Managerial Negotiation
Prof. Seth Freeman
Fall 2014
Monday 2:15-5:30 p.m.* Warren 416
Course Number: B8510-003

Office: Uris 218
Office Phone: 212-854-7903
E-mail: sf124@columbia.edu
Office Hours: 11:00-12:00 noon Tuesdays
Teaching Assistant: Mimi Wu (mwu15@gsb.columbia.edu)

COURSE DESCRIPTION
There are two purposes to this course:
1. to develop your ability to negotiate in a purposeful, principled and effective way; and
2. to teach you how to manage complex conflicts and deals, and lead groups to wise agreements.

Negotiation is a social skill, and like all social skills you have to practice it if you want to get better at it. To give you the chance to practice, we'll do a number of simulated negotiations in and out of class.

We'll also use lectures, case studies, exercises, games, videos, and demonstrations to help you develop your understanding.

As we advance in the course, our focus will shift from simple one-on-one negotiations to more complex ones involving many parties, agents, coalitions, and organizations. The cases and simulations we'll use along the way will cover a wide range of business situations, including

• a troubled software partnership
• a business acquisition
• a key new venture financing decision and
• a group-on-group re-negotiation of an international aircraft engine deal

*We’ll also do a required joint simulation with Columbia Law School students Friday, October 31, from 10 a.m. to 1 p.m.

*Our session September 8 will end a bit early- probably by 5:15 p.m.

A few simulations this semester will involve out-of-class negotiation or team preparation work.

Since there is really no way to make up the experiences we create in class, and since your participation will help your classmates learn, I will expect you to attend each class.

Welcome to the course! I hope it will be one of the highlights of your time at Columbia.

Draft August 22, 2014
REQUIRED PREREQUISITES AND CONNECTION TO THE CORE
There are no prerequisites other than completion of the core. The course explores more deeply those aspects of the core where managers with different perspectives and values must make decisions. Negotiating is the process managers use to make such decisions.

COURSE OBJECTIVES
By the end of this course, I want you to be able to demonstrate that you can wisely

1. bridge gaps- where it looks like only impasse is possible- using ‘interest-based’ negotiation concepts.
2. handle win/lose (or ‘distributive’) negotiation.
3. manage complex negotiations and conflicts with many parties, many issues, and many factions.
4. prepare a detailed and effective plan for a difficult business negotiation
5. increase your influence and creative power at the table through moves away from the table
6. manage the dynamics of coalitions, which you’ll face in teams and organizations;
7. work effectively with lawyers in a serious contract dispute
8. build consensus and lead meetings effectively; and
9. tell if you've reached a good outcome in a negotiation, using specific measures of success
10. apply these skills in the real world.

CLASSROOM NORMS AND EXPECTATIONS
Handouts - You'll find handouts for the day's class in a stack near the door as you walk in.

Office Hours are in Uris 218 from 11:00-12:00 noon. Tuesday and at other times by appointment. Questions about course work? Other concerns you are having about school or life beyond it? Let’s talk.

When and How to Reach Me:
Phone: You are welcome to call me any time from 10:00 a.m. to 6:00 p.m. any day but Sunday. My phone number is (212) 799-8720. My e-mail: My address is sf124@columbia.edu.

METHOD OF EVALUATION
Here’s how I’ll assess your learning:

- Memo on the Texoil simulation 15%
- Preparation plan, Babylon simulation 5%
- Required midterm exam 30%*
- Preparation plan for PowerScreen simulation 10%
- Real life project 25%
- Class participation 15%

100%

- Optional final exam 15%*
  (*If you do the optional final exam, the midterm is worth 15%.)

Why do optional work? To diversify risk, learn more, and have more direct control on your final grade. Why do I offer optional work? To give you the option to lighten (or shift back) your work load as the semester ends.

A Word About Grading Policy Generally
There is no curve. Excellence in the course takes considerably more thought and effort than average work does. I’m rooting for you. The mean for exams tends to be ~ 89; papers 87; class participation 88.
Class Participation.

**Prepared, Contributing, and Listening.** I’ll expect you to be prepared fully to discuss assigned readings and simulations, active in our in-class exercises, thoughtful in your contributions and a good listener.

**Asking Questions.** Usually they are the best contributions of all. I particularly encourage you to ask ‘dumb’ questions.

**Laptops, Internet, WiFi.** Please don’t distract classmates with them.

**Coming and Going.** Please be respectful and discreet.

**Self-Assessment.** To help determine your grade for class participation, I will rely in part on your own assessment, using a simple form which I will ask you to complete and submit in our last class.

