Managerial Negotiations | B8510
MBA Spring 2017

Columbia Business School
**Location:** Warren 209
**Times:** Wed. 10:45 - 2:00pm, 2:15 - 5:30pm, 5:45 - 9:00pm

Professor Michael Slepian
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michael.slepian@colubmia.edu
Office Hours: By appointment

Teaching assistant: Shi Liu (SLiu19@gsb.columbia.edu)

**COURSE OVERVIEW**
For most of us, our days are filled with negotiation and conflict. They range from low stakes disputes about meeting schedules to high stakes clashes about strategic direction, and from casual debates to formal boardroom contractual agreements. Effective negotiators get the most out of disputes, not just in terms of the instrumental value they carry away, but also 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.

This course aims to help students improve their skills in two fundamental ways. One is *knowledge-oriented*: students learn frameworks and concepts for analyzing conflict. Students acquire terms and models for identifying the type of conflict that exists in a situation and the potential costs and benefits of different strategies and tactics. Based on this, students should be able to interpret situations, plan tactics, and recognize and react to their counterpart’s behavior. A second and complementary route to improving as a negotiator is *practice-oriented*: students complement their analytical tools with behavioral skills. Negotiation and conflict ultimately come down to behaviors—how a manager opens a potentially volatile conversation, how a mediator uncovers information, how a negotiator frames an offer or a concession. Practicing these behaviors, and understanding how other parties perceive and react to them, is essential to improving as a negotiator. The course provides continuing opportunities for hands-on practice and also provides feedback, discussion, and occasions for reflection.

Through role-play exercises, lecture, reading, and discussion, the course begins with basic dynamics in negotiation and adds complexity in stages, including multiple issues, multiple parties, mediation, agents, and coalitions. Some exercises involve numerical analyses, others revolve around qualitative conflicts. By the end of the course, students should be able to comfortably and confidently approach most any conflict or negotiation: analyzing its nature, understanding their own objectives, and plotting an approach that will give them the best shot at achieving their goals.

**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 steps 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.
**COURSE FORMAT**
This is a highly interactive course. It is premised on a basic assumption that understanding and appreciation of negotiations are best achieved via hands-on experiences in combination with lecture, discussion, reading, and reflection on the underlying concepts of negotiation. There will be one or more role-play exercises in nearly every class period. These exercises have been selected to help illustrate points in readings and lectures and to motivate further reflection and reading. These exercises will put you in new, and potentially uncomfortable, situations, but within the relatively safe environment of the classroom. In these exercises, you are urged to try out new and creative behaviors and tactics that have suggested themselves to you from your own reading and reflection.

**ATTENDANCE**
Because this course is so experiential, attendance at class sessions is essential to getting learning value from the course. Further, because most class sessions involve pairs or groups of students working together, absences have the potential to undermine classmates’ experience.

Thus, **attendance is required for all class sessions**. Absences will carry a grade penalty.

If you cannot attend a class session you are required to contact the TA well in advance of that session and by “advance” we do NOT mean the morning before class… this will not count as advance notice) **Any absences not reported in advance of the session are subject to a severe grade penalty.**

**READINGS**
Readings will be drawn from several books and should be read as noted in the syllabus. A handful of additional readings will also be provided on the course website.

  [NOTE: this is not the same as Lewicki, Saunders, and Barry’s volume, *Negotiation*]

**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 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.

3. 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.

4. 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, sexual harassment, or personal abuse.
Assignments and Grading System (see next page for assignment schedule summary)

(A) Attendance and Participation - see page 2 for expectations

(B) All pre-negotiation prep, and post-negotiation surveys - see page 2 for expectations

(C) Email negotiation – Upload email negotiation transcript & complete post-negotiation survey Session 6 AND by Session 7 upload email negotiation analysis, see columbia.edu/~ms4992/Teaching/email_analysis.pdf

(D) Action planning – fill out document at below link (wait until you receive your feedback report) due Session 7 columbia.edu/~ms4992/Teaching/action_planning.pdf

(Δ) Strengths/weakness reflection –2 pages, double spaced reflection strengths/weaknessed from Feedback Report. What’s going well? What can you improve and how will you do it? – due Session 10

(E) Self video analysis – see columbia.edu/~ms4992/Teaching/video_assignment.pdf due Session 10

(F) Guest speaker reflection paper –2 pages, double spaced reflection on guest speaker presentation, whatever content is most useful for you! – due Session 10 IF WE HAVE A GUEST SPEAKER

(G) Reading reflection –2 pages, double spaced reflection on any content in any reading, whatever content is most useful for you! – due Session 10

