

Negotiation
OPIM 691 / LGST 806
Professor Cade Massey



Course Syllabus
Spring 2015

Rev. 2/1/15

See Canvas site for more course materials

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Acknowledgments

I first taught negotiation at Duke's Fuqua School of Business in the 2001/2002 schoolyear. My syllabus that year drew heavily on Yuval Rottenstreich's, then at the University of Chicago. His, in turn, drew heavily on George Wu's. And George's was stamped, as is the entire field, by his adviser, Howard Raiffa. Since then I have been the fortunate recipient of course ideas, materials and commentary from many generous teachers and scholars. Two I'm especially indebted to, in addition to Yuval and George, are Rick Larrick and Barry Nalebuff.

1. Attendance

Attendance is required in this course. Beginning the week of January 26, if you miss 1 class you will lose a letter grade on your overall course grade. If you miss 2 classes you will fail the course.

This is a hard line but necessary given the nature of the course. First, it is an experiential course – moreso than in a “normal” class, you have to be in the room to get value from it. Second, you are paired with other students in the class, so your attendance has direct consequences for them.

With advanced arrangement you can switch sections, as long as you are able to find a student in the other section to switch with you. This is necessary to keep the numbers the same, and is the student’s responsibility.

On very rare occasions I will allow a student to send a proxy to negotiate on his/her behalf. This requires 1) extreme circumstances, 2) advance warning, and 3) your sending a well-prepared substitute (who is not already enrolled in the course). Please note that job interviews do not count as “extreme circumstances”.

2. Administrative Matters

Course website

We intend to use Canvas for the course website, and will post all course materials there – slides, results, supplemental readings, etc.

Teaching Assistants

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3. Course Objectives

There are two key objectives for this course:

First, you should acquire the conceptual skills necessary to become a sophisticated analyst of negotiation situations. This includes a deep understanding of the underlying structure of the negotiation, as well as the psychology behind negotiation-based judgment and decision-making.

Second, you should improve your personal negotiating skills through participating in a variety of negotiations. The aim here is for you to be both more comfortable and better skilled in actual negotiations.

The bottom line: you should come out of this course a more analytically savvy and personally effective negotiator.

4. Readings

Required:

Richard Shell, *Bargaining for Advantage*, 2006 (2nd edition)

Other readings posted weekly.

Optional:

Howard Raiffa, *The Art and Science of Negotiation* (Cambridge: Harvard University Press, 1982).

William L. Ury, *Getting Past No* (New York: Bantam Books, 1993).

Max Bazerman and Margaret Neale, *Negotiating Rationally* (New York: Free Press, 1992).

Supplemental articles posted to the course website.

5. Course Requirements

Participation	50%
Midterm Negotiation	25%
Final Project	25%

The requirements for the course, along with their contribution to your final grade, are: Below are brief descriptions of each of these requirements. ***More detailed instructions for each of these assignments will be distributed at appropriate times throughout the course.***

Participation (50%)

There are 5 components to your participation grade:

- *Negotiations:* You must complete all negotiations on time for full credit.
- *Class discussion:* Everyone will have opportunity to contribute to class discussion, as we will debrief each negotiation in class. Your contribution will be judged for quality, not quantity. I will supplement my evaluation with a peer evaluation, conducted at the end of the term.
- *Surveys:* Before almost every class you will be asked to complete a short survey. Surveys are usually due by 1pm the day of the class. Once you have prepared for class – whether a negotiation or a case – the surveys are typically quite quick. We incorporate your survey responses into class discussion.
- *Applications:* These are short, flexible notes you submit via survey. The point is to discuss lessons from the course as you attempt to apply them in the rest of your life. A typical application might be a paragraph or two giving an example of an interaction where you did, or did not, apply something learned from the previous class. They can also be questions, or doubts, or extensions (we will distribute a more detailed assignment sheet). Applications are due at midnight the night before class, and we begin most classes reviewing a couple of the applications submitted that day. Students need to submit 3 of these applications over the course of the term, following whichever classes they prefer. However, students must submit at least 1 of their applications before Spring Break (i.e., by class 7).
- *Leverage Inventory:* We will collect feedback for you about which influence strategies you typically deploy. This requires your inviting at least 8 people with whom you have professional experience to complete a short survey (<10 minutes), as well as completing a self-evaluation.

