

# Negotiation

## OPIM 691

### Spring 2019 Course Syllabus

**Professor Alex Rees-Jones**

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#### *Acknowledgments:*

The structure of this course was designed with extensive input from Cade Massey's excellent treatment of Negotiations. To continue the history of attribution, Cade's original course design drew heavily on Yuval Rottenstreich's. His, in turn, drew heavily on George Wu's. And George's course was influenced by that of his advisor, Howard Raiffa. Thus, many of the foremost scholars of negotiations and decision-making have directly had a hand in this course design.

# 1. Course Objectives

This course provides training in both the theory and practice of negotiation. The successful student will 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. This theoretical treatment will be complimented by hands-on negotiation experiences, with the goal of imparting comfort and confidence when using these tools in every-day life.

# 2. Attendance

Attendance is required in this course, and missing class has a significant impact on your grade. All students are permitted 1 missed class, no questions asked. If you miss 2 classes you will lose a letter grade on your overall course grade. If you miss 3 classes you will fail the course.

While I generally dislike enforcing an attendance policy, I have found that it is necessary for your own protection. This is an experiential course. A great deal of the value you will derive comes from the in-class negotiation exercises we undertake every week. It's terrible to show up for class having prepared extensively for your negotiation, only to find that your negotiation partner or counterparty didn't show. Some of your preparation will likely have been wasted, and you will likely get less out of the exercise than you could have. I strictly enforce the attendance policy to protect you from this situation.

I generally will not grant excused absences, except for those cases that meet the excused absence policy of the university, or cases that I judge to be extreme or unusual. Please note that job interviews do not satisfy these criteria.

To help you avoid triggering the undesirable consequences of an absence, you have the option to attend the class you'd miss in one of my other sections. E.g., if you're in the Monday section, you may attend the Wednesday section. There are two important restrictions on this option: 1) it must be used sparingly, and 2) you must inform the TA that you will be attending this other section *prior to the case assignments being announced*. Since case assignments are normally made one week in advance, this means the switch must be made one week in advance. While this means this option cannot remedy last-second absences, it does give you a means to work around cases where you'll know in advance you'll be away.

# 3. Administrative Matters

## Course website

We intend to use Canvas for the course website, and will post all course materials there –

slides, supplemental readings, etc.

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**Office hours:**

Monday and Tuesday, 11 am-noon, or by appointment.

## 4. Readings

*Required:*

Richard Shell, *Bargaining for Advantage*, 2006 (2<sup>nd</sup> edition)

*Optional:*

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

Roger Fisher and William Ury, *Getting to Yes: Negotiating Agreement Without Giving In*, (New York: Penguin Books, 1983).

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	55%
Midterm Negotiation	25%
Final Exam	20%

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 (55%)**

There are 5 components to your participation grade:

- *Negotiations (15%)*: You must complete all negotiations on time for full credit. Additionally, several negotiations are graded. You will know which class exercises are graded ahead of time.
- *Class discussion (10%)*: 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.
- *Peer evaluation (5%)*: I will supplement my evaluation with a peer evaluation, conducted at the end of the term. Students will be asked to list the top contributors to their class; your grade will be a function of the number of times you are listed.
- *Surveys (5%)*: 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 (10%)*: 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). 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.
- *Leverage Inventory (10%)*: 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 summary of 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 Exam (20%)**

The final exam will test both basic course concepts and practical skills involved with negotiations. More detail will be provided once final preparations begin, and review sessions will be held leading up to finals day.

## 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

### Grading

One of my goals in designing this class is to provide you with an environment where you can experiment. I explicitly encourage you to push your boundaries and make a conscious effort to try new and different styles of negotiation during the class exercises. While this is the best thing you can do to learn quickly, it is not always the best thing to do to maximize your payoff in a given negotiation. Sometimes experiments go wrong. As a result, most in-class negotiations will be graded solely for participation: in order to get full credit, you merely need to actively participate in the negotiation, turn in the outcome on time, and make sure not to agree to a deal that gives you less than your BATNA (if you don't know what this means, you'll learn in the first class).

However, while providing a safe environment to experiment is important, it is also important to give you experience negotiating with "skin in the game," and to have some component of the

course grade determined by your actual performance. As a result, three of the negotiations we go through in this class are flagged as “graded negotiations.” You will be assessed on the final personal value attained in the deal you arrive at, and your grade will be determined based on comparing that payoff to others in your same role. Of the three graded negotiations, your best 2 will be incorporated into your final grade (5% of the final grade, each). Your worst performance will be dropped entirely.

### **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

I would humbly claim there are few courses more universally applicable to the daily work lives of *all* students than Negotiations. Given that, I would like to actively integrate your work experience into the course as much as possible (and vice versa!). This motivates the “application” assignments, meant to provide a forum for you to consider, and the class to discuss, ways in which the concepts we discuss apply to your actual life.

Over the course of the semester, you are required to complete three “application” assignments. These assignments consist of a brief write-up where you discuss and reflect on a negotiation you have recently experienced, or which you previously experienced in your personal or professional life. In this write-up you should concisely describe the negotiation, then reflect on it using the tools we build up in class. Based on course concepts, what were the key factors determining the outcome you saw? What do you think you did well? What do you think you did poorly? What would you do differently? Addressing any of these questions thoughtfully makes for a good write-up.

The reports can be quite short – something like two to four paragraphs is about right. 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.

You need to submit 3 of these over the course of the semester. The first must be submitted by class 4. The second by class 10. The third by class 13. Applications are always due at 9am of their due date, to permit me time to review them before class.