(H) Multi-party Action Planning - (must wait until after Session 10), re-do the action planning assignment (same link above for info), but now with reference to multi-party dynamics due Session 12

(I) 1-2 paragraph draft of Real-world paper idea – pages 3-4 for more details due Session 8

(J) Real-world paper – pages 3-4 for more details due Session 11

(K) Optional Final paper – page 4 for more details - due Session 11

Grading System

<table>
<thead>
<tr>
<th>MBA</th>
<th>Others</th>
<th>What you need*:</th>
</tr>
</thead>
<tbody>
<tr>
<td>H</td>
<td>A</td>
<td>4 + 2 + 2 + 1</td>
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<tr>
<td>HP</td>
<td>B</td>
<td>4 + 2 + 2</td>
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<td>C</td>
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<td>LP</td>
<td>D</td>
<td>3 + 2</td>
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<tr>
<td>F</td>
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</tbody>
</table>

* need = need, not a guarantee

- Red = Required participation and assignments – totals 50% of grade
  - participation: 30% of grade
  - assignments: 20% of grade
- Blue = Additional menu assignments
  - 15% of grade
- Green = Required 20% of grade
- Purple = Optional 15% of grade

Please see the schedule on the next page for the assignments arranged in due date order, plus more details
<table>
<thead>
<tr>
<th>Assignment</th>
<th>Format</th>
<th>Grading</th>
<th>Due BEFORE class on this session</th>
</tr>
</thead>
<tbody>
<tr>
<td>(B) Online assessment 1</td>
<td>Complete online survey</td>
<td>Required for everyone</td>
<td>BEFORE Session 1</td>
</tr>
<tr>
<td>(B) Online assessment 2</td>
<td>Complete online survey</td>
<td>Required for everyone</td>
<td>BEFORE Session 2</td>
</tr>
<tr>
<td>(B) Prepare Session 4 case</td>
<td>Upload worksheet to course website (be prepared to use in class)</td>
<td>Required for everyone</td>
<td>BEFORE Session 4</td>
</tr>
<tr>
<td>(C) Email negotiation transcript upload</td>
<td>Complete email negotiation and copy entire transcript in Word doc</td>
<td>Required for everyone</td>
<td>BEFORE Session 6</td>
</tr>
<tr>
<td>(C) Email negotiation analysis</td>
<td>Upload to course website</td>
<td>Required for everyone</td>
<td>BEFORE Session 7</td>
</tr>
<tr>
<td>(D) Action Planning</td>
<td>Upload to course website</td>
<td>Required for everyone</td>
<td>BEFORE Session 7</td>
</tr>
<tr>
<td>(I) Draft plan for real world paper</td>
<td>Upload to course website</td>
<td>Required for everyone</td>
<td>BEFORE Session 8</td>
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<tr>
<td>(Δ) Strength/weakness reflection</td>
<td>Upload to course website</td>
<td>Required for everyone</td>
<td>BEFORE Session 10</td>
</tr>
<tr>
<td>(E) Self video analysis</td>
<td>Upload to course website</td>
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<td>BEFORE Session 10</td>
</tr>
<tr>
<td>(F) Guest speaker reflection</td>
<td>Upload to course website</td>
<td>Menu assignment</td>
<td>BEFORE Session 10</td>
</tr>
<tr>
<td>(G) Reading reflection</td>
<td>Upload to course website</td>
<td>Menu assignment</td>
<td>BEFORE Session 10</td>
</tr>
<tr>
<td>(J) Real world negotiation paper</td>
<td>Upload to course website</td>
<td>Required for everyone</td>
<td>BEFORE Session 11</td>
</tr>
<tr>
<td>(B) Prepare Session 11 case</td>
<td>Upload worksheet to course website (be prepared to use in class)</td>
<td>Required for everyone</td>
<td>BEFORE Session 11</td>
</tr>
<tr>
<td>(H) Multi-party Action Planning</td>
<td>Upload to course website</td>
<td>Menu assignment</td>
<td>BEFORE Session 12</td>
</tr>
<tr>
<td>(K) Final paper</td>
<td>Upload to course website</td>
<td>If you want an H, need strong Final Paper</td>
<td>BEFORE Session 12</td>
</tr>
</tbody>
</table>
**ALL DETAILS THAT YOU NEED FOR EACH ASSIGNMENT CAN BE FOUND FOLLOWING THIS CALENDAR BREAKDOWN OF THE COURSE**

### PART 1: TWO-PERSON NEGOTIATIONS

**BEFORE SESSION 1**  
(B) Online assessment 1 (takes ~10 minutes, complete before Session 1)

**SESSION 1** (Jan 25th): Introduction  
Assignments due: (B) Online assessment 1  
Assignments given: Do Online assessment 2 before Session 2

