

# MOR 569: Negotiation & Deal-Making

## Marshall School of Business

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### COURSE INFORMATION

The purpose of this course is to understand the theory and processes of negotiation as it is practiced in a variety of settings. The course is designed to be relevant to the broad spectrum of negotiation problems that managers face. Thus, the content is relevant to students interested in a wide variety of topics such as marketing, real estate, consulting, entrepreneurship, and mergers and acquisitions. In addition, the course will emphasize negotiations that occur in the daily life of the manager.

A basic premise of the course is that while managers need analytic skills to discover optimal solutions to problems, a broad array of negotiation skills is needed to get these solutions accepted and implemented. The course will allow participants the opportunity to develop these skills experientially and to understand the negotiation process via useful analytical frameworks. Considerable emphasis will be placed on simulations, role-playing, and cases.

Negotiation is the art and science of securing agreements between two or more parties who are interdependent and who are seeking to maximize their outcomes. The central issues in this course deal with understanding the behavior of individuals, groups, and organizations in the context of competitive situations.

#### 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: <https://store.cognella.com/17653>)
- Negotiation Exercises (distributed in class)

## COURSE REQUIREMENTS

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

**(20%) Negotiation Participation.** This course has a strict attendance policy. You must provide prior notice to the instructor if you have to miss a negotiation. If you do not provide such notice, this can create major coordination problems that can disrupt the class. Thus, if you miss a negotiation without prior notice to the instructor, you will be penalized in the final grading of the course. Even if you do provide prior notice, but miss multiple negotiations, you may also be penalized.

This syllabus contains the dates for all negotiation exercises. This schedule will not be changed. If you need to miss an exercise, please refer to the latest version of the posted role assignments for that case, contact your assigned partner(s) to see if alternative arrangements can be made for negotiating the case [i.e., either with those partner(s) or with other classmates who have been assigned the requisite role(s) and who would be willing to switch with your assigned partner(s)] and inform me via e-mail regarding the outcome of these efforts. **You must notify me of your absence from class and any arrangements you have made with regard to this absence at least 24 hours before the start of class so I can make the necessary classroom adjustments. Then, after the negotiation has been completed, you must confirm this by emailing me the results of that negotiation (with your counterparts copied on the email message).**<sup>1</sup> Please note that I will not match up students for the purposes of making up an exercise. Such arrangements will be your responsibility.

*Negotiation Preparation and Conduct:* You are expected to be on time and prepared for each negotiation you complete. Because I try to observe as many negotiations as possible when they occur in class, it is often quite obvious when a student is not prepared. Moreover, lack of preparation can impair how the negotiation is conducted and harm your negotiation partner's experience as well as your own. Thus, it is imperative that you have read through and planned how you would approach the negotiation in advance. Moreover, you must **follow all the instructions** that are provided for your role. However, you do have **freedom to be creative** in how you interpret this 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.

**(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, responding substantively to 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.<sup>2</sup>

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<sup>1</sup> 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.

<sup>2</sup> Students who accommodate their 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 for just the case debrief.

## 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. You do not need to touch on each of these issues. Instead, the goal is to focus on issues for which substantive and detailed feedback would be most helpful to your counterpart.

- a) Preparation
  - Did they prepare adequately for their role (i.e., know the content)?
  - Did they play their role convincingly?
- b) 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?
- c) Communication skills
  - Did they communicate their own interests clearly?
  - How effectively / persuasively did they present their claims?
- d) 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?
- e) Body language
  - (e.g., eye contact, body posture, gestures, revealing ticks)
- f) Overall impressions
  - (e.g., of their effectiveness, confidence, competitiveness, cooperativeness, competence, integrity, trustworthiness)
  - Biggest strengths and liabilities
- g) 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](mailto: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>.

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>) 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/>) provides 24/7 confidential support, and the sexual assault resource center webpage (<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>

*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/>*

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

## COURSE OUTLINE

**Week 1.      Aug. 23 or 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. 30 or 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. 6 or 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. 13 or 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. 20 or 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 Investments  
                     Debrief Viking Investments

**Week 6. Sept. 27 or 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. 4 or 5 Midterm Exam**

Read: No reading assigned

Class: Negotiate Brookside  
Midterm Exam

**Week 8. Oct. 11 or 12 Real-World Case Analysis #1**

Read: Beyond Reason: Using Emotions as you Negotiate by R. Fisher & D. Shapiro  
- Emotions are Powerful, Always Present, and Hard to Handle (pp.3-14)  
- Address the Concern, Not the Emotion (pp.15-21)

Class: Watch "Final Offer"  
Analyze "Final Offer"

**Week 9. Oct. 18 or 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. 25 or 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  
Debrief Alpha Beta



**Week 11.      Nov. 1 or 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  
                     Debrief Aussie Air

**Week 12.      Nov. 8 or 9      Real-World Case Analysis #2**

Read:            Getting (More of) What you Want by M.A. Neale & T.Z. Lys  
                     - The Power of the Future (pp.126-135)  
                     “Getting Past Yes: Negotiating as if Implementation Mattered” by D. Ertel

Class:            Watch “American Dream”  
                     Analyze “American Dream”

**Week 13.      Nov. 15 or 16      Group Project Work Day**

Class:            Work on Group Projects

----- Nov. 22 or 23: No Class – THANKSGIVING -----

**Week 14.      Nov. 29 or 30      Group Presentations**

Class:            Group presentations

Turn in:          Goals Paper

**Week 15.      Dec. 6 or 7      Final Paper and Peer Evaluation Form Deadline**

Submit:          Final Paper & Peer Evaluation Form