Midterm Negotiation (25%)

The midterm will be a graded negotiation. This will be a 2-party negotiation, with each party consisting of 2 students. The 2-student teams will be randomly assigned. The negotiation will be conducted in class, in the same manner that most other course negotiations are conducted. Your grade will be comprised of three components:

- *Group preparation note:* This document summarizes your team's strategy heading into the negotiation.
- *Negotiation outcome:* Your party's outcome is scored relative to other parties in your role.
- *Individual debrief:* Each student will write a journal entry on his or her experience with this negotiation.

These three components will be considered together when assigning midterm grades. There are both quantitative and qualitative aspects of the grade, and both group and individual aspects. Thus, though group assignments and negotiation outcomes will influence your midterm grade (by design), they will not determine it.

The major objective of the midterm is to provide a review of the fundamentals covered in the course. We are doing this via a "real" negotiation so you have a chance to *practice* these fundamentals, and so that your evaluation is based on actual behavior.

Final project (25%)

Overview

The final project is to develop some “tool” to use in future negotiations. This can be anything – a short paper, a website, video, Excel file, an app, etc. Anything you believe will help you carry the lessons of your experience in this course forward. The tool should be accompanied by a 500-word paper discussing how the tool is connected to the course and how it will be deployed.

While the process of putting the plan together will be common across students, the final product should take whatever form would be most useful to you. The intent is for the process to be valuable to your professional (and/or personal) life. In that spirit, the final product should be tailored to your idiosyncratic needs and preferences.

Requirements

There are three components to this assignment:

1) *Survey indicating type of tool you will develop*: This is a *very* short description of the type of tool you intend to build. Due by web survey before class 11 (week of April 6). I will write you if I have any questions or concerns about what you are planning.

2) *Tool itself*: You should submit a copy, or a picture, or whatever representation is appropriate, of the tool itself. It should be fully realized/operational. I.e., if you had a negotiation on the afternoon of May 2, you should be able to use the tool.

3) *Paper*: A 500-word summary of the tool and your motivation for it. This should 1) connect the tool to course concepts and learnings, and 2) indicate how you intend to use the tool.

Expectations

I expect two things from you on this project. First, a reasonable investment of time and energy. Really the only way to be judged harshly is to simply “mail it in”. This is because I firmly believe that what you get out of this project will be *highly* related to what you put into it. The second expectation is thoughtful consideration of what the course concepts mean for your future negotiations. The intent is for you to take the tools from the course and work with them into your life.

Logistics

The tool and paper are due by 5pm Friday, May 8. You can submit via Canvas. Hard copies, if relevant, should be submitted to the 5th floor of Huntsman Hall.

6. Negotiation Exercises

Overview

This course is built around a series of negotiation exercises. We will conduct one of these exercises in almost every class during the term (as well as one outside of class).

For each exercise, you will be assigned a particular role and given background materials, instructions, and (often) confidential information to aid your preparation. You will be paired with one or more negotiating partners. Typically, we will spend the first part of class negotiating one of these exercises and the second part of class debriefing and analyzing the negotiation.

The negotiation exercises are the single most important vehicle for learning in the course. You will receive immediate feedback about your performance, relative to your negotiating partner as well as to others in your role. Because everyone negotiates the same exercise and we then discuss the negotiations extensively, you have access to information rarely available when you negotiate: how well you might have done had you negotiated differently.

Logistics

Though there will be exceptions during the course, the following is the procedure we will generally use for the negotiation exercises:

- We will assign roles in the class prior to the exercise
- We will assign partners at the beginning of the class in which we are doing the exercise
- We will conduct negotiations during the first half of class
- Students submit outcome sheets immediately following the negotiation
- We debrief the negotiation during the second half of class

Preparation and Role-Playing

Your faithful, creative preparation and role-playing are essential to this course. Whether you negotiate the “best” outcome or the “worst” will not directly affect your grade, but the quality of your interaction will have a huge impact on what you – and your partner – learn from the exercise. Thus, your conscientious preparation is a primary requirement of this course.

You will sometimes be asked to negotiate with one of your friends. Naturally, even when you are negotiating with someone you know and like, do not simply give in to him or her. Doing so would produce a poorer result for you and would deprive your partner of a legitimate test of his or her skills. As with a golf or tennis match among friends, playing vigorously and intelligently does more for everyone’s game.

A valuable aspect of the negotiation exercises is the chance to “try on” different negotiating approaches. Such experimentation is fundamental to learning and we encourage it, as long as it is undertaken seriously. To the extent that you are engaged – intellectually and emotionally – the experience promises to help you become a more aware and effective negotiator.

