Managerial Negotiation
Prof. Seth Freeman
Summer 2017
Wednesday 5:00 p.m. – 9:15 p.m.
Room: Uris 307
Course Number: B8510-001

212-799-8720
E-mail: sf124@columbia.edu
Teaching Assistant: TBD

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

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.
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.

When and How to Reach Me:
Questions about course work? Other concerns you are having about school or life beyond it? Let’s talk.

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
I want to give you choices and a variety of ways to demonstrate learning. So here’s how I’ll assess your learning:

• Memo on the Texoil simulation 15%*
• Babylon Preparation plan 5%
• Optional midterm exam 15% [0% if you don’t do the midterm]
• Preparation plan for PowerScreen simulation 35% [20% if you do the midterm]
• Class participation 15%
• Final exam 15%*

100%*

*You may elect to replace your Texoil grade with the optional real life project or you may elect to do the optional real life project instead of the final exam. The optional real life project 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) your work load.
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.

The Fear of Looking Dumb

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.

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.

The Required Babylon Preparation Sheet (a Type C assignment*). You’ll submit this required brief preparation sheet before you do the Babylon simulation.

The Optional 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.

Non-Gradedable 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.

The Optional Real Life Project (a Type B assignment*). If you do this 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 At-home Final exam (a Type C assignment*). It will take ~60 minutes. I’ll give you several days to complete it. You may elect to do the optional real life project instead of the final exam.

Makeup Memo Assignment. (a Type A 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.

* Columbia Business School uses the following assignment categories:

<table>
<thead>
<tr>
<th>Assignment Type</th>
<th>Designation</th>
<th>Discussion of concepts</th>
<th>Preparation of submission</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<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>
</tr>
<tr>
<td>B</td>
<td>individual</td>
<td>Permitted</td>
<td>Individually (No sharing of any portion of the submission)</td>
<td>Individual</td>
</tr>
<tr>
<td>C</td>
<td>individual / individual</td>
<td>None of any kind</td>
<td>Individually</td>
<td>Individual</td>
</tr>
<tr>
<td>D</td>
<td>(An optional category to be defined in detail by the individual faculty member)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


My name is Seth Freeman, J.D. I practiced corporate and securities law in large New York firms for six years following my graduation from the University of Pennsylvania Law School in 1984. Since the ‘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
Assignments Packet (The Business of Negotiation)
Bargaining for Advantage by Shell
Assigned readings posted on Canvas-Files

