

Kellogg Graduate School of Management – Northwestern University School of Law
Joint Negotiation Workshop (OBD70-72)
Winter 1998

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COURSE INFORMATION

The purpose of this course is to develop expertise in managing the transactional and dispute resolution negotiations that occur in a variety of different business and legal settings. The course is designed to be relevant to the broad spectrum of negotiation problems that are faced by lawyers and managers. A basic premise of the course is that although lawyers and managers need analytical skills to discover optimal solutions to problems, a broad array of negotiation skills is needed to get these solutions accepted and implemented. In this course students will develop these skills experientially, by preparing for and simulating a variety of negotiations, and then by analyzing their own and their classmates' negotiation outcomes and strategies.

- o 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 of this course deal with understanding the behavior of individuals, groups and organizations in the context of competitive situations. The following is a partial list of course objectives: J To learn to develop a strategic plan for negotiating. This objective is paramount because many of the important phenomena in negotiation, e.g., interests, power, fairness are ambiguous and often do not have "right" answers - | we cannot teach a set of formulas that will always maximize your profit (although they might help).
- o To give you an organized, theoretically based framework with which to analyze negotiations - one that will help you keep learning from your experiences. The framework is based on a set of negotiation concepts. These 1 concepts are the building blocks of negotiation strategy and will become integral to planning for negotiations, negotiating, and evaluating the negotiation process.
- o To develop confidence in your skills to negotiate beneficial transactions and to resolve disputes.
- o To improve your analytical abilities for understanding the behavior of individuals, groups, and organizations in competitive situations.

COURSE FORMAT

The course is built around a series of negotiation exercises and debriefings. Almost all exercises require preparation in advance. Some exercises require students to meet outside of class to prepare as a team. Students are expected to be fully prepared for exercises prior to class and to participate in the debriefings.

Because the Law School is on the semester system and Kellogg on quarters, Kellogg students will begin meeting on January 6, one week before law students; law students will have their last meeting on March 24, one week after Kellogg students. Law students will also have additional classes on January 26 and March 2.

Beginning January 13, classes will be held at the Law School in the Rubloff Building, Room 150.

Professor Goldberg will be responsible for law students' grades, Professor Brett, for Kellogg students' grades. Both professors and the teaching assistants will be available for student feedback.

Professor Brett will be in the classroom, and Professor Goldberg in his office at least 30 minutes prior to class.

COURSE MATERIALS

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

Case Packet - may be purchased in Abbott Hall as Kellogg course pack OBD70-72.

Handouts - Packets of exercises for the remaining cases will be handed out January 27. If you are missing or lose an exercise or handout, please contact the course assistant, Melissa Cryder, 312-503-0090.

COURSE REQUIREMENTS

1. Attendance and Participation (30%)

(5%) a. A one to two page statement of goals for yourself in the class. Discuss your negotiation strengths and weaknesses with respect to the ideas in Getting to Yes. Set some specific goals. These are due on January 13 for Kellogg students, January 20 for law students, with passport size photo. (You may Xerox your driver's license).

(20%) b. Your participation in the exercises and contribution to the debriefing discussion.

This class has an attendance policy: You may miss one negotiation exercise without penalty if you provide advance notice to the instructor. If you miss a second exercise, you will lose a letter grade. If, in conjunction with any miss, you do not provide advance notice, you will lose a letter grade. Please inform your respective professor as soon as possible in advance of class, so that arrangements can be made to minimize the effect of your absence on your negotiation partners.

(5%) c. A one or two page statement of goals for continued improvement of your negotiation skills after the conclusion of this class. Due March 17 (Kellogg students), March 24 (law students). You should review your class notes and your January goals statement before writing this paper. What have you accomplished in terms of the goals you set in January? What do you need to continue to work on? .

2. Midterm Exam

(35%) There will be an exam in class on March 3. The exam will cover the concepts discussed in class and the readings, and will focus particularly on the Mouse exercise. The exam will ask you to apply the course concepts to the exercise. Therefore, for the Mouse exercise, and only this exercise, it will be considered an Honor Code violation to discuss the exercise with your partner or any one else AFTER completing the exercise and before taking the midterm exam. Discussion with members of the group BEFORE the exercise is all right. 3. Paper A final paper is due March 17 (Kellogg students), March 24 (law students). The paper should be (35%) about 10 pages of analysis. You may work in small groups of 2-3 people, or alone. You may choose a format from below, or you may negotiate an alternative format with Prof. Brett or Prof. Goldberg. a. Analyze a negotiation situation about which you have personal knowledge, or have access to participants. b. Analyze a negotiation situation in which you have interest, but will have to use publicly available documents. c. Write a negotiation exercise, run it, edit it, and write a debrief outline. Please turn in a paragraph statement of your topic for approval and help by January 27. | Papers in formats (a) and (b) usually take a few pages to set up and describe the situation.