**SESSION 2** (February 1st): Distributive bargaining  
Assignments due: (B) Online assessment 2  
Readings (read by next session): Essentials of Negotiation Ch 2 “Strategy/tactics of distributive bargaining”; Getting to Yes Ch 8

**SESSION 3** (February 8th): Integrative bargaining, Part 1  
Assignments given: Prepare Session 4 case and upload before Session 4  
Readings (read by next session): Essentials of Negotiation Ch 3 “Strategy/tactics of integrative negotiation”; Getting to Yes Ch 1-4; “Know your objectives” (Benoliel & Cashdan); “Scoring a deal” (Ames, Larrick, & Morris)

**SESSION 4** (February 15th): Integrative bargaining, Part 2  
Assignments due: (B) Session 4 case preparation, and upload model  
Assignments given: Email negotiation  
Readings (read by next session): Essentials of Negotiation Ch 11 “International/cross-cultural negotiation” “Why you need to ask” (Babcock & Laschever)

### PART 2: CONFLICT, TRUST, AND COMMUNICATION DYNAMICS

**SESSION 5** (February 22nd): Trust, cooperation and conflict  
Assignments due: (C) Complete e-mail negotiation and post-negotiation survey
SESSION 6 (March 1st): Negotiation dynamics, Part 1 (interpersonal styles and feedback)

Assignments due
(C) Upload e-mail negotiation transcript

Assignments given
Upload email negotiation analysis on Canvas.
Action Planning

Readings
(read by next session)
Difficult Conversations Ch 3-4
“Your bargaining style” (Shell Ch 1)

NO CLASS - March 8th – READING DAY

SESSION 7 (March 22nd): Negotiation dynamics, Part 2 (action planning meetings)

Assignments due
(C) Email negotiation analysis
(D) Action Planning

PART 3: BEYOND DYADS

SESSION 8
SPECIAL SESSION: Joint Negotiation Session with Columbia Law School
March 31st (FRIDAY) - 10:00 am - 1 pm

Assignments due
(I) Draft plan for real world paper

Assignments given
Self video analysis (due in Session 9)

GUEST SPEAKER (April 4th 5:45pm-7pm, Uris 142): Jeffrey Schackner (bio on last page)
Managing Director / Global Head, Consumer Products Investment Banking Citi Corporate & Investment Banking – Will present on negotiations and offer a Q&A
Rsvp here: tinyurl.com/CBS-GuestSpeak

SESSION 9 (April 5th): Mediation, Agents and third parties

Readings
(read by next session)
“Enhancing your negotiating power” (Benoliel & Cashdan); “Multiple parties, coalitions, and teams” (Thompson Ch 9); “Get all the parties right” (Lax & Sebenius); “Map the players, change the game” (Ames)

SESSION 10 (April 12th): Coalitions

Assignments due
(Δ) Strengths/weakness reflection (menu assignment)
(E) Self-video analysis (menu assignment)
(F) Guest speaker reflection (menu assignment)
(G) Reading reflection (menu assignment)

Assignments given
Prepare for Session 11 case
SESSION 11 (April 19th): Team negotiation

Assignments due

(B) Prepare Session 11 case
(J) Real world negotiation paper

Readings

Essentials of Negotiation Ch 12 "Best practices in negotiations"
Getting to Yes "In conclusion"; "A primer on personal development"
(Ames, Mason, & Carney)

SESSION 12 (April 26th): Conclusion

Assignments due

(H) Multi-party Action Planning
(K) Optional Final paper

DETAILS FOR ASSIGNMENTS

Five components make up your grade: 1) required attendance and participation, 2) required assignments, 3) menu assignments, 4) a real world negotiation analysis, and 5) a final paper.

Color coding and letter-based notation allows you to match these up to the Grading System (see page 5)

» Required participation: 30% of grade

(A) Attendance and Participation includes several components:

- Attendance at all class sessions (see notes above on Attendance)
- Active, substantive involvement in simulations (see Role Play Ground Rules below)
- Engagement, discussion, and comments in class (quality is more important than quantity)

» Required assignments: 20% of grade

Throughout the course you will be required to complete a number of assignments to enhance your knowledge of course materials, reflect on exercises, and practice your skills. Details and expectations for these assignments will be described in greater detail as the course progresses. Exercises include:

- (B) Online assessments, Pre-negotiation preparation documents, and Post-negotiation surveys
  Before Session 1, students must complete Online assessment 1, and before Session 1, students must complete Online assessment 2. For some class sessions, students will be asked to upload a document in advance of the session, relevant to planning a negotiation. After the first several sessions, students will also complete post-negotiation surveys, which will be used to generate a feedback report given in the middle of the semester.

