V2.3

(Mid-term Quiz options + Take-home case options for week #3 (Rising or Z-labs) +
Job case now handed out in class instead of as pre-reading)

Fall 2: Oct 22-Dec 10, 2025

MGT 880: Sales & Negotiations: Figuring People Out

Section		
G1: For GBS students	Sales & Negotiations	Wed 8:30 AM - 11:30AM EVANS 4420
Section 01	Sales & Negotiations	Wed 1:00 PM - 4:00 PM EVANS 4420

Course Description: This crash course will help students better negotiate with (and sell to) investors, clients, bosses, and perhaps most formidable of all, friends and family. The class is fun and super practical.

Note from Prof. Cain: Each year, I tilt the class more towards sales, but this year, it is mostly similar to my old 887 (negotiations) class but with added guest speakers on sales. This year, 880 overlaps with my negotiations electives. If you took 887 with a different instructor, we can discuss if 880 is still for you.

BIO: Prior to joining Yale as full-time faculty in 2007, Daylian Cain was the Russell Sage Fellow of Behavioral Economics at Harvard. Originally from Nova Scotia, Canada, Dr. Cain likes to say that he focuses on "why smart people do dumb things."

Fun Facts: Cain appeared as a special guest on National Geographic's TV show *Brain Games*, and his poker avatar ("Raising Cain") is an AI boss you may face at AdvancedPokerTraining.com.

Education:

- Russell Sage Fellow in Economics, Harvard University
- PhD, MS, Carnegie Mellon University
- MA, UNC-Chapel Hill
- BA, MA, Dalhousie University

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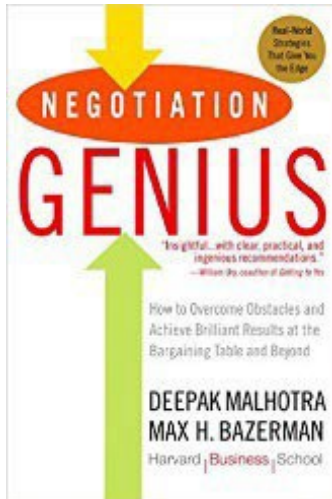
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	Topic	Case	Homework
Session #1 Oct 22	Finding their Tree: How to make elegant trades while protecting your margins	Gas Station Case Handed out in Class. This is a central case for the course. Try not to miss!	Everyone: Consider getting a head start on next week's readings/videos... Read first 3 chapters of text by class #3. Students (e.g., MBAs) who already know "Story of the Tree" and Gas Station case from Cain's prior courses should fill out this survey before class: https://tinyurl.com/mba-880-day1 (Show up on time; I will give you other cases to practice while the class hears the Story of the Tree, etc.)
Session #2 Oct 29	Haggling over price	Haggle Cases (Bench and Twisted Tree) handed out in class.	Prior to class: Read chapter 1-2. (pp. 15-82). For those who did not learn negotiations from Barry Nalebuff, watch his 20-minutes of intro videos: https://tinyurl.com/Nalebuff-vids (also on next page) *3* "To Watch" vids: https://tinyurl.com/887-canvas-vids After October 25th (Sales videos will be finalized by then), get started on Sales-video task, due Noon, Tuesday, Nov 4th
Session #3 Nov 5	Value Creation & Contingent Contracts	Broadway (read before class) Guest Speaker: Connor Murray	You should have completed Sales-video task by yesterday noon. Prior to class: Read chapter 3 (pp. 83- 102). If you want to explore other sources, future topics will include "logrolling," "contingent agreements," "post-settlement settlements," "deception and lie- detection," "coalitions," "concessions," "threats," "integrative bargaining," and more. Take home case ("Rising"); due before session #5 (19th). https://tinyurl.com/rising-880 (OR) Those who did not take CORE negotiations, instead do the Z-labs case before session #5: https://tinyurl.com/zlab-880
Session #4 Nov 12	Job Negotiations Gender in Negotiations	Job Case (Handed out in class... Consider planning doc., on last page)	If you are unhappy with your Job-Score, write up a 1-page reflection journal about the negotiation in this class. Due Nov 20th.
Session #5 Nov 19 (No class next week)	Agents	Houses Case Negotiate before class. Guest Speaker: Neil Rackham	In class QUIZ: What is your paper topic? + Basic questions about readings/videos Prior to next (6th) class, watch: https://tinyurl.com/Shapley-Pie
Session #6 Dec 3	TBA	TBA	Deepak-video comments (see page 4) are due Dec 3rd. Real World Negotiation Paper. Due Dec 15th.
Session #7 Dec 10	Buying a Car	Car Case (read before class)	

Reading the text will provide a significant advantage over your classmates when you negotiate against them. You may want to read the whole book, but at least read the first three chapters as suggested in the schedule above. Your final paper should provide proof that you read these three chapters. As a result, you might as well use this incentivized opportunity to invest in your negotiations skills ahead of time.

