

AMEM22 INTRODUCTION TO NEGOTIATION

1. A STRATEGIC PLAYBOOK FOR BECOMING A PRINCIPLED AND PERSUASIVE NEGOTIATOR

UNIT-1 INTRODUCTION / WHAT IS THE PIE?

- 1.1 I've promised that this course will help you be a better, smarter, more strategic negotiator.
- 1.2 To do that, we begin by laying a foundation for negotiation, a theory of the "pie." Over the years, I've discovered even the most experienced negotiators tend to lack a framework that grounds their approach to negotiation.
- 1.3 While some folks try to bully their way to a larger share, most people make arguments that sound fair to them.
- 1.4 But what sounds fair to them often doesn't sound fair to the other side.
- 1.5 Their criteria for what's fair may be biased in their favor.
- 1.6 The theory of the pie is useful because it doesn't depend on which side you are taking.
- 1.7 It provides principles that will change the way you approach negotiations- in this course and in life. It will allow you to make arguments that persuade others.

UNIT-2 NEGOTIATION CASELETS

- 2.1 You've got the theory. Now let's use it. I'll show how the pie framework applies to some mini cases, or caselets.
- 2.2 The Merger Case considers how the synergy gains from a merger will be shared by the two parties.
- 2.3 While this is still a stylized case, you'll see how it directly applies to some very real merger negotiations. "Start By Asking" shares a salary negotiation done by one of my students and provides a chance to introduce the idea of one's reservation value, or BATNA.
- 2.4 You'll also learn why it's best to never say no. We end the week with our first interactive exercise—the Ultimatum Game.
- 2.5 Here you have an opportunity to negotiate with your fellow classmates and with me.

UNIT-3 ZINCIT CASE

- 3.1 The Zincit case provides an opportunity to discuss a wide-ranging set of topics including how to prepare for a negotiation, making ultimatums, alternating removals, avoiding regret, expanding the pie, and dealing with someone who has a very different perspective on the world.

UNIT-4 OUTSIDER CASE

- 4.1 Our second case study is more difficult.
- 4.2 Here each party has some hidden information to which the other is not privy. Much like real life, neither party has enough information to figure out a solution on his or her own.
- 4.3 Sharing and revealing information thus becomes a critical part of the negotiation.
- 4.4 What should each party share? What should they keep to themselves? This case provides an opportunity to discuss critical questions around revealing information, along with some

negotiation tactics: who should make the first offer, what the first offer should look like, and how you should respond to threats.

UNIT-5 ADVANCED TOPICS

- 5.1 This module is a collection of short lessons.
- 5.2 We cover everything from negotiating when you have no power to negotiating over email.
- 5.3 There is a test-taking detour, showing how the game theory approach we use in negotiation can help you (or your kids) do better on standardized tests.

UNIT-6 LINDA BABCOCK: ASK FOR IT

- 6.1 In this module, we are joined by Professor Linda Babcock, the James M. Walton Professor of Economics at Carnegie-Mellon University and a world-renowned expert on negotiation.
- 6.2 Her specialty is the role of gender differences in negotiation. She is the coauthor of many well-cited journal articles and two award-winning books: *Women Don't Ask* and *Ask for It*.
- 6.3 In a series of presentations, Linda puts some dollars and cents on the value of asking, shows you how to prepare and then how to ask. The value of this material isn't just for women.
- 6.4 We can all learn how to better prepare for a negotiation, be soft in style and hard in substance, and aim high without crashing.
- 6.5 As a bonus section, Ayana Ledford, the Founding Executive Director of PROGRESS at Carnegie-Mellon University, explains how they are teaching negotiation to teens as a life skill.

UNIT-7 HERB COHEN: YOU CAN NEGOTIATE ANYTHING

- 7.1 In this module, we are joined by Herb Cohen. Herb is a negotiation sensei, and we are fortunate to have his insights.
- 7.2 He is the author of two classics in negotiation: *You Can Negotiate anything* and *Negotiate This!*

UNIT-8 JOHN MCCALL MACBAIN: THE CONSUMMATE DEALMAKER

- 8.1 In 1987, John purchased a classified advertising magazine in Montreal called *Auto Hebdo*, the first of what would become a worldwide portfolio of *Auto Trader*, *Buy and Sell* and other classified ad papers.
- 8.2 Over the next twenty years, he purchased some 500 papers and websites literally all around the world- China, Russia, Poland, Australia, Columbia, Sweden, Hungary, Italy, Canada, Argentina, and Brazil. He sold the business, bought it back, took it public, and then ultimately maximized shareholder value by selling off the whole business in five pieces.
- 8.3 He is now a philanthropist focused on education. I've known John for 35 years, ever since we were classmates at Oxford. And I had a front row seat to his deal making as I served on the board of his company, *Trader Classified Media*.
- 8.4 His papers were all about buying and selling, but when it comes to buying and selling, there's no one better. He exemplifies principled negotiation. You are in for a special treat.

Reference Book:

- 1. Barry Nalebuff, Milton Steinbach Professor, Yale University