The form will ask you about the quality and quantity of your participation: to what degree your contribution was active, thoughtful, and helpful, and how much you were contributing this way.

**Attendance Sheet.** Please sign the attendance sheet each session.

**Full Participation in the Brookside v. Black Simulation with the Law School.** Law students may advise me about the quality of their clients’ (i.e. your) participation in the exercise, and I’ll factor their reports into my assessment.

**What If You Do Miss Class(es)?** There’s no penalty if you miss one of our classes. However, each of the other class meetings is worth roughly 1/2% of your grade for the course (or, if you skip the optional exam(s), roughly 1%). The only exceptions are for

- religious or civic obligation
- serious family emergency or
- serious illness

If it’s an excused absence, just let me know what’s going on when you can.

Please do not ask for an exception for other reasons, such as an interview, a work eruption, a computer malfunction, an unexpected business trip, or a conflicting event.

They are important, but I expect you to make this course a priority as you would a major business undertaking.

There's no need to notify me or apologize to me if you miss a class.

**If You Expect to Miss More than Two Classes.** Please talk to me about it as soon as possible after class so we can see what we can do about it.

**The Required Texoil Simulation Memo.** (a Type C assignment*). This memo will be about our first simulation, the Texoil simulation (a Type C assignment*). I'll tell you how to prepare it.

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* Columbia Business School uses the following assignment categories:
The Required Babylon Preparation Sheet (a Type C assignment*). You’ll submit this required brief preparation sheet before you do the Babylon simulation.

The Required Real Life Project (a Type B assignment*). You may elect to submit any one of several different types by our next to last class. Detailed information appears in your Reading Packet.

The Required At-home Midterm (a Type C assignment*). It will take ~90 minutes. I’ll give you several days to complete it.

The Required PowerScreen Preparation Plan (a Type A assignment*). You’ll create this required detailed preparation plan with a teammate and submit it before you debrief the simulation.

The Optional At-home Final (a Type C assignment*). The optional at-home final exam will take ~90 minutes. No need to tell me if you elect not to submit it; just submit nothing.

Non-Gradable Self-Quizzes. You won’t hand these in and there’s no grade. These short exercises will let you test yourself on basic ideas we’ll cover in the first few sessions. They’re extra ways to help you get key concepts.

Makeup Memo Assignment. If you do miss a session when we do an exercise that an assignment covers, please email me promptly and ask me for a makeup memo assignment, noting the session you missed.

Honor Code. To assure a fair course for everyone, I’ll take Columbia Honor Code violations seriously.

Deadlines. If you miss a deadline for a written assignment, I will deduct three points for that assignment for the first day it's late, and one point for each additional day except Sunday. The only exception is for religious or civic obligation, serious family emergency, or serious illness. Just give me a note as soon as you reasonably can if this is the case. Please do not ask for an exception for other reasons.

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<thead>
<tr>
<th>Assignment Type</th>
<th>Designation</th>
<th>Discussion of concepts</th>
<th>Preparation of submission</th>
<th>Grade</th>
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<tr>
<td>A</td>
<td>group / group</td>
<td>Permitted with designated group*</td>
<td>By the group</td>
<td>Same grade for each member of the group</td>
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<tr>
<td>B</td>
<td>individual</td>
<td>Permitted</td>
<td>Individually</td>
<td>Individual</td>
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<td>(No sharing of any portion of the submission)</td>
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<tr>
<td>C</td>
<td>individual / individual</td>
<td>None of any kind</td>
<td>Individually</td>
<td>Individual</td>
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<tr>
<td>D</td>
<td>(An optional category to be defined in detail by the individual faculty member)</td>
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‘90s I have taught law and business at several schools, and I am now an Adjunct Professor at Columbia Business School. I also teach at the School of International and Public Affairs.

I am also an Adjunct Professor at NYU's Stern School of Business, where I teach both business students and law students from NYU Law School. I have also served as a visiting professor at Kedge School of Management in Bordeaux, France, and at Zhongshan University's Executive MBA program in Guangzhou. I have also taught at the World Economic Forum in Geneva, and at Beijing University’s Special International MBA program in Shenzhen and Beijing.

My columns and interviews have been published in Bloomberg TV, the New York Times, the Washington Post, Fortune.com, the Christian Science Monitor, and USA Today. I am the author of The Ready & Able Negotiation: How To Get Set for Any Negotiation with ‘I FORESAW IT,’ the Breakthrough Preparation Tool. My recent video course, The Art of Negotiating the Best Deal, was produced by the Great Courses™.