These videos were created by Barry Nalebuff, a negotiation super-genius who I often co-teach with at Yale. He offers a nice framework for the course:

1. Super basic: Watch "BATNA" video (7---minutes).

   A Framework for Negotiation

2. Watch video "What is the Pie" (6 minutes).

Takeaway: The pie is how much more two parties, A and B, can achieve by working together than they can obtain if they don't reach an agreement. In more technical terms, the pie = net benefit from working together – (A's net benefit on its own + B's net benefit on its own) where net benefit is the benefit leftover after costs.

3. Watch "Things go better with Coke" video (7 minutes).

Course Requirements

Real World Negotiation & 3-4 page write-up (==50 pts out of 100 pts total==)
You should *plan and execute* a negotiation during the course. This means that negotiations you began prior to the course do not count. 3-4 pages: ==1 page (i.e., max 350 words)== describing what happened, 1 page (max) of insights, and a 1-2 page filled-in planning document (see last page of syllabus). More info below. Due on Canvas: Dec 15th (i.e., before midnight, Yale time).

Class Reputation (==15 pts==)
Your class reputation is built on equal parts from 1) your (prepared) participation in discussions and cases, 2) attendance, and 3) what your negotiation partners think of you as summarized by post-negotiation peer review surveys.

Job-Case Score, from session #4 (==10 pts==)
Recruiters are scored vs. other recruiters, candidates are scored vs. other candidates. To calibrate, most scores: 5-10, average performance will result in 7.5/10 pts.

OR, if you are unhappy with your Job-case performance:

> **Reflection Case (==10 pts==)**
> If you are unhappy with your score in the job negotiation, you will hand in a <u>one-page journal</u> about what you could have improved. The journal should prove that you read the first three chapters of *Negotiation Genius* and that you paid attention in class. Due on Canvas: Friday, Nov 21st

Comment on the two Deepak videos below (==10 pts==)
> Write 100-200 words on one of your favorite tips (and why you like it), once per video. <350 words total. Due on Canvas: Dec 3rd
>
> 45-minute video on "Deepak's 22 Negotiation Tweaks"
> https://tinyurl.com/22tweaks-negotiation
>
> 60-minute video on "HBS Negotiating your job offer"
> http://tinyurl.com/deepak-neg

Sales-videos exercise (<mark>10 pts</mark>)
(This exercise will be tweaked/updated; don't work on it before October 25th)
This will be similar to the Deepak-video task: Watch the two blue-highlighted videos below (which are assigned as homework for the guest speaker days) and at least 40+ minutes (and at least 3 other videos) total from any of the other elective sources that interest you. I will also ask you to suggest one additional Sales video to the class that you found online.

The sales literature is not great. Some videos may contradict each other. However, they will get the conversation started and provide you with views other than my own. If one of the elective videos is painful to watch, skip it and find one that better resonates with your interests. Of course, feel free to skip their ads, etc. Once you're ready, complete the following survey where you will rate and comment on the videos as well as (optionally) suggest a video for next year.

https://tinyurl.com/sales-tube-880 (submit between October 25th-Nov 4th)

Cold Contact

Class guest, Connor on Cold Calling (30 minutes): https://tinyurl.com/Connor-cold-calling -
Watch especially 8:49 to the end

Instantly: 39 tips on Cold Emails (20 minutes): https://tinyurl.com/39-cold-email-tips

Don Miller on Elevator Pitches (30 minutes): https://tinyurl.com/Miller-Elevator-Pitches -
Watch especially 2:06 to 25:30

SPIN Selling:

Class guest, Neil Rackham on SPIN selling (40 minutes): https://tinyurl.com/Spin-Sell -
Watch especially until 18:50, perhaps at 1.25X speed

Mistakes salespeople make (15 minutes): https://tinyurl.com/Rackham-sales-mistakes

Famous trainer, re: fav. Sales book (10-ish minutes audio): https://tinyurl.com/audio-fav-book -
Watch especially until 9:36, perhaps at 1.25X speed

Questions:

Simon Sinek on the Art of Listening (5 minutes): https://tinyurl.com/art-of-listening

Tim Ferris on asking better questions (5 minutes): https://tinyurl.com/Ferris-questions

Closing:

Wayshak on openers that help the close (7 minutes) https://tinyurl.com/Wayshak-open-close

Wayshak's 11-tips on closing (**first 11 minutes**): https://tinyurl.com/Wayshak-11-tips

Mid-Term Quiz (5 pts)

Online quiz: What is your paper topic?
+ Basic questions about readings/videos
+ Essay question: How would you have improved 1-2 of your case outcomes? (<300 words)

OR: What is your paper topic + negotiate a case with an AI bot.

Other items:

Limit the dishonesty (we will discuss this at length). Of course, you can avoid lying by simply refusing to answer some questions.

Do not share case info (on Slack apps, etc.), even after you have done negotiating. We often redo cases with the same partner to try to improve the deals.

Violating your BATNA, i.e., going beyond your case-stated bottom line, **will cost you an** **automatic 10% course-grade penalty**. Doing this may put you into the lowest part of the curve.

