M3L13c. Harvard Negotiation Examples

Slide #1
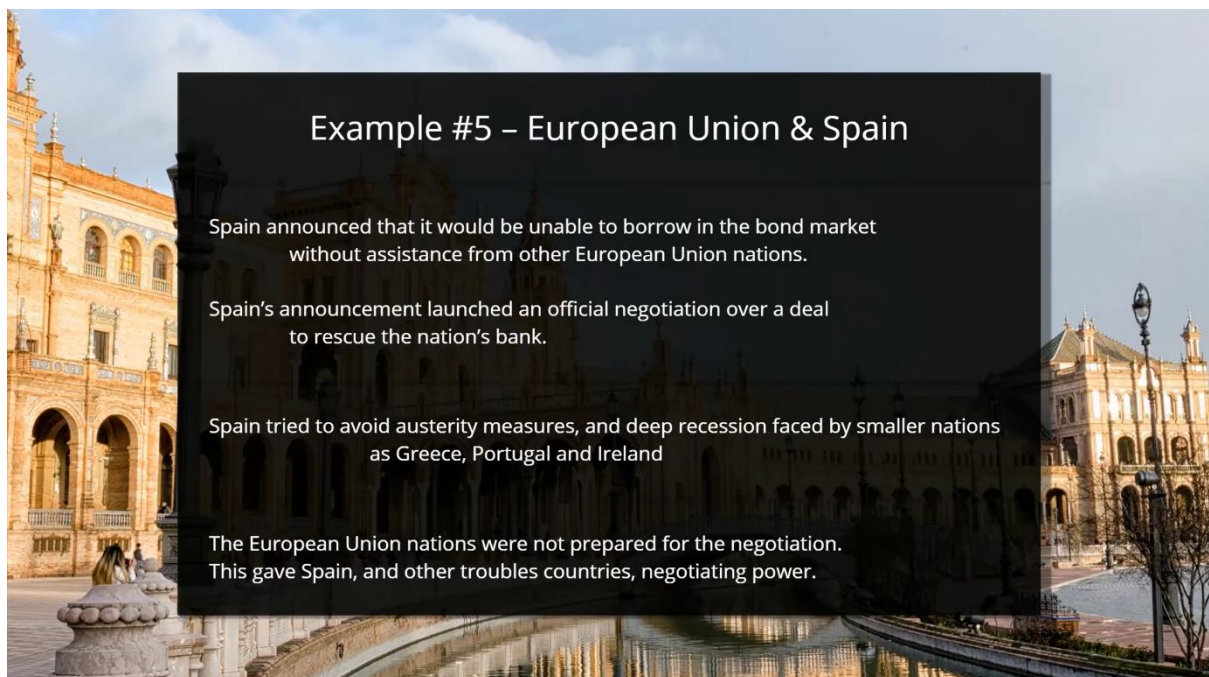
The negotiation between the European Union and the Spanish government during the European debt crisis.

On June 5, 2012, another casualty in the European debt crisis emerged as Spain announced that it soon would be unable to borrow in the bond market without assistance from other European Union nations.

Spain's announcement launched an official negotiation over a deal to rescue the nation's bank.

As the Eurozone's fourth largest economy, Spain was considered too big to fall.

By demanding emergency aid for its banks, Spain tried to avoid austerity measures and deep recessions faced by smaller nations such as Greece, Portugal, and Ireland.

Obviously, the European Union nations were not prepared for the negotiation.

So this gave Spain and other troubled countries negotiating power, possibly at the expense of the broader European economy.

Slide #3
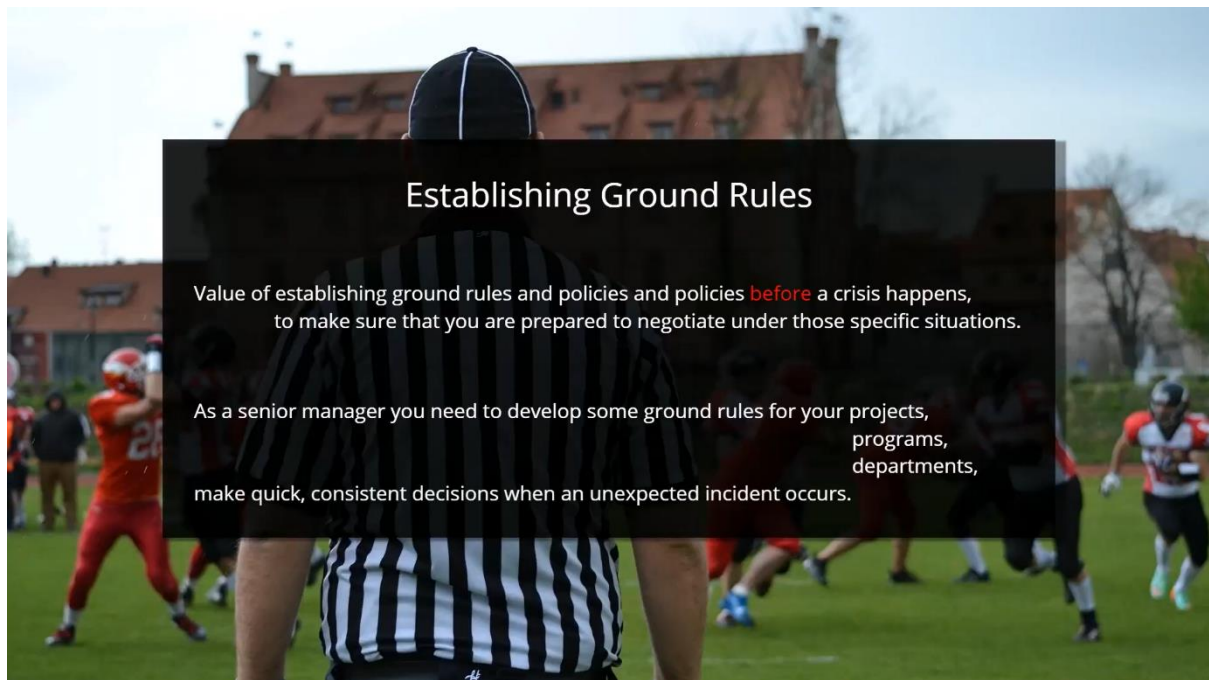
This is a negotiation example that illustrates the value of establishing ground rules and policies before a crisis happens, to make sure that you are prepared to negotiate under those specific situations.