- (C) Email negotiation. Students will engage in an email negotiation with a peer outside of class. A reflection and feedback component will follow this negotiation.

- (D) Action planning. After receiving a feedback report of the first series of negotiations, students will generate an action planning document, geared toward noting areas of strength and planning concrete specific action plans to improve weaknesses.

» Menu assignments: 15% of grade

To give students flexibility in managing their workloads and tailoring their learning experience to their needs, several assignments are offered as a menu. You need to do at least 1 for a P, and 2 for an HP

△ Strength/weakness reflection / E) Self video analysis / (F) Guest speaker reflection paper / (G) Reading reflection / (H) Multi-party Action Planning (see page 3 for guide on menu assignments)
» Real world negotiation analysis: 20% of grade

(I) Draft plan for real world paper
A paragraph or two describing your planned real world negotiation analysis is due in Session 8.

(J) Real world negotiation paper due in Session 11  4-7 double spaced pages, demarcated clearly into two sections. The paper should be broken into two sections. They should be clearly labeled.

Section 1 [description]: 1-2 pages giving details about the negotiation / conflict itself.
Section 2 [analysis] 3-5 pages providing an analysis of the negotiation (no rehashing Section 1 details)

For Section 1, you can describe a real-world “negotiation” broadly conceived, reviewing some kind of real world negotiation or conflict. The topic could be some kind of explicit transaction or deal, but could also be a qualitative dispute or conflict, or personal conflict requiring resolution. One approach would be a “real time” event that happens during the course itself, such as negotiating with an employer, bargaining with a contractor, or a personal dispute. Or it could describe something upcoming, planning for the negotiation or conflict. Or it could be something from the past, discussion of the background and context, the dynamics of the conflict or deal itself, and the consequences of the exchange. Or, you can initiate a negotiation for this assignment (e.g., negotiate a cable bill, a purchase, etc).

For Section 2, this space should be not used to rehash detail of the negotiation, but instead reserved for analysis. If it is a real-time or past negotiation, why did the conflict/negotiation unfold the way it did, what did you do well, what did you do not as well, what could you do differently next time? If it is an upcoming negotiation, what assumptions do you have? What about the other party’s assumptions? How might either be wrong? What interests are at play, and how might they look more like positions? What are the potential economic and relational consequences? What skills from the course apply to the negotiation/conflict, what lessons from the course are relevant? What good practices could be drawn for this negotiation/conflict?

(K) Final paper: 15% of grade (optional) due in Session 12. 5-6 pages, double-spaced.
This paper 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 goal of this paper is for you to walk away with a personalized how-to guide: how to negotiate different kinds of negotiations, drawing from and integrating the skills you’ve developed in the course. What are the fundamental dynamics and best practices of negotiation as they relate to your skills and weaknesses, across different kinds of negotiations. This should not be a simple recapitulation of recommendations offered in the class or readings (i.e., we will recognize if it simply a transcription of your class notes). Rather than pad the pages with definitions and paraphrased text from handouts, it should be a negotiation manual personalized for you, with meaningful reflection, synthesis, and application. (Hint: draw on your Action Planning assignment).

EXERCISES, RECORDS, 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. The data are also used in a continual process of refining exercises and developing new ones. Just as prior students have contributed to your learning experience by contributing this data, you will be
contributing to future classes by answering questions about your outcome and tactics in the course of the exercises. Identifying information is removed from the datasets after the term ends, so the records become anonymous at this point. At times in the past, faculty have drawn on these “anonymized” datasets reflecting years of classes for statistical analyses related to research hypotheses concerning negotiation dynamics. If you prefer that any records from your participation in class be deleted from datasets if they are used for any research purpose, please tell the instructor or teaching assistant and your record will be deleted after the class is complete.
### ADDITIONAL READINGS AVAILABLE ONLINE

(we might have to take these down – for any reading you can’t access please email our TA)