Confidential Instructions

You will receive confidential instructions in many of the exercises. Do not show your instructions to others. You may choose to reveal or discuss some or all of the contents of your confidential information – indeed, to be successful, this kind of communication is often indispensable. However, you must not physically show your actual confidential instruction sheets. This rule is intended to mirror reality: in most negotiating situations, you cannot simply show your counterparts the full set of your underlying values and information.

The instructions for the exercises are designed to be self-explanatory. Please follow them carefully. For example, in cases where the set of issues is defined in the instructions, please do not invent new issues as part of a reported agreement. Otherwise, scoring and comparing scores would become hopelessly complicated. Likewise if the instructions provide specific details on the structure of the negotiation – timing, sequences, etc. – please follow them explicitly. In class discussion, of course, suggestions for more creative resolutions are welcome.

Considerations of Honor (from Raiffa’s *Art & Science*)

It is easy to defeat the purpose of these exercises. You could, for example, find out how others did before you play, or you could consult students who have taken earlier versions of the course. Likewise, you could deviate from the specified rules-of-play and collude with your opponent, or you could seek out published accounts of some of the exercises to gain an advantage over others. I trust you won’t. While such behavior is never acceptable, it is particularly egregious here because of its impact on your classmates – it can subvert everyone’s experience, deaden discussion, and distort negotiation scores.

7. Assignment Details

Applications

Between classes we will ask you to take what we have talked about into your life and work and report back on how the concepts fit there. These reports will be very short, free-form web surveys. The canonical “application” is an example from your work of something we talked about in class. But the scope is actually much broader than that – they can be examples of how the concepts talked about in class *don't* fit, or questions you have that linger as you try to work with course ideas, or extensions to the ideas we talked about, refinements, etc. The general idea is to apply course concepts to your workplace and to report back on the how it goes.

You need to submit 3 of these over the course of the semester. At least 1 must be submitted by Class 7 (the last class before spring break).

The reports can be quite short – even just a brief paragraph is okay. The point is *not* to spend a long time articulating something, but rather to actively carry the course concepts around with you and tell us a little something about how well they seem to fit.

Each week I will compile the examples and bring at least a couple to class for broader discussion. At the end of the course I will compile each students' applications and evaluate them as a whole. The basis for the evaluation will be their relevance to the course material and the insight they provide about it.

The motivation for the assignment is twofold. First, graduate seminars often require “reflection papers” from every student on each week's readings – typically just quick reactions to that week's articles. While not exactly the same assignment, these are intended to be very much in that spirit – committing the student to do a little more reflection, allowing me to better understand where you are on the course concepts, and providing additional material for class discussion. The second motivation is to exploit the fact that you already have interesting work and life experience under your belt, and in many ways negotiating professionally as a regular part of your MBA life. I would humbly claim there are few courses more universally applicable to the daily work lives of *all* students than Negotiation. Given that, I would like to actively integrate your work experience into the course as much as possible (and vice versa!).

Note: If there is something you would like for me to treat confidentiality (i.e., not mention in class) simply indicate that in your report and I will honor it.

Logistics: There is one survey for all three of your applications. The survey can be found on the top of the “Survey Links” page, on the Pages tab in Canvas. It can also be found via the Assignments page – the deadline is listed as the last day of class, though clearly you should be submitting before then.,

7. Assignment Details (cont'd)

Leverage Inventory

The week of March 24 we will provide a “Leverage Inventory” to each student based on feedback provided by ~10 people they have worked with. This inventory reflects a person’s use of various influence tactics. In doing so, the instrument provides a way to tie together many of the concepts we discuss in the course.

The Leverage Inventory is based on research going back to French and Raven’s seminal work on sources of authority. Over the last four years we have refined the instrument based on course material and empirical results from Executive and Daytime MBA classes.

In order to provide this inventory each student must nominate at least 8 people (and up to 20) they have worked with to complete a survey about the student’s influence tactics. The survey consists of 67 multiple-choice questions (responses are simply frequency of use – e.g., never, rarely, sometimes, often, always) and takes less than 10 minutes to complete. See appendix/attached for a preview of the survey.

No more than 4 raters can be fellow students. Raters should not include purely personal relationships – friends and family are okay only if you have worked with them professionally. This means at least 4 (and preferably more) of the raters should be non- student, professional colleagues. You can draw on peers, superiors or subordinates, as appropriate. Obviously the mix will influence your interpretation of the results. A balance is best. And more raters is better than fewer. It is important to realize that the quality of the survey heavily depends on the quality of the raters!