I also serve as a trainer and consultant on negotiations for organizations such as Pepsi and other Fortune 500 firms, the United Nations, KPMG, and Acumen Fund. I've also served as a mediator for the Queens Mediation Center.

I'm married to my wife Cary, who is an actress. We met at a church dance. We adopted our daughter Hannah from Taiwan, and our daughter Rachael from Jianxi, China. We live on the Upper West Side. I’m a Connecticut native, a songwriter, poet, essayist, and, for the past couple of decades, a New Yorker.

My work in private practice included transactions involving initial public offerings, corporate restructurings, and aircraft financing. I graduated from Cornell University with a degree in economics.

REQUIRED COURSE MATERIAL

Here are the readings for the course:

Required: Getting To Yes ("YES") by Fisher & Ury
Reading Packet (The Business of Negotiation)

Recommended but not required: Getting Past No ("NO") by Ury
Bargaining for Advantage by Shell

You should complete the reading assignments before the class indicated unless otherwise noted. Readings will comprise a significant portion of the subject matter for your writing assignments and at least one of the exams. Sometimes I will also distribute other materials.
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<th>What We'll Do</th>
<th>Reading and Viewing</th>
<th>Things To Do</th>
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<td>*</td>
<td>Sept. 8</td>
<td>Optional Dutch Treat lunch in Uris Deli</td>
<td>Just have a bite to eat and enjoy getting better acquainted.</td>
<td>None</td>
<td>Look for me at a table in the Deli. I’ll wear a hat initially to help you find me. There’s no obligation to join us but we usually have a very good time.</td>
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<td>12:20-1:00 Uris Deli</td>
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<td>1.</td>
<td>Sept. 8 (session ends by 5:10 p.m.)</td>
<td>Interest-Based Negotiation</td>
<td>Introduction to the Course and to Negotiation; Two types of Negotiation; Interests and Interest- Based Bargaining; Texoil Simulation</td>
<td>No assignment.</td>
<td>Due in class; Anonymous Student Survey (last page of this syllabus). Find in outline for Class 1: Assignment memo describing the required first comment memo due in Class 2.</td>
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<td>2.</td>
<td>Sept. 15</td>
<td>Distributive Negotiation</td>
<td>Knight/Excalibur Simulation; Distributive Negotiation- Best Targets, Making a First Offer, When to Walk Away. Ultimatum Game (time permitting).</td>
<td>Required Readings Reading Packet Preface (How to Get an Excellent Grade on a Simulation Memo); Reading Packet Chapter 1 (Negotiating Highlights); YES chapters 1, 2, 3, and 4; Texoil Debriefing Slides. Download and Take Quiz #1: Positions, Interests &amp; Options Non-Gradable Self-Quiz #1. You will not submit this quiz. I also recommend reading Bargaining for Advantage at your leisure throughout the semester. It’s that good.)</td>
<td>Due in our Canvas drop box by Class 2: The comment on the Texoil simulation, which we did in our first class, is due in the drop box on Canvas, following the format I describe in the Assignment memo I distributed in Class 1. Information about what makes a memo excellent appears in the preface the Reading Packet. Be sure to include your email address and phone number. Due in class: Please bring a copy of your memo for the classmate you wrote about and give it to her after class. If you missed the first class: Please see me after class about the make-up assignment due Class 3. Find attached to the outline for Class 2: Brief assignment describing the preparation sheet you’ll submit in our Canvas drop box about the Babylon simulation we’ll do in Class 3 together with the role specific Babylon materials themselves.</td>
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<td>3.</td>
<td>Sept. 22</td>
<td>Measures of Success</td>
<td>Newberry Square Exercise + Babylon Cellular Simulation; Alternatives to Agreement; Time Bombs and the Measures of Success; Exercise (time permitting)</td>
<td>YES Chapter 5. Babylon simulation role specific materials you received in class 2 Download and Take Quiz #2: Distributive Bargaining Non-Gradable Quiz #2. You will not submit this quiz.</td>
<td>Due by Class 3 in our Canvas drop box: Babylon preparation sheet, following the assignment in your class 2 outline.</td>
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| 4  | Sept. 29 | **Creative and Competitive Negotiating** | **New Recruitment Simulation; Creative and Competitive Negotiation; Reframing; Reframing Exercise; Listening and Question Asking Skills.** | **Download and Take Quiz #3: Non-Graded Measures of Success Quiz #3. You will not submit this quiz.** | **If you expect to miss class next week:**
|    |        |                                      |                                                                               |                                                                                       | Please arrange to have a classmate pick up a copy of several important handouts, which I’ll distribute in Class 6 next week. |
|    |        |                                      |                                                                               |                                                                                       | **Also pick up:**
<p>|    |        |                                      |                                                                               |                                                                                       | Republic Job Offer Exercise. |
| 5  | October 6 | Preparation Pacific Oil Case; Preparing for Difficult Negotiation with I FORESAW IT Exercise (time permitting) | Reading Packet: Chapter 2 (including Pacific Oil case, and &quot;I FORESAW IT: A Way to Improve Your Preparations for Negotiations&quot;; skip for now Republic exercise and reading which follows it.) Be prepared to discuss the Pacific Oil case. Be ready to discuss what happened when, and what Fountaine did well and poorly. | <strong>Download and Take Quiz #4: Non-Graded Rapport and Packaging Self-Quiz #4. You will not submit this quiz.</strong> | <strong>Pick up:</strong> Required take-home midterm exam. <strong>Pick up:</strong> Joint Law School-Business School simulation materials, together with a memo that gives you the name and contact information of your fellow MBA teammate(s) and the law student(s) who will act as your attorney(s). <strong>Pick up:</strong> PowerScreen materials. <strong>Do in class:</strong> Trade contact information with your assigned MBA teammate for Joint Law School-Business School simulation. <strong>Also do in class:</strong> Trade contact information with your assigned PowerScreen teammate and counterparts before you leave class. <strong>Do by Class 7 October 31:</strong> Get ready with your lawyer-client team for the upcoming Joint Law School-Business School simulation. Don’t do the simulation with the other side. <strong>Do by Class 9 November 17:</strong> PowerScreen preparation alone and with your teammate, and out-of-class negotiation simulation with your counterparts. |
