

Federated science fund



**ASSIGN
BUSTER**

Negotiations and Conflict Resolution ORGB 420 Learning Journal Template

Reflect on the negotiation exercise that you participated in. In particular, analyze the facts, tools, mistakes, insights, emotions, and goals from the exercise. Turn in this learning journal within one week of the negotiation exercise. Name of Exercise: Federated Science Fund Name of Partner: 1.

Facts: Provide a brief overview of key events (How was the time allocated?

Offers: opening-offer and counter-offer, as well as progression of offers? How was information exchanged?

Were there pivotal turning points?) Yet again, I felt that I was placed in the weakest position in the negotiation, which would be that of United Industries. I knew, beforehand, that it would be a multi-party negotiation, and that the other two companies had the best option, if they decided form a consortium among themselves. This was the worst thing possible, from my perspective, and I was considerably worried about the possibility that it would happen without even taking my firm, into consideration. Unfortunately for me, my fears nearly came to fruition.

Because the negotiation was graded and there was a possibility someone could end up really suffering from a two-party agreement, it seemed all three of us were hesitant to make an offer, especially one that would exclude one of the parties. Finally, Jamie asked both Jack and I what was a fair offer. I was the one to speak up at this point, and I suggested that we split it three ways. I also mentioned how maybe it would be fair for my firm to get a little more, like \$180, 000, because I was the smallest and most in need of financial capital, while the other firm were better established.

My reasoning was that my innovative firm with numerous breakthroughs, would use the extra money to develop the products that would ultimately benefit all parties involved in the consortium. Right then, it became apparent that this was not a good proposal for my partners, as they quickly turned their attention to each other and started to discuss how an agreement between just them would be the best, all while I was sitting there listening in astonishment.

Even when I tried to make another offer that we equally split the \$480, 000 three ways, it seemed they were focused only closing the deal between just the two of them. As one could imagine, this sent me into a panic because I truly believed that they were going to come to an agreement, which excluded me, right then and there. If they were going to even consider the option of a three-way deal, the terms would be that Stockman would receive \$240, 000, Turbo would receive \$200, 000, and I would only receive \$40, 000.

I was glad that they were again willing to consider me in the consortium; however, I ultimately felt that the terms were unfair. Fortunately, I was able to convince Jamie, who represented Stockman, to take a moment to discuss an option with me in private before she agreed to a Turbo and Stockman consortium. This was a significant turning point, in my opinion, because I was able to show the other parties how they could gain more from having an agreement with me.

The offer between the two of us would be that she would get \$285, 000, which was significantly higher than the \$220, 00 she would get from a 50/50

split with Turbo, and I would get \$95, 000. In hindsight, I wish I had tried more to convince her to accept that agreement right then and there; however, I think we both felt bad about leaving Jack out of the agreement, so we agreed to have him reenter made him aware of how the positions have changed, thinking he would be more willing to concede some of his share from the three-way agreement to me, United.

However, he wasn't willing to do this, and the agreement between him and Jamie resurfaced as most favorable in their eyes. Once again I tried to suggest an equal three-way split, but they didn't seem interested even when I said I would concede \$10, 000 of my share, so they could each get \$5, 000 more. When they declined to accept this and I found out that they had privately altered an agreement between the two of them were Jack would get less and Jamie would get more. I assumed this was because Jamie disclosed the details of the offer I made her to Jack.

Therefore, Jack was willing to accept less, in order to remain competitive with my offer. Because of the concept of scarcity caused by many people wanting the same thing (*Bargaining for Advantage*, pg. 179), I foresaw this happening, so when I reentered the negotiation, I asked to speak privately with Jack. Knowing that Jack felt pressured to drop his portion with Jamie because of me previous offer, I again tried to mention to him how I thought a three-way deal where funding was split equally and I conceded \$10, 000 of my share was a fair deal.

I was hoping he would side with me when we reentered the negotiation because he would now understand the spiral effect that exists in this

negotiation. However, because I knew I couldn't rely on this I also mentioned the possibility that we could come to an agreement and I could better Jamie's offer. I believe we reached a tentative agreement where I would receive \$70, 000 and he would receive \$230, 000. Again, I wish I could have persuaded him to agree right then and there, but it seemed that he wanted to rejoin Jamie to further discuss the options.

