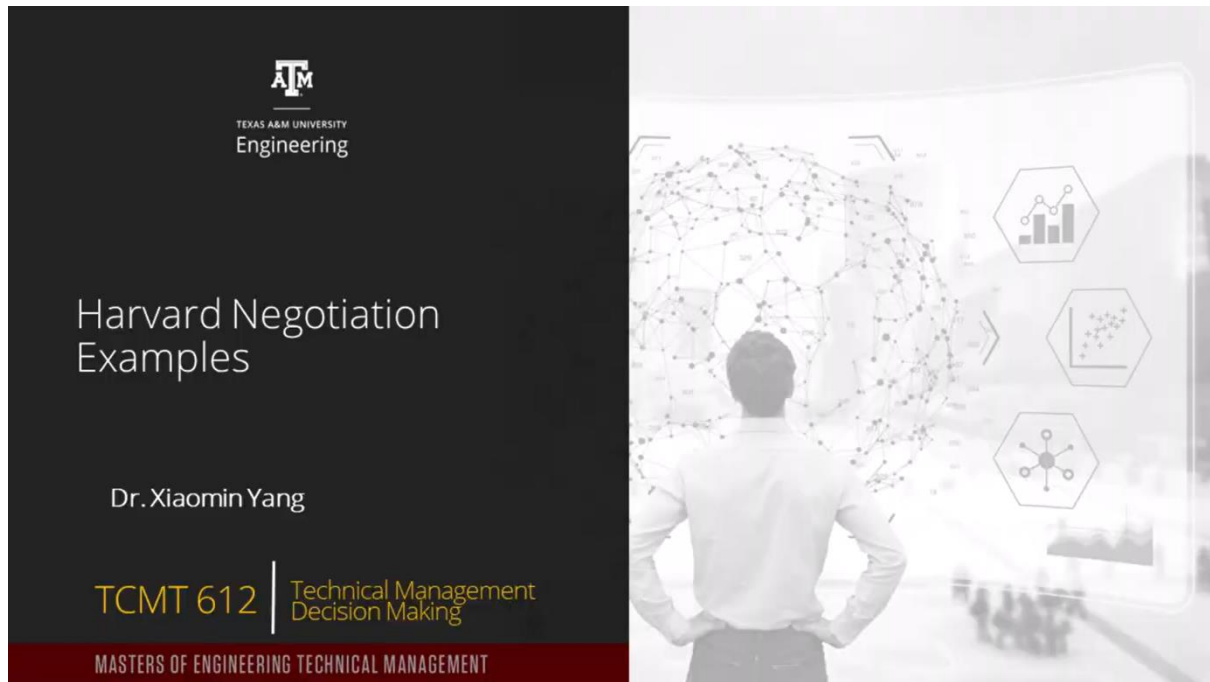


M3L13a. Harvard Negotiation Examples

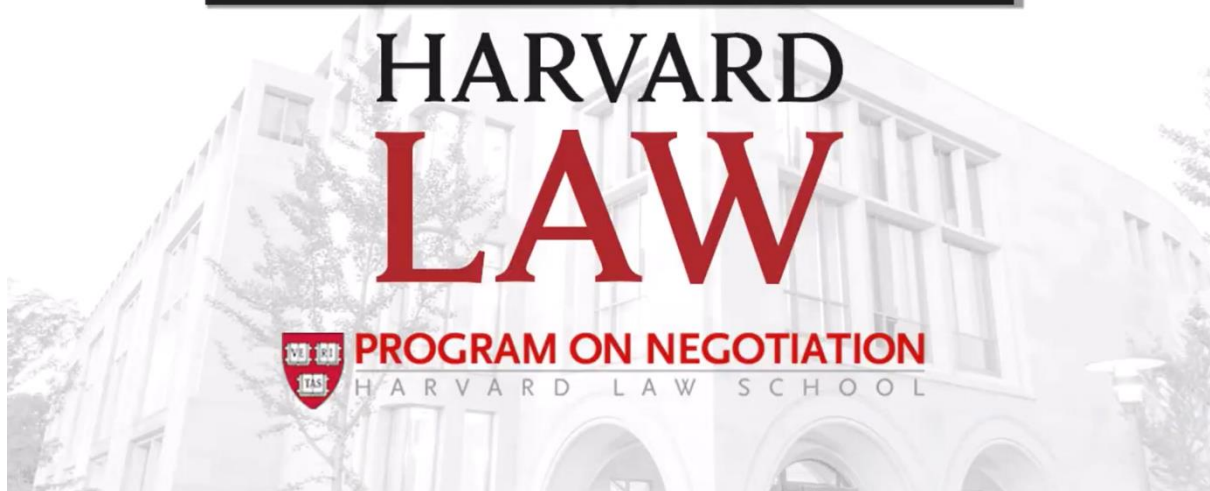
Slide #1



I want to discuss some good examples of decision-making in negotiation environments.

Slide #2

Ten negotiation examples.
Helpful clinical negotiation examples of **failure** and **success**.
Importance of preparation and skills in bargaining.



