# MOR 569: Negotiation & Deal-Making

**Marshall School of Business**

Professor: Peter H. Kim

Office: HOH 515

Phone: (213) 740-7947

Fax: (213) 740-3582

E-mail: kimpeter@marshall.usc.edu

## COURSE INFORMATION

The purpose of this course is to understand the theory and processes of negotiation across a broad spectrum of negotiation contexts. Thus, the content is relevant to students interested in a range of topics such as management, marketing, real estate, consulting, entrepreneurship, and mergers and acquisitions.

Negotiation is the art and science of securing agreements between two or more interdependent parties who are seeking to maximize their outcomes. The central focus of this course is to understand how to analyze, plan, and act in such competitive situations.

The course will offer participants the opportunity to develop their negotiation skills experientially and to understand how to approach the negotiation process through analytical principles, techniques, and frameworks. To that end, considerable emphasis will be placed on simulations, role-playing, and debriefs.

**Course Objectives**

* To provide a broad intellectual understanding of a set of central concepts in negotiation. These concepts will be the building blocks from which we can systematically understand and evaluate a negotiation process.
* To improve analytical abilities that will help you understand and manage the behavior of individuals, groups, and organizations in competitive situations.
* To provide experience in the negotiation process and provide insight that will help you evaluate the costs and benefits of alternative actions.
* To develop confidence in the negotiation process as an effective means for managing workplace interactions and resolving conflict in organizations.

**COURSE FORMAT**

The course is built around a series of negotiation exercises and debriefings. Students are expected to be fully prepared for the exercises before negotiating them and to participate actively in the debriefings.

## COURSE MATERIALS

Fisher, R., Ury, W., and Patton, B. (1991) Getting to Yes. New York: Penguin.

Course Packet (Order Online: <http://www.universityreaders.com/students>)

Negotiation Exercises (Order Online: [https://www.negotiationexercises.com](https://www.negotiationexercises.com/Default.aspx))

## COURSE REQUIREMENTS

1. Attendance and Participation **(30%)**

**(20%)** Negotiation participation. Although there is no official attendance policy for the course, you will be assessed on the number of negotiations you complete. Your participation score for each negotiation will be based on the following criteria:

+1: Negotiated in class

 +1: Negotiated outside class (see details below)

 0: Missed (notified prior to case role assignment 🡪 see details below)

 -1: Missed (notified after role assignment, but before it is started in class)

 -3: Missed (without any prior notification)

*Negotiation Conduct*: You are expected to be on time and prepared for each negotiation you complete. Moreover, when negotiating, you must **follow all the instructions** that are provided for your role. Beyond those instructions, however, you have the **freedom to be creative** in how you interpret your role information and the kinds of strategies you employ, **provided that they do not contradict any of the explicit instructions or fundamentally alter the negotiation’s structure.** Failure to attend to these basic rules of conduct may reduce your negotiation participation score.

 *Prior Notification*: It is essential that you inform me in advance if you expect to miss any negotiation, since failure to attend a negotiation without such advance notification will significantly affect your negotiation counterparts, as well as your own negotiation participation score. The dates for each negotiation are specified in the syllabus so you can plan accordingly. **To provide prior notification of your absence, you must inform me by midnight on the last Friday before the case is scheduled to be run in class, so I can adjust the role assignments accordingly.**

 *Negotiating Outside of Class*: To complete a negotiation outside of class, you should: a) make those arrangements with students in the course on your own, b) inform me of such arrangements via email before the role assignments are made for that case **(by midnight on the last Friday before the case is scheduled to be run in class)**, and c) email the results of that negotiation to me after it has been completed. If you discover that you will need to miss a negotiation AFTER the role assignments for the case have been made, you may still negotiate the case outside of class if: a) your assigned partner(s) are willing to negotiate the case outside of class with you, b) you email me (and copy those who would be affected) before you negotiate that case to provide confirmation that all have agreed to this arrangement and that all the roles in the case will be covered in the affected pairing/group, and c) you email the results of that negotiation to me after it has been completed.[[1]](#footnote-1)