When all three of us we involved yet again, Jack had mentioned openly how it would be more beneficial to have an agreement with me, and this really caused an unexpected, but surprising turning point. At this point, both offers I had made with Jamie and Jack, were better than the one they had most recently settled upon between them. This caused a bidding war between Jamie and Jack, where both of them were progressively offering me more money to outdo the other. I was shocked and elated, so I said was willing to agree right now to whoever is willing to accept. Yet again neither of them wanted to commit.

So, I offered the three-way split, and a \$10, 000 concession on my portion, yet again. It really bothered me that after this generous offer on my part, especially after they had seen how I could have accepted an offer that could have hurt either party, they still wanted more for themselves. They again started to consider an agreement between just the two of them, but ultimately, I was able to persuade them to include me. With the time running out, we came up with an agreement where Stockman would get \$220, 000, Turbo would get \$200, 000, and I, United, would receive \$60, 000.

This was better than be excluded completely and better than the initial \$40,000 I would have received in the initial proposed three-way split. This was an example of scarcity caused by time running out (Bargaining for Advantage, pg. 179). 2. Tools/Concepts: What did you learn about bargaining or conflict management from this situation and how do the concepts presented in the lecture or readings enrich your understanding of the process of this negotiation, its outcome, or your own style?

Within this particular exercise, I really felt that I learned a lot. I feel I gained a greater understanding of coalitions and fairness. Within this exercise, I noted how there were several coalitions formed. In our case, all of the coalitions were weak ones, as each party was trying to get the most it could for itself. Because of this, coalitions were dissolved and new, more favorable ones were formed. The main problem was that not one coalition could cooperate and commit to an agreement because greater gains could potentially be made.

I also learned that several more appealing solutions that could have been reached if other methods like, equal reduction, equitable reduction, the shapely model, and the hybrid model were considered. I also learned that everyone might not have the same fairness norms. This became apparent, when I tried to convince my partners, on the basis of need fairness norms, that my being a smaller, less finally equipped company that possesses the potential to make a drastic improvement in the medical treatment of serious illnesses, such as AIDS, merited my firm getting a little more money in a three-way split.

They both obviously held equity fairness norms, where they believed they served more based on what their firms had already achieved and established. Even when I tried to strengthen a coalition with Jack by stating how I felt this undercutting could go on forever so we should either have a three-way split or come to our agreement, Jack obviously was committed. 3.

Mistakes: What did you do that you wish you hadn't done? Why? There are several things that I wish I hadn't done in this negotiation.

First, I wish I could have tried harder to get my partner's to commit to an agreement, when we came to one in a coalition. I think this could have been easily achieved, if I just worked harder to establish a trusting relationship. Something as simple as eye contact and a handshake, could have gave that little something extra to convince my partners to accept and agree to our settlement. In the beginning I think I made the mistake of asking for a little more in a three-way split.

I believe my partners perceived this as unfair and greedy on my part, and it seemed to force an alignment between them. This led to a stronger relationship between them and their wanting to only have consortium, consisting only of their two firms. This kind of ties into opening optimistically (Bargaining for Advantage, pg. 160), because my request was something I thought was fair and reasonable, but my argument justifying my case seemed was, apparently, not strong enough to convince my partners.

To be honest, I was only trying to work in transactional bargaining, by setting my opening demand higher, so that an equal split would appear reasonable (Bargaining for Advantage, pg. 161); however, I should have taken into

consideration the downfall of opening optimistically when lacking leverage (Bargaining for Advantage, pg. 162). I also think I let the idea of guilt, resulting from leaving a party out completely, stop me from committing to and having my partner commit to a settlement.

I should have realized that this is a part of business, and my partners were willing to do the same thing to me. I feel like I should have realized that a three-way deal wasn't going to really yield the best possible option for me, so I should have tried harder to seize on an opportunity to close a two-party agreement. Ultimately, I don't think I conveyed and solicited a psychological commitment, which had a negative impact on my outcome. This Therefore, I wish I had publicized the commitments.

