

Harborco analysis essay

Business, Strategy



As the lone representative of Harborco, I was thrust into a 15 on 1 situation in the board room. I knew that though I held much power in the case, it was imperative to make sure the groups did not side together against me. I began simply by discussing the importance of the project and how I wish to gain everyone's support. I focused on the least powerful groups at first, awarding them small victories in order to gain support.

With a small group of allies in my corner, I began negotiation with Daniel Kim who represented the FED. I knew this was the most important negotiation for Harborco and tried to smoothly approach the subject. I explained first the importance of the money needed and how it will signify great returns for the area where the plant will be built.

I discussed the benefits this project would have to all and at the end asked the FED for the 3 billion dollar loan. I expected a smooth yes and to quickly move on to other topics. However, I was met with a hostile rejection by Daniel Kim and even a rude comment that explained to me that I will never even get close to that amount. I was personally shocked, I did not expect this to be a problem, and asked the FED why they refused to fund such a beneficial project. Daniel Kim answered that they didn't trust my company and have other projects they would rather fund. He then said that the most the FED was willing to offer was 500 million dollars. Though still shocked at what I was hearing, I explained again how important this project is, and that the money would be put to good use. I explained that Harborco would not be able to afford such a project without the FED's help and all of our negotiation lies in this issue.

Once again, Daniel Kim was not budging and kept on laughing away my request for 3 Billion dollars. With the small group of allies confronting Kim, the blockers (other ports) confronted me by saying that I was a big company and could afford this on our own. The negotiations weren't going anywhere. Daniel Kim and I began to start arguing over why I need the money and why he wouldn't give it to us. After explaining to him that 500 million wasn't even an option on the sheet, he moved up to 1 billion and said either take it or leave it. I tried to further negotiate with him, but he wouldn't even answer my questions and continued to offer a take it or leave it approach.

The Analysis Emotions run high in situations like this, in both simulations and the real world. People fight so hard for their side, that they tend to turn stubborn and ignorant. Daniel Kim's reaction to my request for 3 Billion dollars not only ruined the smooth flow of the negotiation but also changed my entire approach. I planned on chipping away, one group at a time until everyone was somewhat happy with the results. However with the FED's unwillingness to properly negotiate the whole project seemed to be in jeopardy. Daniel Kim explained that there is no point in even arguing about this and that he would refuse to give more than 1 Billion dollars. Even as other groups intervened and tried to offer solutions he would not budge.

I all of a sudden had to jump onto the offense and attack Kim for being so stubborn and unwilling to listen. I said that if he wont even consider moving up from the 1 billion figure that this negotiation might as well stop right here. I knew I would not take any less than 2 Billion and that he would not give a penny over 1 Billion. We were in a serious deadlock, one much similar to

Hacker and Star. Both of us, refused to budge and threats started being thrown around. He said he had no problem not giving me anything in terms of funding, and I said that this project was not going to go through if he didn't, and that the rest of the groups could blame the FED. If he was Hacker and I was Star, we would have started suing each other. The problem was that it seemed we both had strong BATNA's and no reason for saving this relationship for future reasons.

I stressed the importance that we are bringing much more to this area than we are asking for. He stressed that he has all of the control and did not care if this money went to us. The problem was that I was honest in my approach, and explained how important this money was to us. Even though I knew that I was losing bargaining power, admitting the importance of this loan, I believed it would inspire the FED to be honest in its pro and con reasons. However, Daniel Kim seemed to be avoiding the entire subject all together and as much as and the others pried he would not budge.

We were all using the Pull Style approach to negotiation, until this problem with the FED turned the entire group into Push Style negotiators. Everyone began to focus on the power that they had, yelling out how they could ruin this project and the devastation that could cause for everyone but themselves. Everyone all of a sudden became Blockers not for just the overall project but for everyone else getting their way. This switch caused by Daniel Kim and the FED turned the entire simulation into a power struggle and caused everyone to focus more on what they were losing , rather than what they were winning.

It ruined my entire approach to focus on framing the issue as it discusses in the book, to a free-for-all argument. Though the group later settled down and some agreements were made, this spark of argument between the parties never died and no final agreement was made. Personal Reflection Although no agreement was made, this simulation taught me a lot about dealing with group negotiations. The hardest part of this whole thing was that I had to deal with multiple parties, each with their own strong opinions.

Overall, I am very pleased at how I handled myself and don't think I would do much differently in the future. However, as is always important in business, I need to make sure my emotions do not interfere with the task at hand. I cannot take no's as a personal rejection, but rather try to understand why they said no, and how I can persuade them to choose otherwise. Another thing that I will practice in the future is not to give up my strategy if an argument arises.

I always try to do a mix of the Push and Pull styles and cannot let others move me from this middle. When the FED rejected the proposal I was suddenly turned into a Push Style negotiator and thinking back, that was not the right move.