Harvard Law School published the ten negotiation examples on the daily blog website of its program on negotiation in 2016.

Those stories offer helpful clinical negotiation examples of failure and success.

The ten negotiation examples illustrate the importance of preparation and skills in bargaining.

We will go through seven of these examples and you can find the rest of the examples on the website.

According to the program, it never hurts to learn from the past.

Studying different negotiation examples can really help us figure out the methods that work for us.

Slide #3



Negotiation example number one.

On October 30th, 2013, the Walt Disney Company made a surprising announcement that it was acquiring Lucasfilm, home of the successful Star Wars brand.

The purchasing price was 4.05 billion dollars.

Disney promised that they will begin producing and releasing new films in the Star Wars franchise every two or three years.

The acquisition even included a detailed script treatment for the next three Star Wars films, and Disney gave George Lucas a large role in the script treatment.

Lucasfilm's Star Wars franchise is one of the most valuable assets in the movie industry.

Around 2010, George Lucas decided to sell his company and retire.

All major studios showed a strong desire to acquire Lucasfilm.

Walt Disney Company was just one of those suitors, and obviously not the strongest competitor.

According to Walt Disney chairman, Robert Iger, he and George Lucas conducted the negotiation personally, beginning in early 2011.

Robert told the New York Times there was a lot of trust between us.

Maybe it is because of their trust that George Lucas decided to sell his company to Disney.

Slide #4



The first tactic for building trust is to send the big guns.

Robert Iger won over Lucas's trust by showing that the Lucasfilm purchase was worthy of his personal attention.

The negotiation between Lucasfilm and Walt Disney Company was always conducted at the top level of both firms.

Slide #5



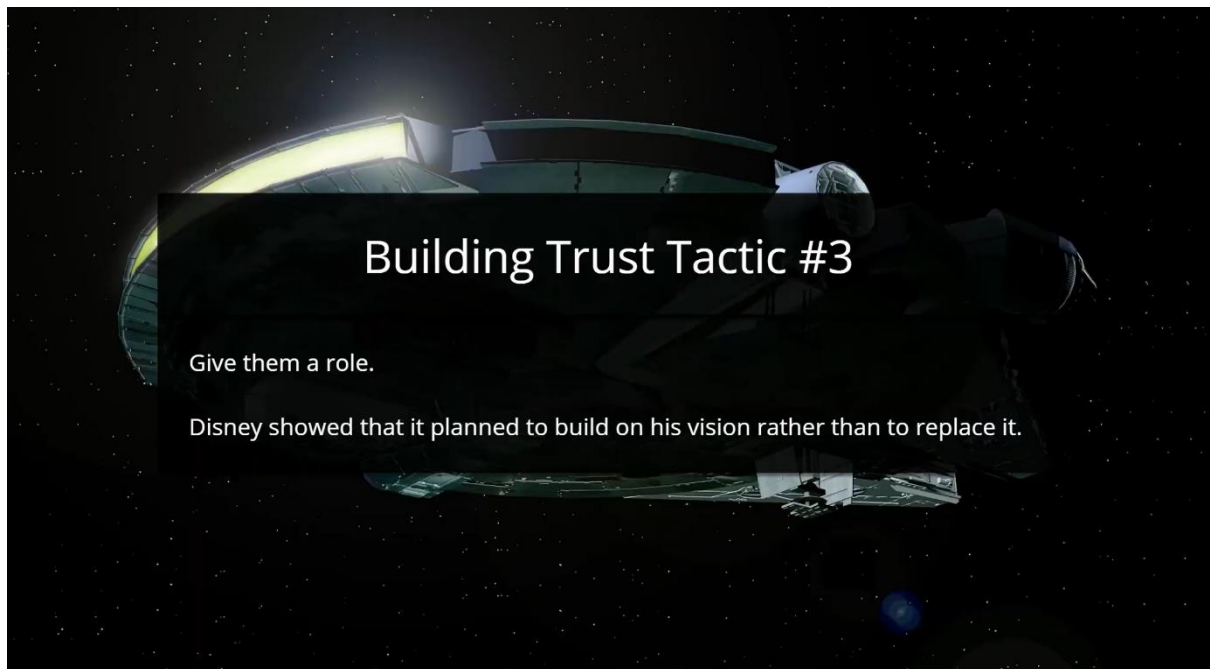
The second technique for building trust is to be patient.

George Lucas and Robert Iger conducted their negotiation over the course of a year and a half.

Remember, it takes time to prove you are trustworthy.

So if you are working on an important deal, be patient and build trust.

Slide #6



The third technique to build trust is to give them a role.

The acquisition even included a detailed script treatment for the next three Star Wars films.

By asking Lucas to include the treatments for new Star Wars films in the deal, Disney showed him that it planned to build on his vision rather than to replace it.

Slide #7

A person is holding a tablet, and a presentation slide is overlaid on the screen. The slide has a dark background with white text. The title is 'Example #2 - Apple & U.S. Book Publishers'. The text on the slide describes a business model where Apple lets publishers set their own prices for ebooks in exchange for a 30% sales commission. It also mentions that the US Dept. of Justice sued Apple and 5 major book publishers for colluding to raise the prices of ebooks, and that negotiators and attorneys may have neglected to thoroughly analyze whether their agreement would fall within parameters of US antitrust laws.

