

## Assignment #2

You will negotiate the **Salt Harbor** case in class with a counterpart that will be chosen to negotiate with you. You will be assigned a role as either the Regional Manager for Brims, a fast-growing chain of coffee shops or as the owner of the Easterly, a successful bed and breakfast inn located “in the picturesque seaside village of Salt Harbor.”

We will hand out in class *confidential information* for your role. You are *not allowed* to share this information with your negotiating counterpart. It is for your eyes and your eyes only!

Your negotiation should last no more than 40 minutes.

**PREPARATION:** for the negotiation,

**READ:** Chapter 3 *Distributive Negotiation: Slicing the Pie*

Thompson offers good advice about strategy at the bargaining table, answers the most commonly asked questions about how to proceed at the bargaining table and suggests principles underlying the idea of “fairness” that frame discussion in the rest of her book.

The conclusion to the chapter crisply summarizes principal points such as the following:

- Nothing can substitute for the power of a strong BATNA.
- There are sensible strategies for coping with outrageous offers.
- A negotiator who is well versed in the psychology of fairness is at a pie-slicing advantage.

**READ:** The abridged version, HBS case 1-391-298, of “Is Business Bluffing Ethical?” by A.Z. Carr. This 1968 article elicited reader emotions ranging from shock, rage to enthusiastic support!

As counterpoint, also read, “When Is It Legal to Lie in Negotiations?” by G. Richard Shell. The thrust of Shell’s message is that “. . . conscience may be your best guide.” In “Negotiating with Liars” Robert Adler points out that “Lying is a central aspect of human behavior. Negotiators need to learn about every tool that will protect their interests.”

**PRIOR TO CLASS:** Answer the Salt Harbor Preparation Survey.

### **Questions to Think About:**

Study Table 2-1 in Thompson, p. 39. In particular, how do you answer her Self-Assessment questions and Assessment of the Other Party questions within the framework of the Salt Harbor negotiation?

MIT OpenCourseWare  
<http://ocw.mit.edu>

15.067 Competitive Decision-Making and Negotiation  
Spring 2011

For information about citing these materials or our Terms of Use, visit: <http://ocw.mit.edu/terms>.