| 6  | October 13 | <strong>Managing High Stakes Negotiation; Proper Readiness and Negotiation War Gaming</strong> | Topics, Targets, &amp; Tradeoffs; Rio Copa Fishbowl Exercise; Proper Readiness; Rio Copa Exercise II; I FORESAW IT 2.0, Republic Job Offer Exercise | <strong>Required reading:</strong> Reading Packet Chapter 2 review I FORESAW IT article discussion of “Topics, Targets, and Tradeoffs”); YES pp. 112-116 (single negotiating texts). | <strong>Pick up:</strong> Required take-home midterm exam. <strong>Pick up:</strong> Joint Law School-Business School simulation materials, together with a memo that gives you the name and contact information of your fellow MBA teammate(s) and the law student(s) who will act as your attorney(s). <strong>Pick up:</strong> PowerScreen materials. <strong>Do in class:</strong> Trade contact information with your assigned MBA teammate for Joint Law School-Business School simulation. <strong>Also do in class:</strong> Trade contact information with your assigned PowerScreen teammate and counterparts before you leave class. <strong>Do by Class 7 October 31:</strong> Get ready with your lawyer-client team for the upcoming Joint Law School-Business School simulation. Don’t do the simulation with the other side. <strong>Do by Class 9 November 17:</strong> PowerScreen preparation alone and with your teammate, and out-of-class negotiation simulation with your counterparts. |</p>
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<td>*</td>
<td>October 17</td>
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<td><strong>Due by 11:59 p.m. in our Canvas drop box:</strong> Required Take-Home Midterm.</td>
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<td>*</td>
<td>October 20</td>
<td>No session today.</td>
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<td><strong>Reading and Viewing</strong></td>
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<td>*</td>
<td>October 27</td>
<td>Class meets instead October 31</td>
<td>No session today.</td>
<td><strong>Topics</strong></td>
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<td>7.</td>
<td>FRIDAY, October 31</td>
<td>Negotiating with Lawyers- Joint Law School Simulation; Joint Law School-Business School Simulation: Negotiating with and through attorneys</td>
<td>Joint Law School-Business School simulation materials you received in class.</td>
<td><strong>Be punctual, please:</strong> The event will start immediately at 10:00 a.m.</td>
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<td><strong>Do by class:</strong> Be prepared to discuss the Joint Law School-Business School simulation. See the notes for Class 6 above for details.</td>
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<td>*</td>
<td>November 3</td>
<td>No session today.</td>
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<td><strong>Reading and Viewing</strong></td>
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<td>8.</td>
<td>November 10</td>
<td>Key financial Negotiations + Persuasion</td>
<td>MedTech simulation; Humble Inquiry and other Persuasion Methods (I may decide to replace this event with another critical topic depending on the guest’s availability.)</td>
<td><strong>Required Reading:</strong> Reading Packet Chapter 4- MedTech materials. Recommended Reading: Reading Packet Chapter 3 Moves Away from the Table- “Shaping the Structure,” from Breakthrough Business Negotiation: A Toolbox for Managers.</td>
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<td>9.</td>
<td>November 17</td>
<td>Complex Transaction</td>
<td>PowerScreen Simulation Debriefing: Complex Transactions. Ways to Heal The Deal.</td>
<td><strong>Required Reading:</strong> Reading Packet Chapter 2, I FORESAW IT 2.0: Adding Negotiation War Gaming for Superior Results</td>
<td><strong>Be prepared to discuss the PowerScreen simulation.</strong> Due by Class 9 in our Canvas drop box: PowerScreen I FORESAW IT team preparation sheet, following the assignment in your PowerScreen materials. Just one member of your team needs to submit it on behalf of both of you.</td>
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<td>10.</td>
<td>November 24</td>
<td>Coalitions and Moves Away from the Table</td>
<td>FG&amp;T Simulation; Coalitions Dynamics; Moves Away from the Table- the Bargain Mart case.</td>
<td><strong>Required Reading:</strong> Reading Packet Chapter 3- FG&amp;T Simulation General Instructions</td>
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<td>11.</td>
<td>December 1</td>
<td>Consensus</td>
<td><strong>Towers Market Simulation;</strong> Video: Mitchell at Northern Ireland; Consensus Building.</td>
<td><strong>Required Reading:</strong> Reading Packet Chapter 6: Towers Market General Information.</td>
<td><strong>Find attached to outline:</strong> The class participation self-assessment form due Class 12 anonymous additional feedback form due Class 12. <strong>Pick up:</strong> Flagship Airways General Simulation materials. <strong>Due by class in our Canvas drop box:</strong> The Required Real Life Project (See Reading Packet for details) is due in our Canvas drop box.</td>
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<td>12.</td>
<td>December 8</td>
<td>Organizational Negotiations II, Concluding Challenges</td>
<td><strong>Flagship Airways Simulation;</strong> Complex Organizational Talks; Closing Thoughts and Challenges.</td>
<td><strong>Required reading:</strong> Flagship Airways General Simulation Materials.</td>
<td><strong>Due On Canvas in our Canvas drop box:</strong> Class participation self-assessment form. <strong>Due In Class:</strong> Anonymous feedback form.</td>
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<td>December 10</td>
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<td><strong>Optional at-home final exam:</strong> I will send it to you via email at your Columbia email address.</td>
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<td>*</td>
<td>December 15</td>
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<td><strong>Due by 11:59 p.m. in our Canvas drop box:</strong> The Optional At-Home Final is due in our Canvas drop box.</td>
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ASSIGNMENTS
(This list does not include reading assignments and out-of-class simulation work)