Example #2 - Apple & U.S. Book Publishers

In exchange for 30% sales commission, Apple would let the publishers set their own prices for ebooks.
Publishers ~ improvement over wholesaling agreement with Amazon.
Apple ~ gained broad access to the ebook market.

US Dept. of Justice sued Apple and 5 major book publishers for colluding to raise the prices of ebooks.

Negotiators and attorneys may have neglected to thoroughly analyze whether their agreement would fall within parameters of US antitrust laws.

In January 2010, the publishers had negotiated a new business model for e book pricing with Apple Computer as Apple prepared to launch the iPad.

In exchange for a 30% sales commission, Apple would let the publishers set their own prices for ebooks.

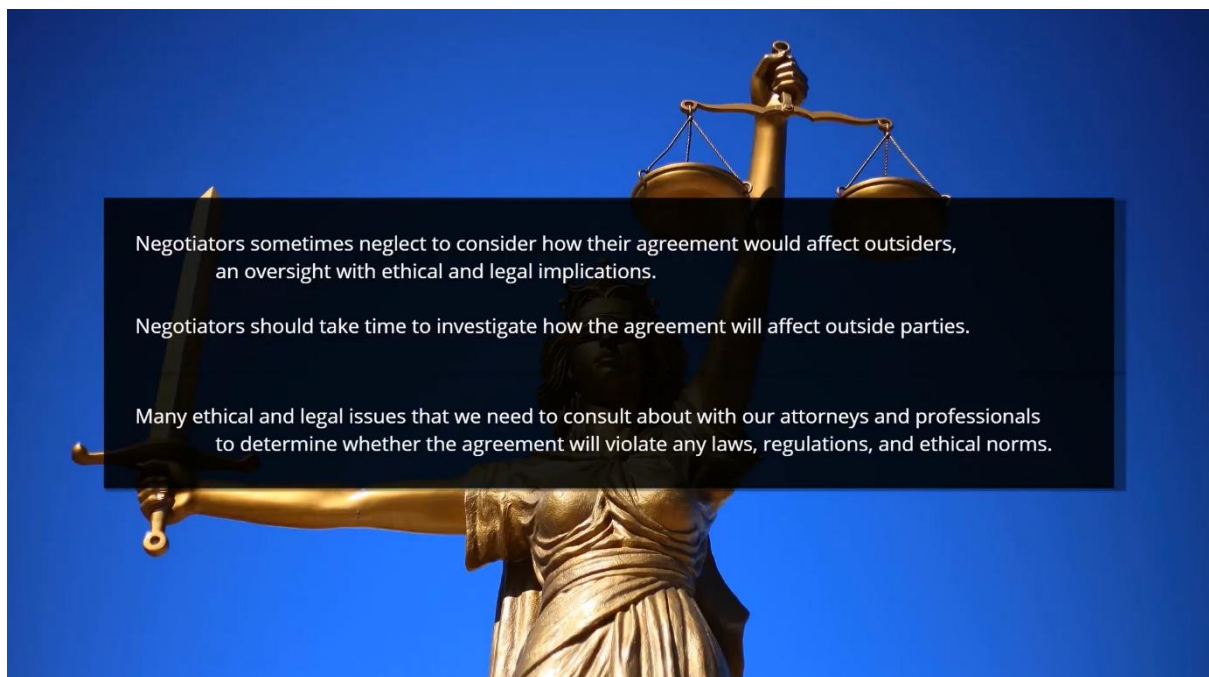
For the publishers, this pricing model appeared to be a vast improvement on their wholesaling arrangement with Amazon.

Apple was also very happy because it gained a broad access to the e book market.

However, in April 2012, the United States Department of Justice sued Apple and five major book publishers for colluding to raise the prices of ebooks.

The Department of Justice lawsuit suggests that negotiators and attorneys involved in the Apple and the Publishers deal may have neglected to thoroughly analyze whether their agreement would fall within the parameters of the U.S. antitrust laws.

Slide #8



Negotiators sometimes neglect to consider how their agreement would affect outsiders, an oversight with ethical and legal implications.

Negotiators should take time to investigate how the agreement will affect outside parties.

Many ethical and legal issues that we need to consult about with our attorneys and professionals to determine whether the agreement will violate any laws, regulations, and ethical norms.

In the flash of hammering out a deal that appears to create synergy for everyone involved, negotiators sometimes neglect to consider how their agreement would affect outsiders and oversight with ethical and legal implications.

To avoid the possible ethical and legal repercussions, negotiators should take time to investigate how the agreement will affect outside parties during negotiations.

So when we make decisions, we need to consider not only how the agreement will impact the partners involved in the deal, but also other people that are not involved.

There are many ethical and legal issues that we need to consult about with our attorneys and professionals to determine whether the agreement will violate any laws, regulations, and ethical norms.