**(10%)** Class discussion. The class discussion component of your grade involves **active** participation that **contributes** to the class. Merely showing up and having read the assigned readings do not earn credit. Active participation means that you speak up in class. Whether this accomplished by answering questions, making observations, commenting on other students’ comments or challenging the instructor’s views does not matter. The second requirement is that what you say actually contributes to what is being discussed. Merely repeating comments made by other students, telling the class that you agree with what someone else said, or taking up more air time does not count. Your comments should move the discussion forward. If you are shy, prefer to sit quietly in the back, or just do not feel comfortable speaking in front of your classmates, my suggestion is that you see this class as a challenge to improve those skills.[[2]](#footnote-2)

2. Short Papers **(10%)**

**(5%)** Peer feedback paper. A 2-3 page evaluation of your negotiation counterpart (in the case assigned for Week 3) is due on Week 4. Hard copies of this feedback should be submitted both to me and your counterpart. This evaluation is assigned to **provide meaningful, personalized, and constructive feedback to your classmates and help them improve their negotiation skills**.

The following is a list of possible topics / issues that you may cover in your feedback.

1. Preparation
	* Did they prepare adequately for their role (i.e., know the content)?
	* Did they play their role convincingly?
2. Listening skills
	* How carefully did they listen?
	* Did they interrupt in ways that were frustrating?
	* Did they create an atmosphere that encouraged you to divulge your interests?
3. Communication skills
	* Did they communicate their own interests clearly?
	* How effectively / persuasively did they present their claims?
4. Critical statements or tactics that benefited or hurt the negotiation
	* Did they do or say anything that created suspicion (or put you at ease)?
	* Were there any inconsistencies or contradictions that caused problems?
5. Body language
	* (e.g., eye contact, body posture, gestures, revealing ticks)
6. Overall impressions
	* (e.g., of their effectiveness, confidence, competitiveness, cooperativeness, competence, integrity, trustworthiness)
	* Biggest strengths and liabilities
7. Suggestions for the future
	* What could they have done differently?
		+ To improve their own performance?
		+ To improve your collective performance?

**(5%)** Goals paper. A 2-3 page statement of goals for the continued improvement of your negotiation skills. This paper is due on the last day of class. You should: 1) review your negotiation and classroom experiences, 2) review your peer feedback, and 3) discuss your reactions to these experiences not only in terms of what you have achieved in this course but also in terms of what you intend to improve in the future.

3. Midterm Exam **(20%)**

 There will be an in-class midterm exam in Week 7 of the course. The exam will cover the concepts discussed in class to date, as well as the readings, and will focus on a particular in-class negotiation. The exam will ask you to demonstrate your understanding of this material and to apply the principles, concepts, and techniques we have covered to that negotiation.

4. Paper, Presentation, and Group Evaluation **(40%)**

A final paper and class presentation of that paper are due at the end of the term. The maximum length for the paper is twenty pages of 12 point, double-spaced text. You should work in groups of 4-6 (with groups of 5 preferred). For this assignment, you should analyze a recent or historical negotiation situation in which you have interest by drawing on publicly available documents. This should be a negotiation that has already been concluded or will be concluded by the time you complete the assignment. It should also be sufficiently complex so you have enough material to analyze and thereby demonstrate your ability to apply the many principles and techniques from the course to provide meaningful insight into what occurred.

A proposal for your paper topic is due for approval and feedback by Week 5.

The paper should typically begin with a couple pages to set up and describe the situation and then devote about 15 pages to a focused, thoughtful, and insightful analysis of that case using the concepts and principles that have been covered in the class. This analysis should make explicit connections to material from the course to provide meaningful insight into the events that occurred. Questions to answer during this analysis include: What went wrong/well, why? What could have been done differently? How was the process linked to the outcome?

**(10%)** Group Presentation. Grading of the presentation will focus on the clarity, style, and overall effectiveness of your presentation with regard to conveying the learning points of your group project.

**(20%)** Group Paper. Grading of the paper will focus on your ability to use concepts from class to analyze a negotiation, as described above, and offer thoughtful insights that can help readers understand the case in question.

**(10%)** *Peer Evaluation.* Evaluations of each team member’s contribution to the group project are due on the same day as the final paper deadline. A template for you to complete these peer evaluations will be posted online for you to download, complete, and submit.