So, as a senior manager, you need to develop some ground rules for your projects, programs, and departments so that you can make quick, consistent decisions when an unexpected incident occurs.

Slide #4
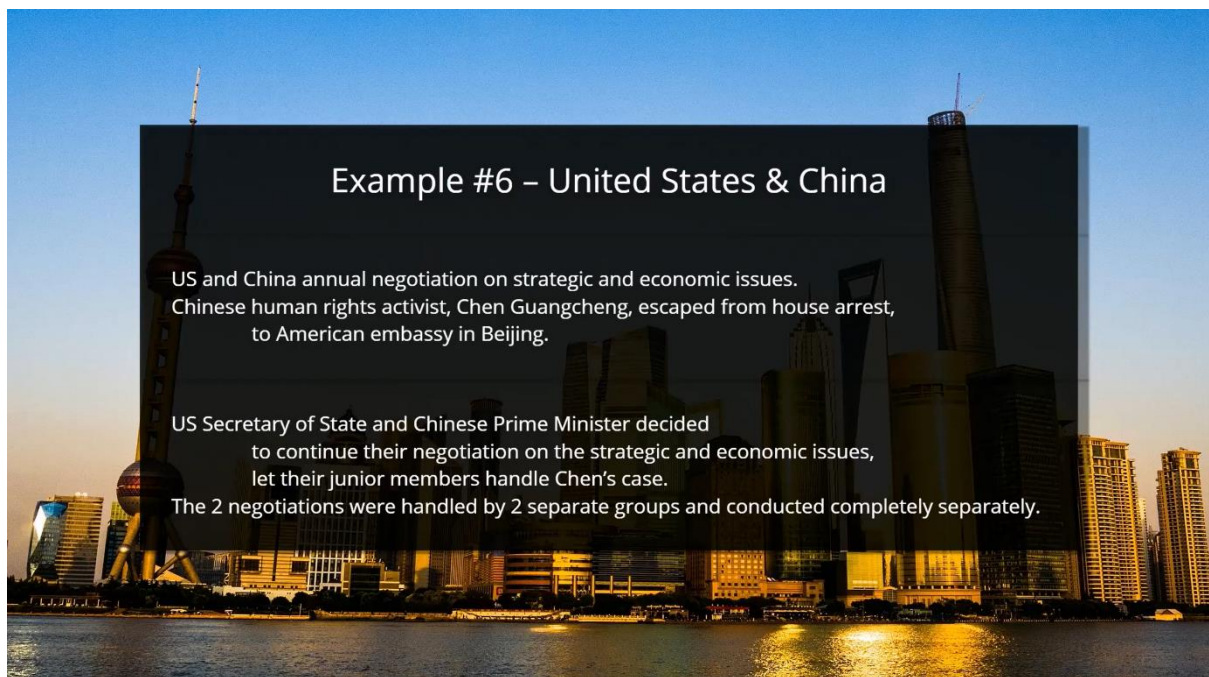
The United States and China's annual negotiation on strategic and economic issues.

The negotiation skills of the United States top negotiators were put to the test back in 2012, on the eve of the United States and China's annual negotiations on strategic and economic issues.

The Chinese human rights activist Chen Guangcheng made a dramatic escape from his house arrest to the American embassy in Beijing.

Both United States and the Chinese government threatened to call off the strategic and economic dialogue if the Chen matter was not resolved to their satisfaction.

The Secretary of State, Hillary Clinton, and the Prime Minister of China, Wen Jiabao, decided to continue their negotiation on the strategic and economic issues and let their junior members handle the Chen's case.