Class 1 (in class)     Anonymous Student Survey
Class 2 via Canvas*    Required comment memo on the Texoil simulation - Type C Assignment
Class 2 (in class)     Hard copy of Texoil memo directly to your counterpart.
Class 3 via Canvas*    Required preparation sheet on upcoming Babylon Cellular simulation* - Type C Assignment.
October 17
by 11:59 p.m.
via Canvas*           Required at home Midterm – Type C Assignment.
Class 9 via Canvas     Required Preparation Plan on PowerScreen simulation - Type A Assignment
Class 11 via Canvas*  Optional Real Life Project - Type C Assignment.
Class 12 via Canvas    Class Participation Self-Assessment Form – Type C Assignment.
Class 12 (in class)    Anonymous additional feedback form

December 15
by 11:59 p.m.
via Canvas*           Optional at-home final exam*

*Submit in the appropriate online drop box.

= non-gradable assignment
= required, gradable assignment
= optional gradable assignment
Please take a few minutes before our second class to jot down answers to the following questions. I'm asking these questions to help me learn better how to make the course valuable for you.

You may write on the back or attach a sheet if you need more space.

You may include your name if you'd like, or you may write anonymously.

1. Tell me about a learning experience at school that was particularly meaningful for you. It could be lecture, an exercise, a case, an assignment, a conversation, or something else altogether. What specifically did the Professor (or others) do that made the experience so rewarding for you?

2. Tell me one thing one of your professors did that helped develop a good rapport with your class.

3. How do you feel about negotiation?

4. Tell me one thing it might surprise me to know that will help me better understand what your hopes and challenges are this semester- not necessarily hopes and challenges specific to our class but however you’d care to answer.