Rater responses will be confidential. The only scores a student will receive will be the average of all respondents.

Students need to do three things for this exercise:

- 1) Submit 8-20 rater names and email addresses. These are due by web survey by **8am Thursday, February 19**. Survey link on Canvas website.
- 2) Ensure at least 8 responses are submitted. The requirement is not to ask 8 people, but to actually prompt 8 people to complete surveys. Rater responses are due by **8am Monday, March 2**.
- 3) Complete their own self-assessment survey (which is almost identical to the one raters complete). **Due 8am Monday, March 2**. Your personal survey link will be sent by email.

7. Assignment Details (cont'd)

Outside Speakers

On ~2 occasions during the spring semester we will arrange a Wharton-wide guest speaker on negotiation. These will be 1.5-hour sessions available both live and afterward by web video.

- Outside Speaker #1: TBA.
- Outside Speaker #2, TBA.

Outside speakers are a great opportunity to provide a “reality check” on course material. Similarly, having now studied negotiation in more detail we expect you to be more critical consumers of negotiation advice. For this assignment we’d like you to stand between the course material and guest speakers and work to integrate the two.

Some questions we will ask you to reflect on in the web survey about each speaker:

- The main thing you will remember about what the speaker said?
- Something the speaker said that surprised you?
- Something you better appreciate about class material because of this speaker?
- A new question you have about negotiation because of this speaker?

Students are required to:

- Attend the live talk or watch the video afterward
 - Video links will be distributed as soon as they are available after the talks.
- Complete a web survey about each speaker
 - Web surveys are posted on the class website.
 - Due date will depend on when the video link becomes available.

We will debrief both sessions in class following the web survey submissions.

Class 1 – January 14 (Mon section) / January 21 (Wed section)

READ

- Course syllabus

IN-CLASS

- **“New Surgeon” negotiation exercise**

This is a stand-alone negotiation exercise that is an excellent introduction and overview. When I have the chance to spend just 2-3 hours with a group on negotiation, we do this exercise. This will give the students in this section a bit of a jump-start on the course.

Class 2 – January 26 / 28

PREPARE

- Your role in the Hoop Hayden negotiation.

READ

- Jim Sebenius, “Six Habits of Merely Effective Negotiators”, *Harvard Business Review*, 2001.

COMPLETE

- **Web Survey** – Prep questions for the Hoop Hayden negotiation. Once you’ve prepared for the negotiation, the survey should take only ~5 minutes. You can find the link on the “Survey Links” page of the course website. **Due 1pm the day of class.**

IN-CLASS

- **Hoop Hayden**

We distributed the case information in class 1 or by email in advance of class. This is a “full information” negotiation – all the parties have the same information. There are 4 parties involved, 2 on each side. You will assume the role of Hoop Hayden, her agent, or one of the two team owners. Separately we are distributing your role assignments, as well as information about who your partner is.

Prepare the case from the perspective of your role and answer the prep questions on the survey. We will distribute the negotiation pairings at the beginning of class. There will be a 45-minute limit to the negotiation.

Class 3 – Feb 2 (Mon Section) / Feb 12 (Wed section)**PREPARE**

- Your role in the Nexxtoil negotiation.

READ

The required text for this course is from (Wharton's very own) Richard Shell, *Bargaining for Advantage: Negotiation Strategies for Reasonable People* (2000/2006). I've used, assigned and recommended this book for years. It's an engaging read and I encourage you to read ahead as much as you like. At the very least, for this week you should read and be ready to discuss the following chapters (pp. 26-88):

- **Chapter 2: Your Goals and Expectations**
- **Chapter 3: Authoritative Standards and Norms**
- **Chapter 4: Relationships**
- **Chapter 5: The Other Party's Interests**

COMPLETE

- **Web Survey** – Prep questions for the Nexxtoil negotiation. **Due 1pm the day of class.** You can find the link on the "Survey Links" page of the course website.

IN-CLASS

- **Nexxtoil**

We distributed your confidential role information in class. You will assume the role of either the Station Owner or the Nexxtoil Representative. Prepare the case from the perspective of your role and carefully answer the preparatory questions. We will distribute the pairings at the beginning of class. There will be a 1-hour limit to the negotiation.

Class 4 - Feb 9 (Mon section) & Feb 4 (Wed section)

In lieu of meeting as a class these days, we will send you out “into the field” to conduct a couple of *real* negotiations. These are relatively small exercises designed to stretch your developing negotiation skills, and to provide a little different perspective on some of the ideas we’ve been talking about in class.

