

Assignment 1

Answer all.

(Total Marks 50)

Case 1 - Team Negotiation

Background:

Adel works for a major airplane manufacturer in the Midwest. He must travel to Washington, D.C., to negotiate revisions to a contract with the U.S. military. The key issues presented are cost overruns due to complex engineering changes. He has two weeks to prepare for the meetings, which will run over a period of three days in Washington. His department is currently spread pretty thin working on several projects simultaneously. Adel's staff is a fairly homogeneous group, most with engineering backgrounds. His two senior people typically disagree on everything.

Case Questions:

Question 1: What factors should Adel consider in deciding whether or not to use a team for the negotiation?

Question 2: What additional information would you desire before making your final decision on whether to take a team to Washington?

Question 3: How should Adel decide whom to take to the negotiation?

Case 2 – The Skill of Negotiation

Background:

Assume that you own and operate a business. Your production this year was based on prior years' experience. You have been left, however, with 100,000 unsold units on hand. You have been selling your product at \$5 each and expected the same price for these 100,000 units. You have exhausted all avenues you can think of for disposing of your excess product. You do not have the storage capacity for keeping these units in inventory while you continue production.

This morning a giant retail organization contacted you urgently seeking the type of product you produce to fill deficits in their supply. They offer to pay you \$3 per unit.

Case Questions:

Question 1: How would you assess whether or not you should negotiate? Identify the factors you would consider and the overall rule you would apply.

Question 2: What factors can you readily identify that will affect your negotiation options and outcomes?

Question 3: What unconscious factors might also affect your negotiation performance?

Case 3 – The Approach of Negotiation

Background:

American Dream Holdings, Ltd. (ADHL), is the 100 percent owner of eighty-eight subsidiary corporations, some of which operate in virtually every state of the United States and many of which operate in a limited number of states. One of the subsidiary corporations, EFC Corp., is the general partner of two thousand limited partnerships with operations scattered around the world. EFC Corp. is the flagship and largest of ADHL's subsidiary companies.

ADHL also has 20 to 50 percent ownership interests in other business operations. ADHL is owned by two individuals: one, Mr. Major, with 80 percent, and the other, Mr. Minor, with 20 percent. The individual owners operate additional businesses not under the ADHL umbrella. Such additional businesses are considered affiliates. ADHL provides legal, financial, and administrative services including payroll and human resource management to all of its subsidiaries as well as to many affiliates.

ADHL collects a

monthly fee for such services. The fee is based on estimated needs for the services and is due regardless of the number of hours actually spent on a particular company's matters. ADHL does not assess or collect supplemental fees for work done in excess of the estimate.

The group of eighty-eight subsidiaries and ADHL employ two thousand individual employees. All employees participate in the year-end bonus plan that is based upon group net profit attainment. The organizational structure including departmental organization is dictated by ADHL executives. The chief operating officer of ADHL, Ms. Iwon, was initially selected and hired by the 80 percent owner to be EFC Corp.'s senior vice president. EFC Corp.'s chief operating officer, Mr. Toolate, was selected and hired by the 20 percent owner approximately two months after Ms. Iwon was hired.

Approximately one year after Mr. Toolate was hired, Ms. Iwon orchestrated a reorganization that included her being promoted to the parent holding company position. EFC Corp. is perpetually three months behind in paying fees to ADHL. EFC Corp. is recalcitrant in distributing financial reports to ADHL.

Case Questions:

Question 1: Using a systems approach, identify the system or systems and their subsystems as well as the various relationships and interdependencies you see. You may utilize a drawing such as a sociogram if you like.

Question 2: Using a systems approach, identify the various conflicts in the case including describing how each is a conflict. Be sure to note how each conflict you identify meets the definition of a conflict.

Question 3: Continue your diagnosis and assessment by analyzing the function served by or the effect of each conflict in the case; assessing whether the system structure is competitive, avoidant, or collaborative; and determining your strategy and/or strategies.

Assignment 2

Answer any 2 cases.

(Total Marks 40)

Case 1 – Communicating Effectively in Negotiations

Background:

Jack asked, “How is the Southwestern project coming along?” Ms. Lee said, “I need to talk to you about that.” “I don’t want to hear any excuses, just get this project done,” Jack yelled to Wei Lee. Ms. Lee said, “Fine. I quit. Do it yourself.” Ms. Lee is the senior project manager and is in charge of completing a customized training program for the firm’s largest client. Jack was hired from the outside just two months ago as vice president of training. Ms. Lee believes that her credentials are more appropriate and impressive

than are Jack’s. Ms. Lee expected the job. She has no alternatives lined up. Jack has already earned a reputation for being harsh in a place where people formerly enjoyed working. The particular project in question includes extensive material/course manual preparation as well as classroom sessions. Before the interruption, Ms. Lee was attempting to communicate to Jack that the client had requested a significant variation from what was originally contracted. The good news that Ms. Lee had to share was that the client had agreed to double the fee.

Case Questions:

Question 1:

Where the rules for effective listening and speaking were broken by Jack? What steps will you recommend for the same situation and why?

Question 2:

How well has Wei handled this conflict? Can you suggest any alternative actions that would have been consistent with good practices?

Question 3:

If you learned that Jack dislikes female professionals, what additional insight does that provide regarding communication difficulties between him and Ms. Lee? What might you suggest to Jack?

Case 2 – Business Relationship Scenario

Background:

One party's work organization, based in Washington, D.C., has recently begun a project in Wichita, Kansas. The project will require fifteen to twenty employees to travel to Kansas and spend, on average, three weeks in residence there. It is expected that the project will span a period of nine months to completion. This first party has located an apartment complex nearby the location where the project work will be done. The apartment complex has traditionally required minimum lease terms of one year but does have a few vacancies. The organization desires to have its people in this apartment complex rather than in hotels.

Case Questions:

Question 1: How would you identify and rank the interests and goals of each party?

Question 2: What common ground can you find between the parties?

Question 3: What strategy would you use as the organization's representative? What strategy would you use as the apartment complex representative?

Case 3 – The Styles of Negotiation

Background:

Ventura Capital is a financier who specializes in capitalizing startup companies. Andy Preneur is a would-be entrepreneur. He needs capital to start his new business. Andy and Ventura have been negotiating

a potential agreement over the last few months. It seems there is only one item unresolved. Ventura wants her investment to remain in the company and earn a preferred dividend of 5 percent, even if Andy no longer needs the money. Andy wants the right to buy out Ventura's interest at any time as long as the 5 percent return is paid. Role-play this case with another person. When you finish, address the following questions.

Case Questions:

Question 1: Which of the four key temperaments was most clearly displayed by the other person? Identify specific comments and behaviors to support your assessment.

Question 2: Which of the four key temperaments do you think your comments and behaviors most clearly displayed?

Question 3: Do you agree with each other's self and other assessments? If not, why do you think you see the behaviors differently?