Managerial Negotiations (B8510)
MBA | Spring 2024

BIDDING SYLLABUS

Professor Derek Brown
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Office hours. by appointment

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Time and Location.
- Section 7: Monday 9:00AM – 12:15PM | Kravis 680
- Section 8: Monday 2:20PM – 5:35PM | Kravis 680

To be enrolled in the class, you must be present for the first class.

COURSE OBJECTIVES
Negotiations and conflicts are everywhere. From low stakes disputes about when and where to hold the next work meeting to high stakes clashes about strategic direction and boardroom contractual agreements, effective negotiators tend to fare better in the long run. Rather than shy away from disputes, effective negotiators get the most out of them both in terms of the instrumental value they carry away and in terms of the relationships and reputations they leave behind. Virtually everyone could stand to improve their negotiation skills and, fortunately, virtually everyone can develop in this area.

Success in business and beyond requires agreement and collaboration with other people. Whether you are a customer cutting a deal with a supplier, a potential co-investor in a start-up company, or a CEO seeking a strategic alliance, triumph depends on the capacity to negotiate and manage interdependencies.

Among other things, effectiveness at the bargaining table requires:

- The strategic skill to claim your fair share of the goods;
- An alacrity for creating value and executing deals others overlook;
- The sophistication to steer clear of the pitfalls that plague most bargainers;
- Insight into your own values, and the ethics that drive others’ behaviors;
- The capacity to forge relationships with people whose backgrounds, expectations, and values differ from your own; and
- A willingness to reflect on and learn from your experience.

This course seeks to develop these skills and provide students with frameworks for analyzing negotiations at a more sophisticated level. We give you the opportunity to identify your strengths as a negotiator and to work on your weaknesses. The course will provide a conceptual
framework to diagnose problems, promote agreement, and cut your losses where warranted. Perhaps most importantly, this course is an opportunity for you to experiment with different techniques and to explore what does and what does not work for you at the bargaining table.

CONNECTION TO THE CORE
This course is related to a wide range of topics that are important for developing professionals. In Columbia Business School's core course sequence, it is perhaps most directly linked to the core leadership course, Lead: People, Teams, Organizations, where students will have received an overview of the topic and enacted a role-play negotiation. This course dives deeper, focusing in on different negotiation dynamics and ultimately addressing even more complex issues. Managerial Negotiations also deals with behavior in competitive contexts and markets, touching on topics dealt with in the Strategy Formulation and Managerial Economics core courses, and with behavior related to persuasive communication and selling, touching on topics dealt with in the Managing Marketing Programs core course.

This course embraces the norms of the Columbia Core Culture. Students are expected to be:

- **Present**: Be on time and present for every session (attendance will be tracked)
- **Prepared**: Complete pre-work as needed and be prepared for cold calling
- **Participating**: Constructive participation is expected and part of grade

COURSE FORMAT
This is a highly interactive course. Becoming the most effective negotiator is best achieved via hands-on experiences coupled with lectures, discussions, readings, and reflections on the underlying concepts.

There will be one or more role-play exercises in every class period. These exercises have been selected to help illustrate points in readings and lectures and to motivate further reflection. These exercises will put you in new, and potentially uncomfortable, situations, but within the safe environment of the classroom. In these exercises, you are urged to try out new behaviors and tactics based on your own reading and reflection.

The course begins with basic dynamics in negotiation and adds complexity in stages. Through role-play exercises, lecture, reading, and discussion, you will learn about negotiating multiple issues, negotiating with multiple parties, mediation, agents, and coalitions. Some exercises involve numerical analyses, others involve qualitative conflicts. By the end of the course, it is our hope that you will be able to approach most conflicts or negotiations comfortably and confidently: analyzing their nature, understanding your objectives, and plotting an approach that will give you the best shot at achieving your goals.
ATTENDANCE
Because this course is extremely experiential and is all about practicing and improving your negotiation skills using carefully curated role-play, **attendance is essential**. This is not only because I want you to get the most out of this class, but also because most exercises involve pairs or groups of students working together. Being absent without prior notice does not only hurt your own learning experience, but also that of your fellow classmates.

**Thus, attendance is required for all class sessions and absences will carry a grade penalty (see Grading).** You must be in class to engage in the content, and if you miss class there will be no way to make it up. On the flipside, if you attend and participate in class every week, you will likely do very well in the course.

The first session sets the stage for the entire course and, therefore, attendance in the first session is mandatory.