In both cases, you should complete a web survey afterward about the experience. **The surveys are both due by 9am the day of our next class (Feb 16 for the Monday section, Feb 11 for the Wednesday section).** We will collect your surveys and debrief the class on how this went for everyone. We will grade your surveys as if they are class participation.

These assignments should be separate negotiations. The surveys are separate as well, and either can be completed at any time before 9am Feb 16/11.

Outside Negotiation #1: “Hear No”

Too often, we aim too low or fail to assert our request at all, simply because we are uncomfortable with the possibility of being turned down. If you never hear “No,” you aren’t asking for enough. This week, go audaciously in pursuit of failure. Seek an opportunity to hear someone tell you NO. The purpose of this exercise is to experience rejection. Follow these guidelines to get the most out of this exercise:

Aim so high with your request that you’re sure you’ll hear NO, but **don’t make it facetious** in a way that the other person won’t consider you to be serious. For example, asking a clerk for a 50% discount is aiming high; asking him for a helicopter and a 10-minute foot massage is facetious, if not downright creepy.

Don’t ask for anything illegal. The person should say NO because of the audacity of your request, not because he or she is bound by law to deny it.

Consider persisting. If this gym seems pretty easy to you, up the discomfort. Instead of accepting “no” and walking away, persist in your request until you hear “No!”

Afterward, write briefly about these questions using the web survey (see our Canvas site for the link):

1. What did you ask for?
2. What was it like for you to hear No?
3. Under what circumstances are you most uncomfortable with “no”? What does that cost you?
4. What are two things you can do to increase your tolerance for “no”?

(over)

Class 4 - Feb 9 (Mon section) & Feb 4 (Wed section) - continued

Outside Negotiation #2: “Something New”

Your assignment is to negotiate with someone outside of Wharton for any good or service worth more than \$0 and less than \$250. Wheel and deal with the deli clerk for a cheaper lunch, see if you can get a discounted haircut, negotiate reduced video late fees—be creative.

You should plan for this negotiation just as you would for any other. What will you ask for, how will you ask it, what can you offer in return? What tactics and tools of persuasion can you bring to bear? When is the best time and place to negotiate?

A couple of ground-rules:

1. The negotiation must be completed by the time you submit your web survey about it. Please do not report on unresolved interactions.
2. You may not tell the other person at any point (that’s before, during, AND after) that this is for a class.

After you have negotiated, submit a web survey on the following issues:

- Very briefly describe the situation so we have an idea what you negotiated for, how you approached the situation, and what the outcome was.
- What do you believe you did well?
- What do you believe you could have done better?

What lessons did you learn (about negotiation in general or yourself in particular)?

Class 5 – February 16 / 18

Claiming Value I

This week we focus on single-issue negotiations so we can practice the narrow but important skill of claiming value. While it is rare that a negotiation has only one issue, the claiming tactics single-issue negotiations naturally revolve around are relevant to virtually *all* negotiations. So, this week we take a temporary pause from worrying about how to grow the pie, worrying instead about how to claim a bigger piece.

Negotiation

We will do two negotiations in this class, but the only one you should prepare in advance is Appleton-Baker. We will email your roles for this negotiation.

Readings

- Lax & Sebenius, “Chapter 12: Shape Perceptions to Claim Value”, 3D Negotiation, 2006.
 - An excellent overview of distributive negotiations, by two of the foremost authors in the field.
- [optional] Dawson, “Secrets of Power Negotiating”, in Lewicki et al (eds), Negotiation: Readings, Exercises and Cases.
 - This is a short, fun reading on some of the classic claiming tactics in negotiation. Take the attitude with a healthy dose of salt, but there is definitely much that’s useful here.
- [optional] Galinsky, “Should you make the first offer?”, Negotiation, HBS, 2004.
 - A look at research on one of the most common questions in negotiation.

Assignments

Complete the Appleton-Baker pre-class survey by 1pm on class day.

Class 6 – February 23 / 25
Claiming Value II

PREPARE

- “The Merger” case
- Your role in the LonghornNation.com exercise.

READ

- **Dixit & Nalebuff, “Chapter 11: Bargaining”, *Thinking Strategically*, 2008.**
 - Just the section titled, “Measuring the Pie”, pp 339-342.

