

Negotiation Roleplay

MatNr:2988631

Course: 23B

Please put your mat nr and course title in the filename!

Appendix A

Negotiation Planning

Checklist

Use the following checklist when planning for negotiations.

GOALS AND BEST ALTERNATIVES

1. What is my goal in this negotiation? Why do I want to achieve this goal?
Buy for as little as possible, not blow my cover
2. What is my best alternative for achieving this goal if this negotiation is not successful?
Keep working at my current job, company will have to buy the other house for 265.000
3. Will I disclose my best alternative to the other side during the negotiation? (Usually "yes" if your alternative is strong and "no" if your alternative is weak.)
no
4. How can I improve my best alternative? (By improving your alternative, you increase your power.)
if all covers have been blown: Lot C (as BATNA) is in better quality, thus resulting in greater damage to the neighbourhood if C is torn down
I'll have bought the house in the span of a month
5. What is the other side's goal in this negotiation? Why do I think the other side wants to achieve this goal? (At the planning stage, this is a guess.)
Not sell to a company, keep the state of the neighbourhood
6. What is the other side's best alternative for achieving its goal if this negotiation is not successful? (Again, this is a guess.)
other buyers/not selling and renovating
Hypothesis: they cannot renovate themselves?
7. How can I weaken the other side's best alternative? (By weakening the other side's best alternative, you increase your power.)
other people may be agents
there probably aren't a lot of potential buyers due to high prices and necessity for renovation

ISSUES LIKELY TO ARISE (APART FROM PRICE)

8. What issues are likely to arise during negotiations? List these issues, and after each issue, note:

a. Seller finds out that house will be demolished

b.

whether you think it is "tradable" because it is of low importance to you or "not tradable" because the issue is important to you,

c. why the issue (if "not tradable") is important to you,

d. facts you can use to support your position on each issue,

e. whether the other side will think the issue is "tradable" or "not tradable" (at the planning stage, this is a guess), and

f. why you think the issue is important to the other side (again, a guess).

Use a spreadsheet when answering #8.

9. Do I have a personal or long-term relationship with the other side? If so, how might this affect my and the other side's stance on the issues? If not, how can I build a relationship with the other side?

know her from high school

married a class mate

enables some emotional manipulation if done right

10. Using the analysis at #8, what are the possible ways to create value for both sides-for example, by trading issues or by meeting interests? List questions you want to ask the other side when exploring these possibilities.

I'm ruthless and egoistic, it's all or nothing

QUESTIONS RELATING TO PRICE

11. What is my reservation price? Why is this price important to me? (The reservation price is the lowest price you are willing to accept if you are the seller or the highest price you are willing to pay if you are the buyer.)

250.000 because anything above it means I've failed the task I've been sent here for

12. What is the most likely price? (This is a reasonable target price.)

220-230.000

13- What is my stretch goal? (Use this stretch early in negotiations. This is the highest price or the lowest price depending on whether you are the seller or the buyer-that you can reasonably justify.)

170.000

14. Should I be the first to state a price? (Consider anchoring the other side to your offer by giving the first price when you are fairly confident about the value. If you are not confident about the value, asking the other side to make the offer is one way to determine value-but avoid becoming anchored to the other side's number.)

Yes, always. Start low (@ ~170.000) probably and argue with necessity for renovation + tax assessment

AUTHORITY WHEN AGENTS ARE INVOLVED

15. Am I negotiating as an agent? If so, what are the limits of my authority?

I have to be honest about my role, when asked about it I'll have to blow my cover and my entire strategy falls apart

16. If the other side is acting as an agent, what are the limits of the other side's authority? (This information should come from the principal, not the agent.)