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Reading</th>
</tr>
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<tbody>
<tr>
<td>Benoliel, Michael and Cashdan, Linda</td>
<td>“Know your objectives” (Ch II from <em>The Upper Hand</em>)</td>
</tr>
<tr>
<td>Ames, Daniel, Larrick, Richard, &amp; Morris, Michael</td>
<td>“Scoring a deal: Valuing outcomes in multi-issue negotiations” (<em>Columbia CaseWorks</em> article)</td>
</tr>
<tr>
<td>Follett, Mary Parker</td>
<td>“Constructive conflict”</td>
</tr>
<tr>
<td>Shell, G. Richard</td>
<td>“The first foundation: Your bargaining style” (Ch 1 from <em>Bargaining for Advantage</em>)</td>
</tr>
<tr>
<td>Babcock, Linda and Laschever, Sara</td>
<td>“Why you need to ask” (Ch I from <em>Ask for It</em>)</td>
</tr>
<tr>
<td>Axelrod, Robert</td>
<td>“How to choose effectively” and “How to promote cooperation” (Chs 6 and 7 from <em>The Evolution of Cooperation</em>)</td>
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<tr>
<td>Watkins, Michael</td>
<td>“Managing conflict” (Ch 7 from <em>Breakthrough Business Negotiation</em>)</td>
</tr>
<tr>
<td>Shell, G. Richard</td>
<td>“Bargaining with the devil without losing your soul” (Ch 11 from <em>Bargaining for Advantage</em>)</td>
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<td>Malhotra, Deepak and Bazerman, Max</td>
<td>“Confronting lies and deception” (Ch 9 in <em>Negotiation Genius</em>)</td>
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<tr>
<td>Benoliel, Michael and Cashdan, Linda</td>
<td>“Enhance your negotiating power” (Ch VII from <em>The Upper Hand</em>)</td>
</tr>
<tr>
<td>Thompson, Leigh</td>
<td>“Multiple parties, coalitions, and teams” (Ch 9 in <em>The Mind and Heart of the Negotiator</em>)</td>
</tr>
<tr>
<td>Lax, David and Sebenius, James</td>
<td>“Get all the parties right” (Ch 4 from <em>3D Negotiation</em>)</td>
</tr>
<tr>
<td>Ames, Daniel</td>
<td>“Map the players, change the game: Evaluating who is—and should be—involves in deals and decisions” (<em>Columbia CaseWorks</em> article)</td>
</tr>
<tr>
<td>Ames, Daniel, Mason, Malia and Carney, Dana</td>
<td>“A primer on personal development” (<em>Columbia CaseWorks</em> article)</td>
</tr>
</tbody>
</table>
GUEST SPEAKER

Uris 142 on April 4th from 5:45 – 7:00pm.

Jeffrey Schackner
Managing Director
Global Head, Consumer Products Investment Banking
Citi Corporate & Investment Banking

An investment banker with over 15 years of experience, Mr. Schackner joined Citi in 2000 following its acquisition of Schroders and advises clients on mergers, acquisitions and strategic restructuring transactions around the world. Mr. Schackner has completed over $250 billion in transactions on behalf of his clients in North America, Latin America, Europe, the Middle East and Asia, where he resided for a period of time while at Schroders.

A selection of landmark transactions on which Mr. Schackner has advised clients includes the $8 billion acquisition of FEMSA Cerveca (Mexico) by Heineken, Kraft's $22 billion unsolicited offer and acquisition of Cadbury plc, the defense and sale of Anheuser-Busch to InBev for $61 billion, the $12 billion sale of UST Inc. to Altria following Altria's unsolicited offer and the $800 million IPO Carve-Out of Mead Johnson Nutrition Company from Bristol-Myers and subsequent $7 billion split-off.

Other transactions of note include the recent sales of Sealy to Tempur-Pedic and Peet's Coffee to JAB Holdings, the sale of privately held PBM Products to Perrigo, Bacardi Limited's 2009 recapitalization, the sale of Beam Wine Estates to Constellation Brands, the joint acquisition by Pepsico and Pepsi Americas of Sandora (Ukraine), the $2 billion restructuring of Altria's beer and tobacco holdings in the Dominican Republic, Cadbury Schweppes’ acquisition of Dr. Pepper Bottling Company, Constellation Brands’ unsolicited offer and subsequent acquisition of Vincor (Canada), Nestle’s acquisition of Uncle Toby's (Australia), Rite Aid's acquisition of the US operations of Jean Coutou and the sale of Sara Lee’s US retail coffee business to Segafredo Zanetti.

Jeffrey also advised on Fortune Brand's divestiture of Acco Brands in a Reverse Morris Trust transaction, AmBev's acquisition of Labatt from Interbrew and related transactions, the strategic restructuring and sale of Robert Mondavi to Constellation, the merger of equals among Molson and Coors and the IPO of Kraft Foods.

Mr. Schackner holds a BA from Hamilton College and received an MBA with honors from Columbia Business School. He lectures frequently at several graduate and undergraduate institutions on topics including International Corporate Finance and Negotiations. Mr. Schackner is a member of the Drawings Acquisition Committee of The Whitney Museum of American Art and a founding member of The Whitney Museum’s Artists Council. He lives in Manhattan with his wife and two children.