COMPLETE

- **Web Survey** – Valuations for the *The Merger case*, as well as a handful of additional questions for which prep is not required. **Due 1pm the day of class.** You can find the link on the “Survey Links” page of the course website.
- **Web Survey** – Complete a few questions about your role in the *LonghornNation.com exercise*. Once you’re read prepared the negotiation the survey should take no more than 5 minutes.

IN-CLASS

- **Fair Division**

We will do the LonghornNation.com exercise and discuss The Merger case and results from your survey submissions.

Class 7 – March 2 / 4***Negotiation***

- Moms.com
 - This is a 1-on-1 negotiation with students in another section.
 - Pairings are posted on the Canvas website in the “Class 7” folder. You can find the name and email address of your counterparty there.
 - Hard copies of your confidential instructions will be distributed to you in class.
 - You can conduct the negotiation in any way you see fit – email, phone, Skype, in person, whatever. And you can conduct whenever you see fit, as long as you meet the Monday deadline.
 - Results are due by **9am, Monday, March 2.** This deadline is the same for all sections. Every student must submit results by web survey. Your submission needs to agree with your counterparty’s submission – you will be given a “no deal” if it does not.

Additional readings

- Axelrod, “Chapter 4: The Live-and-Let-Live System in Trench Warfare in World War I”, The Evolution of Cooperation, Brockner, 1984.
 - Axelrod’s research pioneered “tit-for-tat” as the best strategy in prisoner’s dilemmas. This book is the definitive work on the emergence of cooperation in competitive situations, with this chapter covering one of his most famous examples: cooperation between hostile armies during WWI.

Due

Complete the web survey for the results of your Moms.Inc negotiation. Every student should submit the results of the negotiation. Survey are due 9am Monday, March 2.

Class 8 – March 16 / 18 Persuasion

Negotiation

Bullard Houses. This is a short-ish 1-on-1 negotiation. We will send your role and confidential instructions by email. A short survey about your strategy for this negotiation is due by 1pm the day of class.

Readings

- Heath, Chip and Heath, Dan. *Made to Stick* (2007)
 - “Introduction: What Sticks?”
 - “Epilogue: What Sticks”
 - A best-selling book by a rare brother combination of world-class academic and world-class writer.
- Cialdini, R. "Harnessing the Science of Persuasion." *Harvard Business Review*. Vol. 79 No.9, pp.72-79.
 - A summary of Cialdini’s landmark work on persuasion.
- [optional] Lehrman, “Chapter 2: Persuasion”, *The Political Speechwriter’s Companion: A Guide for Writers and Speakers* (2009)
 - Ironically, it is difficult to find a reading on rhetoric that leans, in the telling, on the principles of rhetoric. Finally found this one. It’s a great book overall, and this chapter provides the best introduction to rhetoric I know of.
- [optional] Reynolds, "Presenting in Today’s World," *Presentation Zen* (2008).
 - Anybody who makes presentations should have this book. Compelling articulation of a few basic principles that make a big difference.

Due

Your assignment this week is to write a persuasive email on one of three topics. Email is an extremely common form of negotiation, and, as these topics illustrate, we’re negotiating more often than we think. Review the vignettes on the following page and choose one for your email. The idea is to draw on principles discussed in the readings when putting together your email.

Emails should be sent to wharton.negotiation@gmail.com by 9am the day of class. We will use your email in our class discussion.

Also due is the pre-class survey on the Bullard Houses negotiation. The link is on the Survey Links page of the course website.

Class 8 – March 16 / 18 (continued)
Persuasion

Choose one of the three following scenarios for your email assignment. Remember to incorporate principles from the readings. Send emails to wharton.negotiation@gmail.com by 9am the day of class.

“Project Assignment”

You have been with a company for five years and will be leaving in a year. Everyone knows this and the split is amicable. However, as part of the shuffle related to your departure, you will take on a new job for the next year. Your boss’ boss, “Armed and Dangerous “ (or “A&D”) is the head of the organization and is trying to staff a project (“Downward Spiral”) that she is responsible for. You have had some involvement with this project in the past and she would like for you to move onto it full-time for your remaining time. Downward Spiral (DS) is unrelated to what you will be doing when you leave the company, and has not been going well. You strongly believe in the project, but you also believe it has been mis-managed and that, no matter what you do, the year would be painful and ultimately a failure. You cannot be this blunt given A&D’s investment in the project.

You prefer project “Noble Cause” (NC) or “Just Knocking Around” (JKA). A&D has complete discretion to do with you what she would like, though she obviously also needs you to do a good job. You have tried to resist her overtures but she has proven quite persistent. Now is the time to take a firm stand. Write an email persuading her to staff you on something other than DS. You sense that if you don’t persuade her this time, your fate is sealed.