In other words, I shouldn't have been satisfied with an agreement and got a commitment (Bargaining for Advantage, pg. 191). 4. Insights: What did you learn about yourself from this experience? What did you learn from the behavior of others in this experience? I learned a lot about myself from this negotiation exercise. Maybe its because I negotiated with two people in the Viking exercise previous to this one or just that I am starting to grow more comfortable and confident with negotiating in general, but whatever the reason, I feel I'm starting to grow my confident in multi-party negotiations.

One other thing I learned about myself is that, even when I feel I am disadvantaged and in a weak position, I tend not to get discouraged and find ways to strengthen my position. I also found that I strive to create solutions that I perceive to be fair and equitable, even it doing some is at my expense. I tend to be less willing to commit to a deal, if I know I can potentially gain

more and that someone might get suffer in the process. A strength that I believe I possess is the ability to persuade other to at least hear me out, even when an appealing offer is available for them.

With regards to the behavior of others, I found that others are less likely to compromise and more focused on gaining more for them, which causes them to be unwilling to commit. While I started out with the same mindset, I think I eventually realized that a commitment needed to be made. But when I offered my hand, no one would take it. 5. Emotions: How did you feel prior, during and after the negotiations? How did you feel about your negotiation partner? How did your feelings influence your actions?

Prior to the negotiation, I was anxious as usual and a little upset with the fact that I felt I was at a disadvantage, yet again. I knew that both companies were in better positions to make a deal than I was. Essentially, it seemed that their BATNAs would be greater than what I could feasibly offer. When it seemed like Jack and Jamie were going to come to an agreement and exclude me entirely, I really became worried, almost to the point of panic. However, I composed myself and hid what was feeling inside, so it wouldn't show outwardly.

I didn't want to appear weaker than I already felt I was. When I was able to talk privately with Jamie and present her with an agreement she liked better, I felt more at ease and believed it was possible to still get a better deal for myself. Over the course of the negotiating process, I felt like it was a rollercoaster with highs accompanied by feelings happiness and confidence when I was involved in an agreement that gave me greater gains, and lows

accompanied by feelings of worry and anger when I was informed of an agreement that outbid mine or cut me out completely.

In the end, I think I felt relief and contentment with our three-way settlement. After all, I had the least to offer out of all the firms, yet I was able to not only be included in the agreement but also have them grant me an extra \$20, 000 than was initially proposed for the three- way settlement. I believe my feelings forced me to think creative and aggressively negotiate for what was in my best interest and what I felt was right and fair. At the same time, I think my feelings hindered my progress sometimes.

For instance, I was actively trying to seek an agreement that would be good and reasonable for all three parties, while others were more focused only on what was best for them, even at the expense of others. 6. Goals: What would you do the same or differently in the future, or how would you like to behave in order to perform more effectively? In the future, I will make a better effort to show that I'm committed to an agreement and to ensure my partner feels comfortable committing as well.

This might include aligning incentives, removing temptations to defect, making psychological contracts, communicating better with others, creating a personal relationship with others, and publicizing commitments. In the future, I would also try my best to keep my feelings in check. In future negotiations, I am not going to become discouraged when I feel I'm in a position of lesser power because I understand now that power can change depending on what is needed at the time. I would also try to consider what

is, ultimately, in my best interest, even if it meant a result that was not ideal for everyone and some feelings of guilt.

In the future, I would also try to apply some approaches to a fair distribution like, equal reduction, equitable reduction, the shapely model, and the hybrid model. Now that I'm aware of these approaches, I could utilize whatever model yields the best outcome for me and the calculations should explain and justify that result. The main thing that I will take from this negotiation into future ones is to be clear and logical, create a compelling solution, and then display a commitment to that solution.

In the future, I will also take into consideration that not everyone has the same idea of what is believed to be fair. For a situation like this in the future, I would consider using the strategy for a situation involving balanced concerns, where future relationship and the stakes are roughly equal in importance for all sides involved in the negotiation. If this is the case, I will make sure to address, as many priorities as possible, make sure each side gets its “ fair share” on issues like funding and price, and maintain good working relationship with the parties going forward (Bargaining for Advantage, pg. 170).