Such papers then concentrate on analysis. What were the parties interests, what went wrong/well, why? What could have been done differently? How was the process linked to the outcome? Use course concepts in your analysis. Papers in format (c) most often founder when the focus is the situation, not a negotiation learning point. Pick your learning point(s) when you pick your situation. Try not to make the exercise too complicated. If you are relying on a real situation, it is OK to depart from the real facts of the case || in order to make it a better learning exercise. Grading will focus on your ability to use concepts from class to analyze a real-world negotiation situation. 3. Journal (Law students have the option of keeping a weekly journal in lieu of a final paper) (3 5%) If you choose to keep a weekly journal, instead of writing a final paper, there should be a journal entry (maximum two double-spaced pages) for each exercise. You should also comment on any class discussion that particularly interested you (maximum two double spaced pages). Your journal entry for each exercise should include:

- o What occurred in the exercise that surprised you.
- o What you learned from the exercise.
- o What, if anything, you would do differently if you did this exercise again. What, if any, problems there were with the exercise.
- o The journal should not be primarily an account of what you did, but rather of what you thought about during and after the negotiation.

Your journal is to be handed in three installments. The due dates are January 27, February 24, 1 and March 24. Put your name and mail box number on the cover page. Hand in the original, keep a copy for yourself. Journals must be typed.

HONOR CODE

For most negotiations you will have both general (shared) and confidential information for your role only. You may disclose to other negotiators the information in your confidential role instructions, if you wish, but you may not show your confidential information to any other negotiator, even a teammate, until the negotiation is completed. When the negotiation is completed, you may share your confidential information, but you are not obliged to do so. NOTE: you may not discuss the outcome or share confidential information about the Mouse exercise until after the exam.

The information that you need to negotiate the exercises is in the materials. You should not make up facts that improve your bargaining position. If, however, you are asked a question calling for information not contained in your confidential instructions, you should say 'Y don't know.'

Course Outline Jan. 6 Employment Negotiation (Kellogg students only) Class: o Video o Strategies for Managing Employment Negotiations Jan. 13 Introduction to Negotiation

Read: o Fisher, Ury & Patton, Getting to Yes (all) The Pros and Cons of "Getting to Yes" Class: o Introduction to joint course Negotiate: Texoil (I x 1) Debrief Texoil

Turn In: o Goals statement, photo (Kellogg students) Distribute o Valdez v. Allowavs Garage (law students only: negotiate prior to Jan. 26) Jan. 20 Negotiation Strategy.

Read: o Managing the Negotiators Dilemma Thinking Rationally about Negotiation I Rational Strategies for Creating Integrative Agreements Class: o Negotiate Cartoon (2 x 2) o Debrief Cartoon Turn In: o Goals Statement, photo (law students)

Jan. 26 (12:10 p.m.) Debrief Valdez (law students only) Jan. 27 Ethics in Negotiation

Read: o When Should We Use Agents? Ethics and Bargaining o When is it Legal to Lie in Negotiations?
Class: o Negotiate Bullard Houses (2 x 2) Debrief Bullard Houses Turn In: One paragraph on your paper topic, or first installment of your journal (law students only). (Re-read Page 3 before turning in your journal or paper topic.)

Feb. 3 . Power in Negotiations

Read: Interests, Rights and Power Arguing Excerpts from Getting Past No Negotiate Chestnut Drive (groups of 6) Debrief Chestnut Drive

** (Law students only) Name, firm name, address, phone and fax number of Nam Choi lawyer.

Feb. 10 Dispute Resolution Read: o Dealing From Strength Negotiate Rapid vs. SCOK (2 X 2) Exam
Feb. 17 Third Parties in Dispute Resolution

Read: Mediation Class: Debrief Rapid vs. SCOK and exam Negotiate Santara vs. Kessell (groups of 4)
Negotiate Amanda (same groups of 4) Debrief Santara and Amanda

** Law Students: Negotiate Nam Choi v. Austin Medical School with attorney by March 2.

Feb. 24 Third Parties (continued); Egocentric Bias

Read: o Chapters from Bazerman and Neale Class: o Video: Prosando v. High Tech Negotiate Club West (2 X 2) Debrief Club West (2 X 2) Turn in: o Second installment of journal (law students only). (Re-read Page 3 on journal requirements before turning in your journal.)

March 2 Nam Choi Debrief (law students only) (12:10-1:00 p.m.) March 3 Cross Cultural Negotiations

Read: o Negotiating Group Decisions Negotiating with Foreigners Rethinking the Culture-Negotiations Link Class: o Negotiate Mouse (Groups of 6) Debrief Mouse

March 10 Negotiating with Objective Standards

Class: o Negotiate Mapo (2 X 2) Debrief Mapo Course wrap-up Law students only: Write a one-page paper setting out any questions you have ~ about negotiation theory or practice that were not answered to your satisfaction in ' this course. What question would you most like the instructor to discuss in the final class meeting? This paper is to be typed and turned in before 5:00 p.m., Friday, March 13, to Melissa Cryder, Room 273, McCormick. (Note: Do not write your name directly on the paper, but attach a piece of paper or post-it with your name on it.)

March 17 Kellogg students only Turn in: Goals paper o Final paper March 24 Final Class (law students only) Class: o Discuss student questions

Turn in: o Final installment of journal or final paper. These must be submitted in h py e-mail. (Re-read Page 3 before turning in your final journal or paper.)