“The Beach in Winter”

You and some friends are planning to take some time off on a weekend in January. The only question is where. As emails are exchanged with ideas about where to go, you realize (for whatever reason) that you really want to go to the beach (i.e., local-ish / northeastern beach). Write an email to your friends trying to convince them to go to the beach in January.

“Last Chance”

You’ve been in the market to buy a house for 3 months. You must now sign a 12-month lease within the next week to secure housing for the following year, unless you can get a contract on a house. Only one house interests you, and it is not presently on the market. Two months ago you saw this house and made an offer on it the same day. Unfortunately, so many people were interested in the house that the seller first bumped the price significantly before you could get an offer in, then pulled it off the market altogether. You’ve been told she is putting it back sometime this spring at the higher prices. You’ve also heard she’s worried about having to close before she’s ready to move (she and her husband are retiring to North Carolina).

You decide to write a letter to express your interest, along with increasing your offer. You realize the chances are against a letter mattering, but you figure it’s worth a shot. Potentially relevant personal information: You’re about to get married; your fiancé currently lives out of state; your

fiancé works for a healthcare non-profit; this will be your first home after getting married; you both truly love the house; the owners have made numerous improvements to the home, and have decorated it impeccably.

Class 9 – March 23/25

Leverage Inventory

Readings

- Richard Shell, “Chapter 11: Bargaining With the Devil Without Losing Your Soul: Ethics in Negotiation”, *Bargaining For Advantage*, 2006.
 - Shell’s formally trained as a lawyer and provides an excellent overview of the legal issues around deception in negotiation. But he goes beyond that to offer a “Three Schools of Bargaining Ethics”, a very useful framework for thinking about the approach you to take to negotiation, and that others take. As Shell says, “I want to challenge you to identify what *your* beliefs are.” This is by far the best reading I am aware of on ethics in negotiation.

The rest of the readings pertain to your Leverage Inventory. The motivation is to make our time together as a group as productive as possible by preparing you ahead of time about the report.

- “Leverage Inventory – Your Influence Behavior, Assessed & Analyzed”
 - We are hoping to distribute your reports to you via email in advance of class. There is also a complete sample available in the “Leverage Inventory” folder.
- “Leverage Inventory, Explained”
 - The Leverage Inventory has cursory notes on all measures and methods. This document provides more background, detail and analysis.
- Caro, “The Boss of the Little Congress”, *Path to Power*
 - As a mini-case this week, we’re reading a short (8-page) chapter from Caro’s first book about Lyndon Johnson. It is a short chapter the vividly illustrates LBJ’s enormous influence abilities.
- [optional] “Abraham Lincoln & The Tools of Influence”
 - This note is largely excerpts from *Team of Rivals*, the ridiculously good 2005 Lincoln biography by Doris Kearns Goodwin. I’ve organized the excerpts by the Influence Tactics we assess in the Leverage Inventory in order to more vividly illustrate the concepts we cover. In a way it is “Lincoln’s Leverage Inventory.”

Due

- Web survey on the Shell reading. Due by 1pm the day of class.

Class 10 – March 30 / April 1 “Midterm” Negotiation

Negotiation

We will negotiate Alphexo-Betonn in class. As detailed in the syllabus, this assignment counts for 25% of your course grades. There are three components to the assignment:

- *Prep Note (1 per group)* – This note summarizes your negotiation plan. The note should focus on your strategy for negotiating with the other party, but also include the plan for managing your negotiation team. The note will consist of a one-page executive summary and up to two pages of supporting documents, which you can use in any way you’d like. Formatting is up to you. You should think of this as a professional document, i.e., format in the way you would for your boss. A hard copy of this note is due at the beginning of class 8 (the day of the negotiation).
- *Negotiation* – We will follow our typical class schedule – negotiate during the first half of class and debrief during the second. You will have ~75 minutes for the negotiation. Your performance, based on the outcome you negotiate, will be evaluated relative to other groups in your role.
- *Debrief (individual)* – This is a short reflection on your experience with the negotiation. The debrief should address three questions: 1) What do you believe you did well?, 2) What do you believe you could have done better?, and 3) What lessons did you learn (about negotiation in general and/or yourself in particular)? This should be a 1-page document. Format professionally using your own judgment (again, “note to boss” is a good rule). Hard copies are due at the beginning of class 11 (week of March 30).