READINGS
All **readings are optional** and are intended to be an additional resource for students to use to further develop their base of knowledge and skill set. The goal is to give you the opportunity to dig as deep as you wish in order to develop, strengthen, and hone your negotiation skills.

Readings will be drawn from several books and articles. Feel free to save money by buying previous editions of these books. **If purchasing books, consider your local bookstore; They need your love and support.**

- *Getting to Yes: Negotiating Agreement Without Giving In* (by Fisher, Ury, and Patton)
- *Difficult Conversations* (Stone, Patton, and Heen)
- *Essentials of Negotiation* (by Lewicki, Barry, and Saunders)

GRADING
There will be no exams and I keep assignments minimal. Instead, I ask for active participation in class. Part of this participation will involve preparing for negotiations in advance, reflecting on exercises, building models, and completing assignments that ask you to reflect on your development. Please note that a large portion of the grade is dedicated to attendance. My grading scheme reflects the importance I place on active hands-on-learning, and as such there is no way to make up for missing a class.

Four components make up your grade: 1) required participation, 2) assignments, 3) a real world negotiation analysis, and 4) a final paper.

- Attendance and participants (40% of grade)
- Assignment (30%)

**Attendance and participation (40% of your grade).**
You are expected to attend all modules. Please note that attendance in the first session is mandatory for the Managerial Negotiations elective.
If you cannot attend a specific class or expect to be late, please notify us of your absence. Specifically, please complete the Attendance survey indicating your absence or tardiness so we can plan accordingly.

Because many sessions revolve around role-plays in which partners are assigned in advance, an unexpected absence typically has negative effects on other students in the class. Accordingly, unexcused absences and/or absences without notification will result in a loss of participation points.

Participation includes several components: attendance in class; active, substantive involvement in role-play simulations (see Ground Rules below); engagement, discussion, and comments during class (quality is more important than quantity)

**Assignments (30% of your grade)**
Please upload all assignments to Canvas in advance of their deadline. More information about all of the assignments is available via the Canvas website.

**Online Assessment.** Please complete the online survey **before Module 1, January 21, 11:59pm.** *(Approximate completion time: 15 minutes).*

**Tactic Table.** Construct a table of “hardball” tactics based on the material in the two readings provided: (1) Lewicki et al (Chapter 2, pp 52-60) and (2) Fisher & Ury (Chapter 8). The assignment is due **before Module 1, January 21, 11:59pm.** The table should have three columns: a column for the tactic name, a column with a description of what the tactic entails, and a column with a list of strategies one can implement to counter the hardball tactic. Upload the table to Canvas. *(Approximate completion time: 45 minutes).*

**Excel Model.** This assignment needs to be completed and uploaded to Canvas in preparation for Module 4, before class on **February 11, 11:59pm.** The goal is to help you think through the case and prepare a spreadsheet that will help you evaluate deals on the fly. *(Approximate completion time: 45 minutes)*

**“Score a Deal” Exercise.** This assignment is designed to probe and solidify your understanding of the multi-attribute value analysis (MAV) approach for clarifying tradeoffs between qualitatively different issues in multi-issue negotiation settings. Please answer the four questions, using the Ames et al. “Scoring a Deal” handout as a guide. The assignment is due by **TBD.** Upload your responses to Canvas before leaving class. *(Approximate completion time: 45 minutes).*

**Action Plan Document.** Based on your individualized feedback report that outlines your personal negotiation style, you should develop an action plan for self-development. Pick one behavior that you would like to change in the next negotiation and describe how you are going to achieve this change. The assignment is due by **TBD.** *(Approximate completion time: 15 minutes).*
“Go Get a Deal” Negotiation Report (20% of your grade)
To encourage you to think about the many everyday opportunities you have to negotiate, and to improve your negotiation skills further, you are asked to go out and negotiate a deal. By TBD you must engage in a negotiation for a good or service and submit a written report.

There are three rules for this assignment:

1. You must negotiate at least some portion of it in person (i.e., over video chat or phone).
2. You may not tell the person you are negotiating with that this is for a class project until the negotiation is complete (after which you can decide whether or not you want to tell them this).
3. You must follow through with the transaction if the other party meets your target price (i.e., you must negotiate “in good faith”).

For the assignment, you will submit an analysis of the negotiation that includes two sections: a planning section and a post-negotiation analysis. The planning section should include your aspiration point, your reservation price, your BATNA, and your planned negotiation strategy (efforts to shape the process, to improve your BATNA, your planned persuasive moves, power moves, rapport-building moves, concession pattern, etc.). The post negotiation analysis should describe the events of the negotiation and your assessment of the negotiation outcome, your perception of the strategies you used successfully and unsuccessfully, your assessment of the strategies used by your counterparty, what you learned from the negotiation, and what you would do differently in the future. The final paper should be 5-7 pages, double-spaced.

