

# The opera case negotiation

Business



Business Negotiations Summary of My negotiation from the Opera-case and how I think it was different from other cases The Opera case was a case about relationship and reputation, it made the negotiation a little bit different. We discussed the case in a more open way and were really honest to each other, we also applied many of the things we had learnt from the book and classes. When I compared with other cases I could see how we negotiated in a less stressful way and did focus on the problem and not on positions. And I think we learnt a lot of things for the following cases that ended up more open and with a focus on the problem.

My negotiation from the Opera-case and how I think it was different from other cases At first I thought it should be like the other cases but when I started to read I understood that the deal was not really about money it was more about a relationship and reputation. Our Negotiation We started the negotiation with a discussion over the problem, the Opera needed a singer and Sally Soprano needed a job. Both of them have some wishes and we tried to solve them in the best way we could during the short time we had to negotiate. We started a really open negotiation as both parts really wanted to have a solution to the problem. We also talked about different requirements and solutions. I could really feel that both of us had learnt new things from the classes that we used in the negotiation as we did a more relevant discussion and listen to the other persons opinion.

We discussed the case and came to some conclusions. The Opera really wanted Sally for the role and Sally really needed a job as she was having a hard time with her career. We talked about the what salary she had got earlier for the same role, what Mrs Risingstar would have got and what the

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other singer, who was really inexperienced, would have got. As the negotiation was just a short time before and it takes long time to teach a new singer, did the Opera not have many options, well they could cancel the show but that option was not really in their mind. Sally did not have a job and, she was starting to get old and had problems with her career so she was really interested in the job and she had worked with the Opera earlier.

We discussed it a bit and my partner was really friendly and we talked openly about the case and how the different solutions could affect both parts. The Opera was willing to 45 000, but a salary that high could be a problem in the future when other singers would require the same salary, a way to low salary would give them a bad reputation among other singers. Mrs Risingstar did not have a job but she knew what she did get the last time for the same role (26 000) and the salaries had increased since then. In the end we decided to give her 32 000, Mrs Risingstar would have got 30 000, and well she was a star but in the same time Sally Soprano was an old star and this was just a short time before the first performance. It was a big risk for the Opera, as they do not know if her voice will work the whole season.

In after hand we might have negotiated a little bit different and I might have had required, as the Opera, to give her a base salary and the more if the audience would be sufficient. Application of the book To evaluate the negotiation according to the book I will start from the beginning and discuss some parts from each chapter where I find things I do recognize from the negotiation or things that I afterwards thought we should have used more.

To start from the beginning we talked about positions. I can imagine that this is more an issue when it comes to real negotiations, as we are not that

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involved in the companies and we are students, even if we should try to act as the person in the company, we do not get the same feeling. As students we see each other as equal and especially as you do not know each other from before you do want to be nice and respectful to get new friends. We tried to act as much as we could to find our self in the positions, but it was noting that affected the negotiation.

I think the absent of bargain over positions was also thanks to the case, both parts needed a solution and did not win anything of being stubborn and unreasonable. The case was also an on-going relationship that both sides did care about. When it comes to the problem id we discuss about it really good, we did not discuss our relationship or any other thing, we did just concentrate on the problem which also resulted in that we came to an agreement quite fast. We did discuss both sides interest in the negotiation and we were really honest to each other. We decided to solve it together and started to discuss our options.

We came to a conclusion that both of us wanted to make an agreement, as the Opera wanted Sally and Sally really wanted to help the Opera. But then did we just discuss the price that would be fair for both parts. What I missed afterwards was that we could have solved it in different ways, we did just focus on one amount of money, we did not talk about what would happened if we did not sell the tickets or if we had to do extra marketing when we changed the singer. I saw that some other groups did this and that would have been a good option, even though you can always ask about how much different those money should do if the Opera did not sell enough tickets, as it would not be any bigger sums of money. One thing we did discuss much

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when we came to an agreement was that it should be a fair agreement, I felt as the negotiator for the Opera that they should pay Sally a proper salary. We discussed what salary she had got before and how much the salaries had increased the last years.