## COURSE GRADING

Grades for the class will be assigned according to the percentage distribution outlined above. At any time during the semester, you may inquire about your participation scores, and I will tell you how you are doing compared to other students in the class. At the end of the semester, I look very closely at students that are close to any cutoff between two grade categories, and try to find a way to boost any such students into the higher category. Because I reserve this flexibility, you will not be able to ask me questions like "what score do I need to get on the final project to get the following grade?" Rest assured that this flexibility is not something for you to worry about, since it is designed to help students, not harm them.

Any grade disputes must use the following procedure: (1) Think hard about why you believe your grade should have been different. (2) Write down the reasons why you believe your grade should be changed. (3) Send me the written explanation via e-mail, and I will respond to it as quickly and fairly as possible.

*One final note*: I will not accept 'retroactive excuses' from students. By this, I mean students bringing up ameliorating circumstances to justify their poor performance at the **end of the semester**. If there are unique or unusual circumstances that prevent you from doing as well as you normally might (e.g., illness or death in your family, a mental or learning disability, a struggle with chemical dependence), you must inform me **as early in the semester as possible**. I make no promises about what would be done, but I encourage you to communicate any problems to me so we can explore options.

## Students with Disabilities

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs ([www.usc.edu/disability](http://www.usc.edu/disability)). DSP provides certification for students with disabilities and helps arrange the relevant accommodations.  Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776.  Email: ability@usc.edu.

Viewing of your negotiation tapes

ELC tapes are stored at JKP 201K. At JKP, there is one dubbing station in JKP 201K, and another in the Dean's Boardroom. Viewing (not dubbing) can also be done in the JKP ELC rooms on the second and third floors. These rooms are first come-first served, unless a reservation was made online 24 hours in advance.

**No recording and copyright notice**

No student may record any lecture, class discussion, or meeting with me without my prior express written permission. The word “record” or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. I reserve all rights, including copyright, to my lectures, course syllabi and related materials, including summaries, PowerPoints, prior exams, answer keys, and all supplementary course materials available to the students enrolled in my class whether posted on Blackboard or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites.

**Academic Conduct**

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, “Behavior Violating University Standards” <https://policy.usc.edu/scampus-part-b/>.  Other forms of academic dishonesty are equally unacceptable.  See additional information in *SCampus*and university policies on scientific misconduct, [http://policy.usc.edu/scientific-misconduct](http://policy.usc.edu/scientific-misconduct/).

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* ([http://equity.usc.edu](http://equity.usc.edu/)) or to the *Department of Public Safety* (<http://dps.usc.edu/contact/report/>). This is important for the safety of the whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. *The Relationship and Sexual Violence Prevention and Services Center (*[*https://engemannshc.usc.edu/rsvp/*](https://engemannshc.usc.edu/rsvp/)*)* provides 24/7 confidential support, and the sexual assault resource center webpage ([http://sarc.usc.edu](http://sarc.usc.edu/)) describes reporting options and other resources.

**Support Systems**

*Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call*

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.<https://engemannshc.usc.edu/counseling/>

*National Suicide Prevention Lifeline - 1-800-273-8255*

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.[http://www.suicidepreventionlifeline.org](https://urldefense.proofpoint.com/v2/url?u=http-3A__www.suicidepreventionlifeline.org_&d=DwMFAg&c=clK7kQUTWtAVEOVIgvi0NU5BOUHhpN0H8p7CSfnc_gI&r=_36nnFETM-Q6pZ6iq9FbkRLnOqB2hAKf3hpB7emICZo&m=E2UsZJRCMqi9OEfKUeqk9Y1uY3eDgl_cjSeDni9P-3s&s=twu831aNHupJnoiSEzsXZ1lmq9yCzJvEv35V5v5dYAY&e=)

*Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call*

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

*Sexual Assault Resource Center*

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website:<http://sarc.usc.edu/>

*Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086*

Works with faculty, staff, visitors, applicants, and students around issues of protected class.<https://equity.usc.edu/>

*Bias Assessment Response and Support*

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response.<https://studentaffairs.usc.edu/bias-assessment-response-support/>

*Student Support & Advocacy – (213) 821-4710*

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic.<https://studentaffairs.usc.edu/ssa/>

*Diversity at USC –*<https://diversity.usc.edu/>

Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

# COURSE OUTLINE

# Week 1. Aug. 24 Introduction to Negotiation

 Read: Getting to Yes by R.Fisher, W.L.Ury, & B.Patton (entire book)

