiating Rationally: Chapter 5. Negotiate Like the Pros: Chapter 5.  
Class activity: Negotiate and discuss “Opera Problem”

Distribute “House Sale”

Video: *“Ray”*

**Principal and Agent must negotiate their arrangements prior to the start of the next class.**

**Class 4: Feb. 17**, Foundation #3: Standards & Agents. (Agents begin negotiating at 3:00 at whatever locations you have predetermined. Class begins at 4:15)

Read: B for A, Chapter 3; BP #5 and #6; Suggested: Negotiating Rationally Chapter 15. Negotiate Like the Pros: Chapter 7.  
Class Activity: Negotiate and discuss “House Sale.”

**\*Class 5: Feb. 24**, Foundation #6: Leverage.

Read: B for A, Chapter 6; Suggested: Negotiating Rationally Chapter 8. Negotiate Like the Pros Chapter 4.  
Class Activity: “Pheasant Egg”

Video: *“Mommie Dearest”*

**\*Class 6: March 3**, Trust and Commitment and Conflict Resolution

Read: BP #7-8; Suggested: Negotiating Rationally Chapters 13 – 14.  
Class Activity: “Carpet Wars.”  
Video: “*Erin Brockovich*”

*(One paragraph description of your paper topic is due today)*

### **SPRING BREAK (March 6-15)**

**March 17: *Scheduled Coaching Sessions:*** During the scheduled class time, beginning at 3:00pm, the 4 person teams that negotiated Pheasant Egg together will come to Prof. Shropshire’s office in 660 Huntsman Hall at 15 minute intervals to discuss personal negotiations. Schedule will be announced. The agenda is flexible. At a minimum, come in prepared to discuss an individual real world negotiation. Specifically: 1) Describe a current or upcoming negotiation and, 2) the current status of that negotiation and your strategy. You will be able to get feedback from the professor and the assistance of the small group in attendance.

**\*Class 7: March 24, Mid-term Exam (class will end early, no exercises but team and individual consultations may be scheduled)**

### **Class 8: March 31, Ethics**

Read: B for A, Chapter 11.  
Class activity: “ACME Roofing.”

### **\*Class 9: April 7, Culture.**

Read: Getting To Yes (ALL); B for A, Chapter 7, and (optional) BP #8.  
Class Activity: “Alpha Beta”

### **Class 10: April 14, Coalitions**

Class Activity: “Federated Science Fund”  
Assignment: Work on papers

### **\*Class 11: April 21, Preparation Review**

Class activity: “Warranty Problem”  
Assignment: Work on papers

### **Class 12: April 28, Multi-Party Negotiations**

Read: Suggested, Negotiate Like the Pros Chapter 9.  
Prepare: BP #12.  
Class activity: “Harborco.”

Video: “*Bad Santa*”

**FINAL PAPERS ARE DUE FRIDAY, May 1st BEFORE NOON**

**PEER EVALUATIONS MUST BE SUBMITTED BY 5:00PM WEDNESDAY, May 6.**

## PERSONAL JOURNAL ESSAY QUESTIONS

Your Name:

Counterparts' Name(s):

Date:

Name of Negotiation Exercise:

1. What was the outcome of the negotiation and what factors best explain this result?
2. What was your most important mistake in the negotiation?
3. What was your counterpart's most important mistake?
4. What was the most important takeaway from this negotiation exercise?
5. For journals 1-4: Please provide two examples of how you integrated and applied the negotiation theory from the readings assigned for the day on which the negotiation you are analyzing occurred. Each example must cite to the specific reading and each example must come from a different reading (unless there is only one assigned reading for the week).

For journal 5: Provide an explanation of the three schools of bargaining ethics discussed by Richard Shell in B for A. Discuss which "ethical school" most closely approximates your approach to negotiation ethics.

For journal 6: Write one paragraph on each guest speaker discussing what you thought were the most helpful "take-aways" from each lecture.

