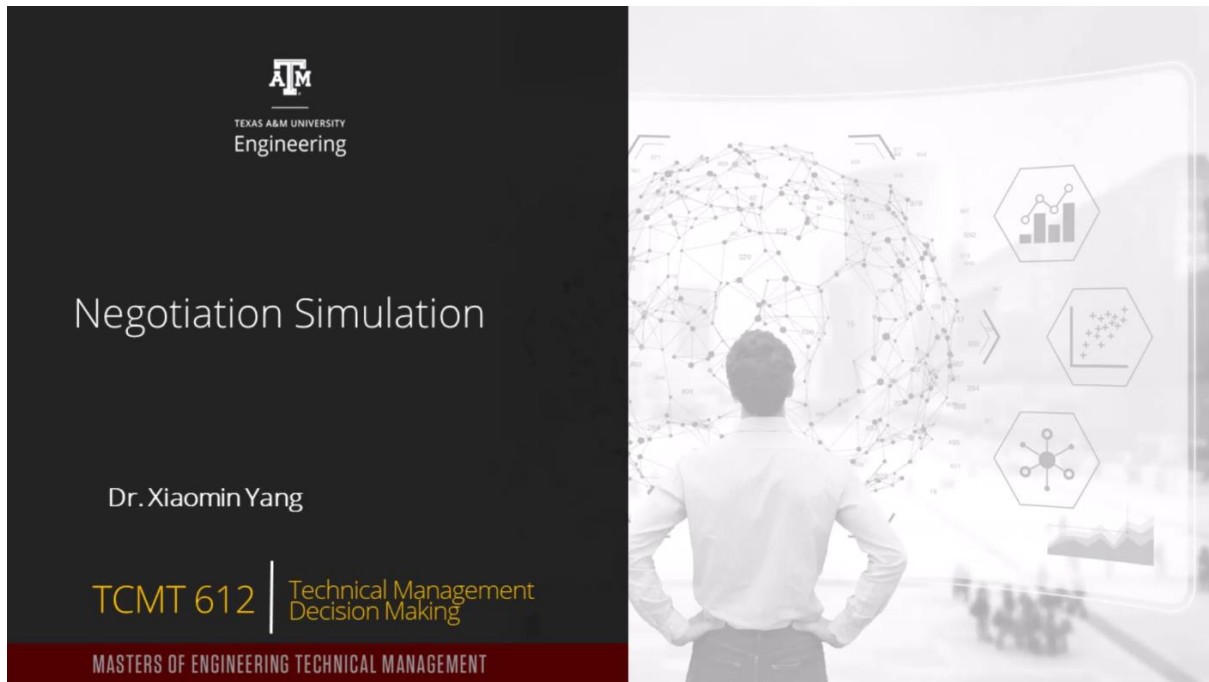


M3L10. Negotiation Simulation

Slide #1



In this video, we will go over the Negotiation Simulation Assessment.

Slide #2

Negotiation Simulation

Description: Collaborate in randomly assigned pairs to negotiate an agreement on the **development** and **manufacturing** of a new product.

Group A: buyer

Group B: developer, the seller

Note: The group category is at the upper left corner of your case document.

Deliverables: 4

You will negotiate with someone else in the class to reach an agreement on the development and manufacturing of a new product.

We will randomly assign pairs of negotiators, as shown in the course assessment folder.

The students in group A will play the buyer role, and those in group B will represent the developer, the seller.

Each of you will receive case materials for your group.

The group category is at the upper left corner of your case document.

If you get the wrong document, please let us know.

We have four tasks and deliverables from the simulation case.

Slide #3

Terms/Issues	Relative importance (0-10)	Desired Task/Deliverable #1	Expected outcome	Acceptable outcome
Licensed technology	5		X & Y	X & Y
Licensed products	5	Battery	Battery	Battery
Field of use	Follow the systematic approach to develop a term-sheet, determine your (1) positions = outcomes, (2) relative importance of each term.			Auto
Territory of use				US
Grant				Exclusive
Milestones		2022 commercial	2020 commercial	2019 commercial product
Royalty	Submit the term-sheet with: (1) your terms, (2) positions, (3) importance of interest.			6%
Minimal annual consideration				\$200,00
IP expenses	3	\$50,000	\$70,000	\$150,000

The first is to follow the systematic approach to develop a term sheet, determine your positions and the relative importance of each term.

You need to submit the term sheet with your terms, positions, and importance of interest.

You need to submit the term sheet with the information before the next lecture.

Slide #4

Terms/Issues	Relative importance (0-10)	Desired Task/Deliverable #2	Expected outcome	Acceptable outcome
Licensed technology	5		X & Y	X & Y
Licensed products	5	Battery	Battery	Battery
Field of use		Discuss with your partner how to explore value-creating opportunities. You can exchange information to understand each other's positions.		
Territory				
Grant	9	Exclusive	Exclusive	Exclusive
Milestone		Use the term-sheet template to capture your estimation of your counterpart's position, terms, and their interests.		
Royalty				
Minimal annual consideration	6	\$100,000	\$150,000	\$200,00
IP expenses	3	\$50,000	\$70,000	\$150,000

The second task is to discuss with your partner how to explore value creating opportunities.

You can exchange information to understand each other's positions.

Please use the term sheet template to capture your estimation of your counterpart's position, terms, and their interests.

Slide #5



The third task is for you to negotiate and reach a deal.

You can call each other or you can meet with each other in a Starbucks or at any place to do the negotiation.

Slide #6

Terms/Issues	Relative importance (0-10)	Desired outcome	Expected outcome	Acceptable outcome	Actual outcome
Licensed technology	5	All three	X & Y	X & Y	X & Y
Licensed products	5	B	Task/Deliverable #4	Battery	Battery
Field of use	8	All		Auto	Auto & energy
Territory of use	4	Global	US & China	US	US
Grant	The ultimate deliverable is the term-sheet, including final agreement your positions, your estimation of your counterpart's propositions.				Exclusive
Milestones					2021 commercial product
Royalty					5%
Minimal annual consideration	6	\$100,000	\$150,000	\$200,00	\$160,000
IP expenses	3	\$50,000	\$70,000	\$150,000	\$100,000
Joint R&D program					\$150,000

The ultimate deliverable is the term sheet, including final agreement, your positions, and your estimation of your counterpart propositions.