You will be graded on: 1) the thoroughness of your negotiation preparation, 2) the quality of your negotiation strategy (appropriateness and intention), and 3) the rigor of your post-negotiation analysis.

Final Project (10% of your grade)
The final project involves writing either a paper or negotiation case/exercise that demonstrates your knowledge of the course concepts and readings. It should go beyond the class concepts in its close scrutiny of a particular bargaining context or dynamic. This project is NOT mandatory. If you would like an “H” in the class, doing the assignment is necessary (but not sufficient to guarantee an “H”). The final project is due TBD. Please note: The final project is your chance to show me that you want an H. Therefore, I will not accept late submissions under any circumstances.

If you choose to create a negotiation case/exercise, you must produce: case roles/materials, a 1-2 page debrief guide, and an Excel analysis spreadsheet (if appropriate). If you choose to write a paper, it should be 10-12 pages in length (12 pt font, double spaced). Appendices can be attached as needed to illustrate or document points in the body of the paper (tables, timelines, etc.).

The following paper formats have worked well in the past:

- **Historical study.** Analyze a deal/treaty/conflict through library research and/or interviews.
• *Consulting project.* Analyze a manager’s or company’s current challenge and develop recommendations.
• *Social science study.* Conduct an experiment or survey investigating negotiation dynamics.
• *Handbook of tactics.* Provide an overview of the negotiation challenges common in an industry (e.g., Management Consulting) and describe some tools for effectively managing these challenges.
• *Business plan.* Propose a business concept related to negotiation/collaboration/resource allocation/trading/group decision making/networking etc.
• *Personal development plan.* Analyze yourself as a negotiator, taking stock of strengths and areas for development, based on your experience in and beyond the class. Map out concrete plans for development. See the *Primer on Personal Development* for suggestions (discussed in Module 5).

**LATE ASSIGNMENT POLICY**
*Need to hand in something late? No need to ask for an extension!* Just be aware that I subtract one point per every day an assignment is late. There are two exceptions to this rule: (1) the models that you need to develop in advance of negotiations, the Action Planning Assignment, which must be completed on time as it is the source for an activity that week; (2) the final project (for which there are NO exceptions!).

**COURSE SCHEDULE** (this is subject to change)

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COURSE DEVELOPMENT AND RESEARCH
Because I want to encourage experimentation, I do not grade based on your negotiation outcomes. Yet I do carefully record the outcomes and, for some exercises, your answers to questions in the exercise materials. Sometimes I will show the overall patterns in this data to demonstrate points about negotiation principles. Many of the learning points in this course have been developed and refined through extensive prior classroom experiences. Just as prior students have made this course possible by sharing their experiences, you have the opportunity to contribute to the education of future students by sharing your own experiences. If you consent to allow your responses (including those from the leadership multi-rater feedback activity, negotiations exercises, and from other exercises in this course and other courses, as well as surveys by Career Services and other school offices) to be used for research purposes and for future refinement of course materials, your information will be kept strictly confidential. Any information derived from this research that would identify you would not be voluntarily released or disclosed without separate consent.

ROLE-PLAY GROUND RULES:
Having a constructive learning environment is essential to this course's effectiveness. Everyone plays a part in this. Here are some ground rules for our role-play exercises:

1. You are expected to be on time for class meetings and, when applicable, to arrive prepared for in-class negotiation exercises.
2. You are expected to put your laptop away during class.
3. You should not show your confidential role instructions to other parties during a negotiation, nor should you directly read them aloud. At your discretion, you can choose to speak about your interests to the other side. Once the negotiation is complete, you should still keep your instructions private, unless instructed otherwise. We will debrief most of our cases collectively in class.
4. Feel free to "ad lib" in these exercises to provide rationales and explanations for your character's preferences - say things you think the character would say. That said, you should adopt the given payoff tables as reflecting your preferences. You should not make up facts that materially change the power distribution of the exercise.
5. The exercises are an opportunity to experiment. Unusual tactics (or at least ones that are different for you) add variety and can benefit the group discussion. However, steer clear of anything that verges on physical intimidation, harassment, or personal abuse.
6. It is tempting to sometimes promise certain resources from one’s organization to “sweeten the deal” for your counterpart. Don’t do so, unless role information suggests that these resources exist and that you have discretion over them.