6. What is the negotiation skill you would most like to develop further and how have you progressed in this area?

### 7. PAPERCLIP NEGOTIATION LOG:

| Item (Include Monetary Value)                 | Date of Trade   | First Name of Person You Traded With | Your Relationship to the Person You Traded With |
|---|---|--------------------------------------|---|
| 0. Marker (\$1)                               | October 4, 2008   | John Brown                           | Co-Worker                                       |
| <b>Comments About the Trade:</b><br>(Example) | I thought that I needed to get an item for the paperclip that was not as insignificant as the paperclip and that I could trade up more easily. When I saw John walk in with a box of markers, I asked him if he would give me one for my paperclip. He laughed and agreed to the trade. I guess having a specific goal for my trade helped. |                                      |   |
| 1.  |   |                                      |   |
| Comments About the Trade:                     |   |                                      |   |

|                           |  |  |  |
|---------------------------|--|--|--|
| 2.                        |  |  |  |
| Comments About the Trade: |  |  |  |
| 3.                        |  |  |  |
| Comments About the Trade: |  |  |  |
| 4.                        |  |  |  |
| Comments About the Trade: |  |  |  |
| 5.                        |  |  |  |
| Comments About the Trade: |  |  |  |

## About Professor Kenneth L. Shropshire

Kenneth L. Shropshire is the David W. Hauck Professor at the Wharton School of the University of Pennsylvania and the Director of its Wharton Sports Business Initiative. He served as Chairman of the School's Legal Studies department from 2000-2005. Shropshire joined the Wharton faculty in 1986 and specializes in the subject areas of sports business, negotiations, diversity and general business law. He teaches the Negotiation and Dispute Resolution course both at Wharton's main campus in Philadelphia and at Wharton West in San Francisco. He is the immediate past president of the largest organization of attorneys in the sports business, the Sports Lawyers Association.

His past consulting roles have included a wide variety of projects including work for the NCAA, National Football League, the United States Olympic Committee, negotiation training for IBM, Clorox and Fannie Mae and diversity training for entering Wharton School MBA students. The mayor of Philadelphia appointed Shropshire to chair Philadelphia's stadium site selection committee and later, projects focused on future Philadelphia bids for the Olympic Games. He has also served for the past three years as the Academic Director of Wharton's Business management and Entrepreneurship Management Program for NFL players focusing on their transition away from the game. He also serves as an arbitrator for the NFLPA and USATF.

After receiving an undergraduate degree in economics from Stanford University and law degree from Columbia University Law School he was in practice law in Los Angeles and later served as an executive with the Los Angeles Olympic Organizing Committee leading up to the 1984 Olympics.

He is the author or co-author of eight books including *The Business of Sports*. His other books include: *In Black and White: Race and Sports in America*, *The Sports Franchise Game* and *The Business of Sports Agents*.

He is an organizer and member of the Board of Directors of the Valley Green Bank in Philadelphia. He also serves on the Board of Trustees of the Florida Coastal School of Law (a for profit law school) and the Board of Directors of NutraCea (NTRZ.OB).

Shropshire has provided commentary for a number of media outlets including Nightline, CNN, the New York Times, USA Today, The Wall Street Journal, National Public Radio and Sports Illustrated.

## NEGOTIATION AND DISPUTE RESOLUTION NON-DISCLOSURE AGREEMENT

Some of the role-playing negotiation exercises used in the various sections of this course and others are very similar. The sections do not necessarily encounter/debrief these exercises at the same times during the semester.

In order to make the course work and the grading fair for this and future sections of these courses, it is essential that participants:

- Keep role-specific, confidential information to themselves except as they may choose to disclose it in the actual negotiation exercises
- Make no efforts, other than in the course of negotiations, to discover the contents of the private information given to their counterparts
- Refrain from discussing the exercises and results of negotiations with other students until they are *certain* that the person with whom they are speaking has completed the exercise and discussed it in class. *Under no circumstances should students discuss the exercises with students who are not currently enrolled in a Negotiations course.*

The professors teaching these courses consider intentional violations of these rules to constitute violations of the ethics guidelines of this institution. By signing this form, you agree to abide by the aforementioned requirements and rules.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_