Contact Prof. Cain at least 48 hours before class if late/MIA for the negotiation (we may need to rearrange negotiator pairings). **To get a grade, you cannot miss >1 class unexcused.**

Notes on the Real-World Negotiation
Final Paper Assignment

You can negotiate for anything you like—a medical bill, a steak, a signing bonus, a partnership, a pair of jeans, an internship, whatever. The item may be large or small. However, do not start a negotiation in which you would never want to come to agreement (i.e., don't waste other people's time).

The paper should contain a concise description of what happened and the outcome of the negotiation. However, exemplary papers will do more than simply recount the details of the interaction. They will also discuss preparation and strategy. You are to include application of class concepts: the issues, your interests and priorities, your BATNA, your reservation point, other strategic features of the negotiation (time limits, outside parties, legal constraints, etc.), your opponent's interests, and estimations of their BATNA and reservation point.

Papers will be graded based on three criteria, mostly #1, #2 a distant second...

1) The depth of your analysis. Have you correctly employed key concepts to assess the strategic landscape of the negotiation? How well have you applied your learning from the course to your analysis of this case? What are your *insights* that classmates could learn from?
2) The paper's presentation. Is the paper clearly organized and well-written? Have you stayed within the page limits? Do spelling and grammatical irregularities interfere with the story?
3) The quality of the story. Have you included all the relevant details? Is it interesting? Have you explored the issues, concerns, and interests that allow an evaluation of your strategy? Is this something not normally negotiated?

Excellent papers will include detailed quantitative analysis that will quantify the interests of the players, yourself most importantly, in a way that allows for a rational, systematic understanding of the situation and its strategic dynamics. If you must create a scoring system to compare options, make sure you do so. Excellent papers will also be self-critical; no matter how positive the outcome in the negotiation, you can consider what you could have done better to get more of what you value. Don't waste a lot of space on the fluffy details of the story; instead, spend time on the analysis. See next page...

Read prior to starting final paper: Common Mistakes

1) Few papers include planning vs. likely tactics by the opponent. For instance, if the other side says, "This offer isn't negotiable," what will you do? Likewise, while it is unlucky when your "partner" lies to you or is unprepared to make elegant trades—you must prepare for these common occurrences.

2) Most papers include too long a preamble with too much background information. This is usually unnecessary and does not improve the paper. On the contrary, it leaves less room for the more important material.

3) Insufficient analysis of your own interests, missing scoring systems. It is hard to integrate issues if you have no idea how they trade off against each other, and you can't claim victory if you cannot specify how good your outcome was compared to your BATNA. For example, if you say that your time is "valuable," you must quantify how much it is worth.

4) Primarily because of failing to develop scoring systems that clarify potential tradeoffs between intangibles, many papers focus far too heavily on price.

5) Setting reservation price incorrectly. Your RP should be equal in value to your BATNA.

6) Several papers have described negotiations in which they opened by offering their target price, leaving little room to haggle down to that target.

7) Not strengthening/understanding your BATNA. Several people set their BATNAs based on very sketchy logic. If your BATNA is uncertain, then it is equal to its potential value multiplied by its probability (yielding its expected value) minus any search costs.

8) Insufficient insight into the other side's reservation price. It might be appropriate to make some estimate and then establish a wide confidence interval to indicate your uncertainty. You can, of course, update your beliefs about the other side's RP during the negotiation. BUT: What will the other side do without you? Find out.

9) Assuming that the other side had no concerns for fairness or reputation. These concerns make it unlikely that you will be able to get away with offering the other side "a small crumb" above their reservation price.

10) The deal should have the potential for trading across issues, rather than merely begging for something and not offering much in return. For example, can you leave the other side happy that you "asked," or would they have rather "crossed the street to avoid the beggar?"

OPTIONAL: BASIC PLANNING DOCUMENT
<mark>For any case that you want to "extra-prep"</mark>
<mark>(Feel free to customize to your strengths and weaknesses)</mark>

Wherever unsure below, make an estimate (if possible) and describe how to get intel.

What are the issues in the negotiation? Quantify their value to you and then order them from biggest to smallest. Label them as "W-W" (Win-Win interests), "ST" (smart-trades: valuable to one side, cheaper to the other), or "WL" (pure win-lose interests).

What is your BATNA (Best Alternative To a Negotiated Agreement with this partner)?

Your reservation price (i.e., your hard-line walk-away price/terms)?

Your reasonable but optimistic target price/terms?

What does an ideal deal look like to you?

What issues are probably most important (top-3) to your opponent?

Estimate: What is your opponent's BATNA? Reservation price? Target?

What are your sources of power? What are your opponent's sources, and how can you neutralize them?

What are problems that you might face? How can you avoid them or recover if you fail to avoid them?

What is your opening move/initial strategy?

What might tempt either side to compromise their own ethical values? Can you protect against this?

What is the pie is here? What does getting half the pie look like to you... to them? How can you expand/claim pie?