Class: Introduction to Course

 Discuss “Getting to Yes”

**Week 2. Aug. 31 Distributive Negotiations**

 Read: Manager as Negotiator by D.A.Lax & J.K.Sebenius

* Claiming Value (pp. 117-139)

Class: Negotiate Bio-Pharm Seltek

 Debrief Bio-Pharm Seltek

**Week 3. Sept. 7 Mixed-Motive Negotiations**

 Read: Manager as Negotiator by D.A.Lax & J.K.Sebenius

* Creating Value (pp. 88-102)

Class: Negotiate New Recruit

 Debrief New Recruit

**Week 4. Sept. 14 Negotiation Strategy**

 Submit: Peer feedback paper

 Read: Getting (More of) What you Want by M.A. Neale & T.Z. Lys

* Mapping Out the Negotiation (pp.57-78)

 Class: Negotiate Texoil

 Debrief Texoil

# Week 5. Sept. 21 Dispute Resolution

 Submit: Paper Topic

 Read: “Influence without Authority” by A.R. Cohen & D.L. Bradford

Getting Disputes Resolved by Ury,W. L., Brett,J. M. & Goldberg,S. B.

-Three approaches to resolving disputes: Interests, rights, and power. (pp. 3-19)

 Class: Negotiate Viking (ELC)

 Debrief Viking

**Week 6.** **Sept. 28 Leverage**

 Read: Getting Past No by W.Ury

* Don’t React: Go to the Balcony (pp.31-51)

Bargaining for Advantage by G.R. Shell

* The Hanafi Hostage Situation (pp.94-113)

 Class: Negotiate Chestnut Drive

 Debrief Chestnut Drive

 Preview Midterm Exam

**Week 7. Oct. 5 Midterm Exam**

 Read: No reading assigned

 Class: Negotiate Brookside (ELC)

 Midterm Exam

**Week 8. Oct. 12 Real-World Case Analysis #1**

Class: Watch “Final Offer”

Analyze “Final Offer”

# Week 9. Oct. 19 Agency and Ethics

 Read: “When Should We Use Agents?” by J.Z. Rubin & F.E.A. Sander

 Bargaining for Advantage by G.R. Shell

* Bargaining with the Devil without losing your soul (pp.201-214)

 Class: Negotiate Bullard Houses

 Debrief Bullard Houses

**Week 10. Oct. 26 Cross-Cultural Negotiations**

 Read: Negotiating Across Cultures by R. Cohen

* Prelude: The Astoria Affair (pp.3-8)

“Negotiating with Foreigners” by N.J. Adler (pp.156-184)

Negotiating Globally by J.M. Brett

* Negotiation and Culture: A Framework (Ch.1, pp.6-23)

 Class: Negotiate Alpha Beta (ELC)

 Debrief Alpha Beta

**Week 11. Nov. 2 Multi-Party Negotiations**

 Read: “Get Things Done Through Coalitions” by M. Vanover

 Getting (More of) What You Want by M. Neale & T.Z. Lys

* Multi-Party Negotiations (pp.183-196)

 Class: Negotiate Aussie Air (ELC)

 Debrief Aussie Air

**Week 12. Nov. 9 Group Presentations**

Class: Group presentations

 Group project time

# Week 13. Nov. 16 Group Presentations

 Class: Group presentations

 Group project time

**---------------------------- Nov. 21 / 23: No Class – THANKSGIVING ----------------------------**

**Week 14. Nov. 30 Real-World Case Analysis #2**

 Submit: Goals Paper

Class: Watch “American Dream”

 Analyze “American Dream”

# Week 15. Dec. 7 Final Paper and Peer Evaluation Form Deadline

 Submit: Final Paper & Peer Evaluation Form

1. If necessary, negotiations outside class may be conducted via Skype or telephone. However, this should be kept to a minimum, given that this can limit the nature of your negotiation and provide a less beneficial experience. [↑](#footnote-ref-1)
2. Students who accommodate classmates by negotiating a case with them outside of class, but who are still able to attend the class themselves, may either observe others negotiating the case during the negotiation phase of the class session or arrive to class later, just before the case debrief. [↑](#footnote-ref-2)