Reading

This week you should read three more chapters from Shell’s *Bargaining for Advantage*. The following chapters are from the second section in this book, “The Negotiation Process”. Shell provides a number of useful ideas and illustrations in these chapters. The hope is that now that you are familiar and comfortable with the “foundations” of negotiation, you are better able to absorb and effectively use these more detailed tactics.

- “Step 2: Exchanging Information”
- “Step 3: Opening and Making Concessions”
- “Step 4: Closing and Gaining Commitment”

Due

Note that the Prep Note for Alphexo-Betonn is due at the beginning of class. There is no survey this week.

Class 11 – April 6 / 8
Viking Investments

Negotiation

- “Viking Investments”
 - A dispute resolution between a real estate developer (Pat Olafson) and contractor (Sandy Wood). Leave plenty of time for prep, as this is more involved than our typical negotiations.

Due

- Web Survey – Covers your preparation and strategy for the Viking case. Due by 1pm the day of class.
- Debrief from the “Alphexo-Betonn” case. A hard copy of this 1-pager is due in class. As detailed in the class-10 assignment:

Debrief (individual) – This is a short reflection on your experience with the negotiation. The debrief should address three questions: 1) What do you believe you did well?, 2) What do you believe you could have done better?, and 3) What lessons did you learn (about negotiation in general and/or yourself in particular)? This should be a 1-page document. Format professionally using your own judgment (again, “note to boss” is a good rule). Hard copies are due at the beginning of class 11 (week of April 6).

Class 12 – April 13 / 15

Coalitions & Status

Case

Our “case” this week is a two-part *NYT Magazine* article on the fall of Lehman Brothers (the first time). These are not short – be sure to set aside enough time for them. Happily most find them a compelling read.

- Auletta, "Power, Greed and Glory on Wall Street," *New York Times Magazine*, February 17, 1985.
- Auletta, "The Men, The Money, The Merger," *New York Times Magazine*, February 24, 1985.

Readings

- Brockner, “Why It’s So Hard to Be Fair,” *Harvard Business Review*, 2006.
 - Brockner is one of the world’s experts on “procedural fairness”, a critical topic in negotiation, and in general for those trying to maintain power.
- [optional] Raiffa, Howard, “Ch 21, Group Decisions,” *Negotiation Analysis*, pp. 389–406, 2002.
- [optional] Lax & Sebenius, “Get All the Parties Right,” *3D Negotiation* (Ch. 4), 2006.
- [optional] Kramer, Roderick. “The Harder They Fall”, *Harvard Business Review*, 2003
 - A great source for prescriptions on how to avoid the pitfalls of status.
- [optional] Keltner, Dacher, Deborah Gruenfeld and Cameron Anderson, "Power, Approach & Inhibition," *Psychological Review*, 2003.
 - The most influential recent review article in this area. Great way to get exposure to the research shaping this field.

Assignments

Complete a short web survey after reading the Lehman Brothers articles. Please submit it by 1pm the day of class. (The survey also includes questions about the Three-Way negotiation).

Prepare to participate in the Three-Way Negotiation exercise. We will do this negotiation in the beginning of class. Complete the survey questions about the negotiation by 1pm the day of class.

Complete the very short survey about your final project. The project is not due until May 1, but in this survey you should indicate what kind of negotiation “tool” you intend to construct. I will review and comment on this suggestion.

Class 13 – April 20 / 22 Multiparty Negotiation

Negotiation

The majority of this class is the Deepport negotiation and debrief. It is a 6-party negotiation and you will require more than 90 minutes. See the back of this page [hardcopy version] for your role assignments.

Readings

- Jim Sebenius, “Six Habits of Merely Effective Negotiators”, *Harvard Business Review*, 2001.
 - We read this article in week 2. But that was three months ago and many of you had very little prior exposure to the material on negotiation. It is a deeply wise article by one of the real experts on negotiation, and it’s likely you will appreciate it more deeply – and get more and different things out of it – now than you did in January.

Assignments

Continue working on your final project. We are going light on other assignments this week in order to give you time and space for this. Much of your work on this project will be reviewing material from throughout the term. This kind of work fits well with preparation for the Deepport (and is likely facilitated by the Sebenius article).

Complete a short web survey after preparing the Deepport negotiation. Please submit it by 1pm the day of class.

Class 14 – April 27 & 29
Outside Speakers

The tentative plan is to attend outside speakers over the course of the semester instead of meeting this week.