We will often begin class by discussing one or two recently submitted application. While not all applications will be discussed, be prepared to discuss the content of your application with the class, and think about how you would lead about 5 minutes of class time. 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.

## 7. Assignment Details (cont'd)

### Leverage Inventory

We will devote a class to discussing and analyzing a personalized report on your negotiation approach and style. We will provide a “Leverage Inventory” to each student based on their interaction with an experimental web app developed here at Penn. 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. This instrument has been refined based on course material and empirical results from Executive and Daytime MBA classes at several leading business schools.

## 7. Assignment Details (cont'd)

### Outside Speakers

On 1-2 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 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?

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**

### **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.

### **READ**

- Course syllabus

## Class 2

### 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.

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.

### 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. **Due 1pm the day of class.**

### Class 3

#### 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.

#### 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). 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.**

## Class 4 Claiming Value I

### IN-CLASS

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.

### PREPARE

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

### READ

- 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.

### COMPLETE

- **Web Survey** – Prep questions for the Appleton-Baker negotiation. **Due 1pm the day of class.**
- **Application** - First application assignment due. **Due 9am the day of class.**

**Class 5**  
**Claiming Value II**  
**GRADED NEGOTIATION TODAY**

**PREPARE**

- “The Merger” case: this will be your first graded negotiation of the semester.
- The “Longhornnation.com” case: this will be a shorter, normal, ungraded negotiation.

**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.**

## Class 6 Persuasion

### PREPARE

Bullard Houses. This is a short-ish 1-on-1 negotiation.

### READ

- 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.

### COMPLETE

- **Web Survey** – Prep questions for the Bullard Houses negotiation. **Due 1pm the day of class.**
- **Persuasive email assignment** – See details below. **Due 9am the day of class.**

### PERSUASIVE EMAIL ASSIGNMENT

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 submitted via Canvas by 9am the day of class. We will use your email in our class discussion.

**Class 7 – (continued)**  
**Persuasion**

Choose one of the three following scenarios for your email assignment. Remember to incorporate principles from the readings.

*“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 7: OUTSIDE NEGOTIATION, NO CLASS MEETING

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.** 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.

### 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 7 -- (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 a fee you have incurred—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 8**  
**Coalitions and Status**  
**GRADED NEGOTIATION TODAY**

**PREPARE**

Our case this week is the “Three-way Negotiation.” Cases materials and role assignments will be posted on Canvas prior to class.

**READ**

- 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.

**COMPLETE**

- **Web Survey** – Covers your preparation and strategy for the three-way negotiation. Due by 1pm the day of class.

## Class 9 “Midterm” Negotiation

### IN-CLASS

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 on 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 next class.

### READ

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”

### COMPLETE

- Prep Note for Alphexo-Betonn is due at the beginning of class.

## Class 10 Leverage Inventory

### IN-CLASS

We will discuss your personal Leverage Inventory reports, learn about the role of different personality traits, and negotiate a short case with specific instructions given according to your personality type. The case will be distributed in class, so no case prep is needed.

### READ

- 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.
- “Leverage Inventory, Explained”
  - The Leverage Inventory has cursory notes on all measures and methods. This document provides more background, detail and analysis.
- [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.”

### COMPLETE

- Review your leverage inventory before class.
- **Application** - Second application assignment due. **Due 9am the day of class.**
- Debrief from the “Alphexo-Betonn” case. A hard copy of this 1-pager is due in class.

## Class 11

### IN-CLASS

- Moms.com
  - This is a 1-on-1 negotiation with students in another section.
  - Pairings will be posted to Canvas in an announcement. You can find the name and email address of your counterparty there.
  - Hard copies of your confidential instructions were distributed in the previous 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 deadline.
  - Results are due by **April 14, at midnight**. 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.

### READ

- 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.

### COMPLETE

Complete the web survey for the results of your Moms.Inc negotiation. Every student should submit the results of the negotiation. **Surveys are due by 11:59 PM, April 14.**

## Class 12 Viking Investments

### PREPARE

- “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.
  - Second graded negotiation.

### READ

- Short web videos on the Law of the Divided Cloth by Barry Nalebuff, an economist at Yale.
  - Introductory video (5 minutes): <https://www.dropbox.com/s/iwo4ef3zepckipp/piepres.avi>
  - Airfare problem (9 minutes): [https://www.dropbox.com/s/b5htjvctgzilrr8/KHAN\\_Final\\_Edit\\_720p.mov](https://www.dropbox.com/s/b5htjvctgzilrr8/KHAN_Final_Edit_720p.mov)

### COMPLETE

- **Web Survey** – Covers your preparation and strategy for the Viking case. Due by 1pm the day of class.

**Class 13**  
**Multiparty Negotiation**  
**GRADED NEGOTIATION TODAY**

**PREPARE**

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. Role-specific information will be distributed the week before. This case is quite involved, leave ample time to prepare.

**READ**

- 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.

**COMPLETE**

- **Web Survey** – Covers your preparation and strategy for the Deepport case. **Due 1pm the day of class.**
- **Application** – Third application assignment due. **Due 9am the day of class.**

**Class 14**  
**Outside Speakers/Review session**

While there are 14 class times officially scheduled by the university, one class time will be “dropped” to make up for the extra time you must spend attending the presentations of outside speakers. The date dropped depends on your section---I typically align it to avoid conflict with your holiday breaks or core exam. See the course calendar for the dates of each class.

I will still hold class during this final meeting slot, but it will be an optional full course review to prepare for the final.