Me as the Opera did also think about the reputation of the Opera and what could be fair as it was just a short time left before the first performance. In my opinion I think both parts had power in different ways, even though the power of the Opera was a little bit higher. Sally could have required a higher salary but she did also risk that she would not get any job, and the Opera could have offered her a much lower salary but could also have risked that she did not want the job and in that case they would have had the options of taking the other inexperienced girl or cancel the show. I had in that case a clear bottom-line of what could happen if we did not find a singer but I also had an upper limit of maximum 45 000. That was also my BATNA and I tried to make the best of it, as I did also know what salary we had offered Risingstar and approximately how much we should offer the inexperienced girl is made it a little bit easier to offer a fair salary.

I did also know a little bit about the other side's BATNA, I had a feeling about that Sally did not have a job and really wanted the job. It also made me feel that I had more power, but it is hard to be sure about it because the other side can surprise you. As Sally contacted the Opera to see if they wanted help, I see that as a sign that she was willing to discuss this. Of course she could have offered to play the role for no less than a sum of money, but she did not and we could negotiate in a really good way. Of course the Opera could also have been more stubborn and just offered her one salary and

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noting more than that without any discussion, but they did not either and the artistic director really wanted Sally so he wanted to negotiate with her.

When it comes to using dirty tricks I think people do it in the class but I think it happens much more outside and to a higher grade, I can just take a look at myself and my experience. I use much more dirty tricks when I negotiate with someone I do not know at all and I do not care about our relationship because I will probably never meet the person again, or it is a friend of mine that I might know use some dirty tricks so I will do the same. In the class you always want to be nice and respectful to your classmates, even if some tricks are of course ok to use, but you do not want to be rude or offend anyone. I think the reason for that is that we are not in a safe environment, in the sense of our friends in the same way we are at home. In the case you can get an advantage if you study the case really good, but it is hard to get more information about the company and things you can usually find out in real life.

During our negotiation I could probably have played a much harder game, as I knew that Sally would probably have taken a lower offer, but I wanted it to be fair, as we did know her from before and for the reputation of the Opera. Even if the paper about the case says that it does not disclose the compensation of its performers would Sally probably have told people outside if they would have offered her a really bad salary, and the Opera would not have been able to do anything about that. Differences from other negotiations I saw a big difference how I negotiated on this case and also when I talked to my friends they seemed to have been more respectful to each other in this case. In our first case about the Law firm we did not have

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any experience or knowledge how to negotiate. I felt that everyone just tried to get as good price as possible without any respect to the other part.

We did just talk about the price without any discussion about our problems and how we could have solved them together. We attacked each other and did try to protect our position. We were not open-minded at all and just tried to hide the information from each other. The negotiation went on in a hard game with both sides wanting to win. The focus was not at the problem, it was just on the position and the price we were willing to agree on. Our negotiation went on like you negotiate with a seller in a market, you do not care about any relationship as you will probably never meet him again and you just care about getting what you want as cheap as possible and no other options is interesting.

We did maybe the most common fault in the first negotiation; we did just focus on one thing, the position, and did not care about the problem. And I have seen similar things in other occasions also, when we had the Batia and Alba negotiation many of the teams did just focus of winning over the other team and not about making as much profit as possible, and the teams also had big problems to trust each other. But in the same time, these cases have been different. The one about the Law firm was different from the Opera case in the sentence that the seller just wanted to get rid of the books and the buyer did not necessarily need to buy them. There was no on-going relationship, which made it more to a competition of just getting as good price as possible.

When it comes to other cases like the Hacker-Star or the Construction of the Bunyonville, I think we had learnt more and were not that stressed out about the whole negotiation situation. We discussed more relaxed and open-minded, maybe because the role in the cases were not any person in the company either, we were just related to the case in some other way, an old friend of one part or the bank giving loans to the company doing the project. We had listen to the other side and discuss the case in an open way to come the best possible agreement. In these to cases we were more objective also as we were not part of the company and it made it easier to understand the other side. Conclusion I feel that I learnt a lot from the Opera case, most of all just to be more relaxed about the negotiation and to listen to the other side and what their opinion is.

It made me feel more secure about negotiation and also helped me to apply the same thing on following cases. I felt that I could trust the other side more also afterwards, as the negotiation is not about winning it is about solving a problem the best possible way.