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.
<table>
<thead>
<tr>
<th>#</th>
<th>Date</th>
<th>Topic</th>
<th>What We’ll Do</th>
<th>Reading and Viewing</th>
<th>Things To Do</th>
</tr>
</thead>
</table>
| 1. | May 24   | Interest-Based Negotiation                 | Introduction to the Course and to Negotiation; Two types of Negotiation; Interests and Interest-Based Bargaining; Texoil Simulation; Listening and Question Asking Skills | No assignment.                                          | 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.  
Pick up: Positions, Interests & Options Non-Gradable Self-Quiz #1 |
| 2. | May 31   | Distributive Negotiation                   | Knight/Excalibur Simulation; Distributive Negotiation- Best Targets, Making a First Offer, When to Walk Away. Ultimatum Game; Rapport Building | Reading Packet Preface (How to Get an Excellent Grade: Ten Tips); Reading Packet Chapter 1 (Negotiating Highlights); YES chapters 1, 2, 3, and 4; Texoil Debriefing Slides.  
Take Quiz #1: Positions, Interests & Options Non-Gradable Self-Quiz #1. You will not submit this quiz. | 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.  
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 Babylon simulation role specific materials.  
Pick up: Distributive Bargaining Non-Gradable Self-Quiz #2. |
| 3. | June 7   | Measures of Success & Moves Away from the Table | Newberry Square Exercise + Babylon Cellular Simulation; Alternatives to Agreement; Time Bombs and the Measures of Success; Moves Away from the Table | YES Chapter 5; Bargaining Chapters 1 and 2.  
Babylon simulation role specific materials you received in Class 2  
Take Quiz #2: Distributive Bargaining Non-Gradable Quiz #2. You will not submit this quiz. | Due by Class 3 in our Canvas drop box:  
Babylon preparation sheet, following the assignment in your Class 2 outline.  
Bring a copy of the preparation sheet to class.  
Pick up: Self-grading Assignment; Non-Gradable Measures of Success Quiz #3 |
<table>
<thead>
<tr>
<th>#</th>
<th>Date</th>
<th>Topic</th>
<th>What We'll Do</th>
<th>Reading</th>
<th>Things To Do</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>June 14</td>
<td>Creative and Competitive Negotiating</td>
<td>New Recruit Simulation; Creative and Competitive Negotiation; Topics, Targets, &amp; Tradeoffs</td>
<td><em>Take Quiz #3: Non-Gradable Measures of Success Quiz #3.</em> You will not submit this quiz. Bargaining Chapters 3, 4, 6 and 11.</td>
<td>Due in our Canvas drop box by Class 4: Self-graded assignment I distributed in Class 3. Pick up: Non-Gradable Rapport and Packaging Self-Quiz #4.</td>
</tr>
<tr>
<td>5</td>
<td>June 21</td>
<td>Preparation</td>
<td>Pacific Oil Case; Preparing for Difficult Negotiation with I FORESAW IT. TBD</td>
<td>Reading Packet: Chapter 2 &quot;I FORESAW IT: A Way to Improve Your Preparations for Negotiations&quot;; skip for now Republic exercise and reading which follows it. Canvas-Files: “Pacific Oil (Complete).pdf.” Be prepared to discuss the Pacific Oil case. Be ready to discuss what happened when, and what Fountaine did well and poorly. Take Quiz #4: Non-Gradable Rapport and Packaging Self-Quiz #4. You will not submit this quiz.</td>
<td>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.</td>
</tr>
<tr>
<td>#</td>
<td>Date</td>
<td>Topic</td>
<td>What We'll Do</td>
<td>Reading</td>
<td>Things To Do</td>
</tr>
<tr>
<td>----</td>
<td>-------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| *  | July 10 | Extreme Negotiation: Dealing with Extremely Difficult Counterparts | Hostage Negotiation principles  
Internal-External Negotiation  
*TBD* | Reading Packet:  
Chapter 2-1  
FORESAW IT 2.0: Adding Negotiation War Gaming for Superior Results  
*Canvas-Files:*  
“On and off the record 85.pdf”  
“Manager as Negotiator 172.pdf” | *Due by 11:59 p.m. in our Canvas drop box:* Optional Take-Home Midterm. |
| 7. | July 12 | Persuasion Coaltions                             | Humble Inquiry and other Persuasion Methods;  
*FG&T Simulation:* Coaltions Dynamics | Required Reading:  
Reading Packet Chapter 3- FG&T Simulation General Instructions |                                                                            |
| 8. | July 19 | Complex Transaction Key financial negotiations | PowerScreen Simulation Debriefing; Complex Transactions, Ways to Heal The Deal.  
Scenes from a VC term sheet negotiation.  
*Reading Packet Chapter 2, I FORESAW IT 2.0: Adding Negotiation War Gaming for Superior Results*  
*Canvas-Files:*  
“Breakthrough Business Negotiation 45.pdf”  
“MedTech.pdf”  
*Recommended Reading:*  
*Canvas-Files:*  
“Manager as Negotiator 339.pdf” | Be prepared to discuss the PowerScreen simulation.  
*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.*  
*Find attached to outline:*  
The class participation self-assessment form due Class 10 anonymous additional feedback form due Class 10.  
*Pick up:* Flagship Airways General Simulation materials. |
<table>
<thead>
<tr>
<th>#</th>
<th>Date</th>
<th>Topic</th>
<th>What We’ll Do</th>
<th>Reading</th>
<th>Things To Do</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>August 2</td>
<td>Consensus; Organizational Negotiations II, Concluding Challenges</td>
<td>Video: Mitchell at Northern Ireland; Consensus Building.</td>
<td>Flagship Airways General Simulation Materials you received in Class 9.</td>
<td>Due in our Canvas drop box: Class participation self-assessment form.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Flagship Airways Simulation; Complex Organizational Talks; Closing Thoughts and Challenges.</td>
<td></td>
<td>Also due by class in our Canvas drop box: The Optional Real Life Project (See Reading Packet for details) is due in our Canvas drop box.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Due In Class: Anonymous feedback form.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Pick up Final exam.</td>
</tr>
<tr>
<td>*</td>
<td>August 9</td>
<td></td>
<td></td>
<td></td>
<td>Final exam due in our Canvas drop box. Or submit a one line memo saying you want your Optional Real Life Project to stand in for the final exam.</td>
</tr>
</tbody>
</table>
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.

Class 4 via Canvas* Self-graded assignment. Type C Assignment.*

July 10 by 11:59 p.m. via Canvas* Optional At-home Midterm – Type C Assignment.

Class 9 via Canvas Required Preparation Plan on PowerScreen simulation - Type A Assignment

Class 10 via Canvas* Optional Real Life Project - Type C Assignment.

Class 10 via Canvas Class Participation Self-Assessment Form – Type C Assignment.

Class 10 (in class) Anonymous additional feedback form

August 9 By 11:59 p.m. Via Canvas* Final exam- Type C Assignment (or submit a one line memo saying you want the Optional Real Life Project you submitted to substitute for the exam.)

*Submit in the appropriate online drop box.

Class 1 2 3 4 5 6 7 8 9 10

= 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.