The two negotiations were handled by two separate groups and conducted completely separately.

The top Chinese and U. S. negotiators reached an agreement on the strategic and economic issues.

Hours after that, the other group also made an agreement about Chen's fate.

Within hours, the Chinese announced Chen had been granted permission to leave the country.

Slide #5

Two points in negotiations

(1) Highlights discipline and coordination required to keep a planned negotiation on track when a crisis threatened to damage it.

(2) Illustrates potential value of adapting to your counterpart's negotiating style in international negotiations.

Face is more important in Asian society than any contract.

This case highlights the discipline and the coordination required to keep a planned negotiation on track when a crisis threatened to damage it.
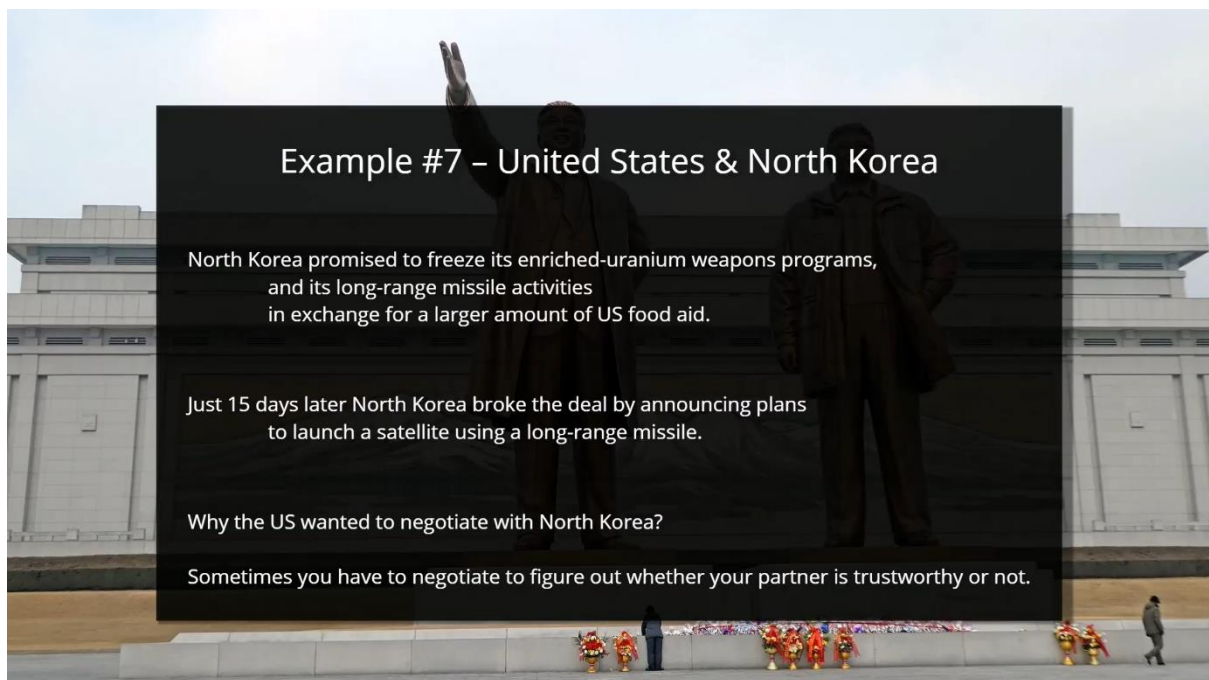
It also illustrates potential value of adapting to your counterpart's negotiating style in international negotiations.

Face is more important in Asian society than any contract.

The negotiations between Chinese and U.S. officials involving Chen's fate were conducted under top secrecy at the Chinese government's insistence.

Neither part released any information about the negotiation behind the curtain.

Slide #6

Example #7 – United States & North Korea

North Korea promised to freeze its enriched-uranium weapons programs,
    and its long-range missile activities
    in exchange for a larger amount of US food aid.

Just 15 days later North Korea broke the deal by announcing plans
    to launch a satellite using a long-range missile.

Why the US wanted to negotiate with North Korea?

Sometimes you have to negotiate to figure out whether your partner is trustworthy or not.

On February 29, 2012, the United States and North Korea announced an agreement in which North Korea promised to freeze its enriched uranium weapons program and its long-range missile activities in exchange for larger amounts of U.S. food aid.

But just 15 days later, North Korea broke the deal by announcing plans to launch a satellite using a long-range missile.

On April 13th, North Korea launched its rocket, which exploded in midair.

People may wonder why the United States wanted to negotiate with North Korea, because everybody knows that the North Korea government is not trustworthy.

Around that time, the previous leader of North Korea, Kim Jong II, was dead and his son Kim Jong Un resumed power.

The United States government wanted to do a test agreement with a new leader to test whether things have changed.

In this case, the country communicated that it was not trustworthy by breaking the agreement so quickly.

Sometimes you have to negotiate to figure out whether your partner is trustworthy or not.