

The Art of Negotiation

Exploring Efficacy



WELCOME

What is the best negotiating style? It depends, and the list of things it depends upon is long.

Every negotiation is unique, and as a result, there is no "right" style or "wrong" style, or even a single style that will work in every situation, despite what some people will try to tell you!

That's why today we will be exploring negotiation from the perspective of efficacy, or what works, what produces our desired or intended result.

You will learn by doing, so buckle up!

Note: These exercises require two people (person A / person B). Only read the instructions for your part!

Resources:

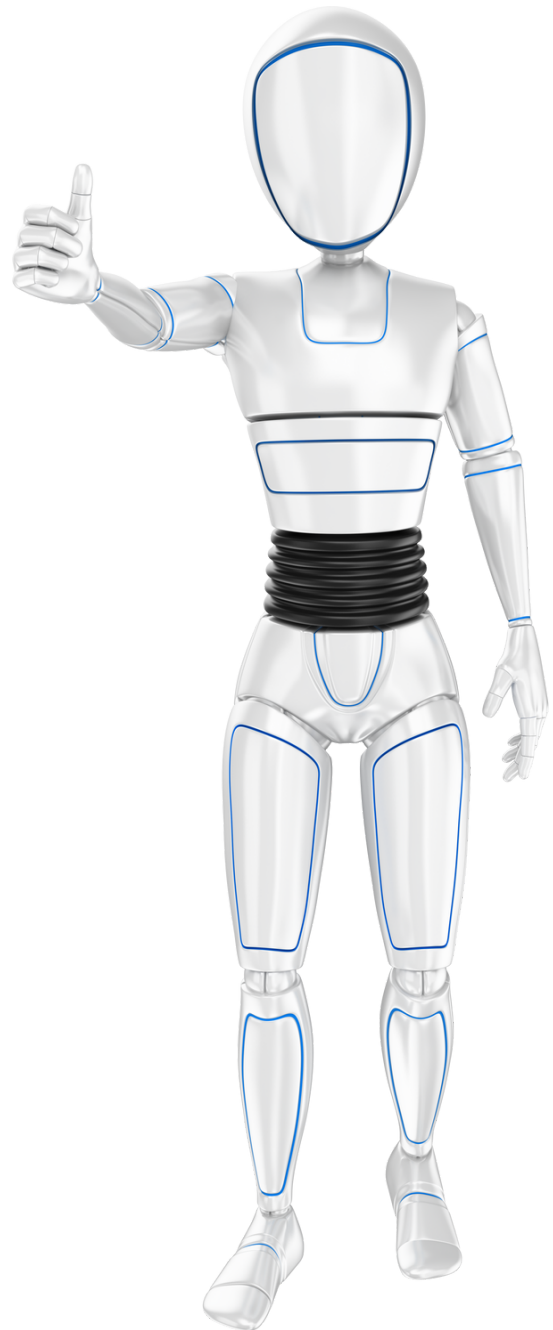
- [Negotiation](#) (Wikipedia)

scenario 1 - Person A

For your robotics club, you built a robot that if you have to be honest, is absolutely AMAZING!

Yet, you built a lot of other robots since then, and it is time to make space for your latest creations.

- You want to sell your robot for as much as possible.
- You have an offer of \$100 from a buyer interested in the robot's electronics, but you will need to wait 30 days.
- You prefer to have money now to waiting.

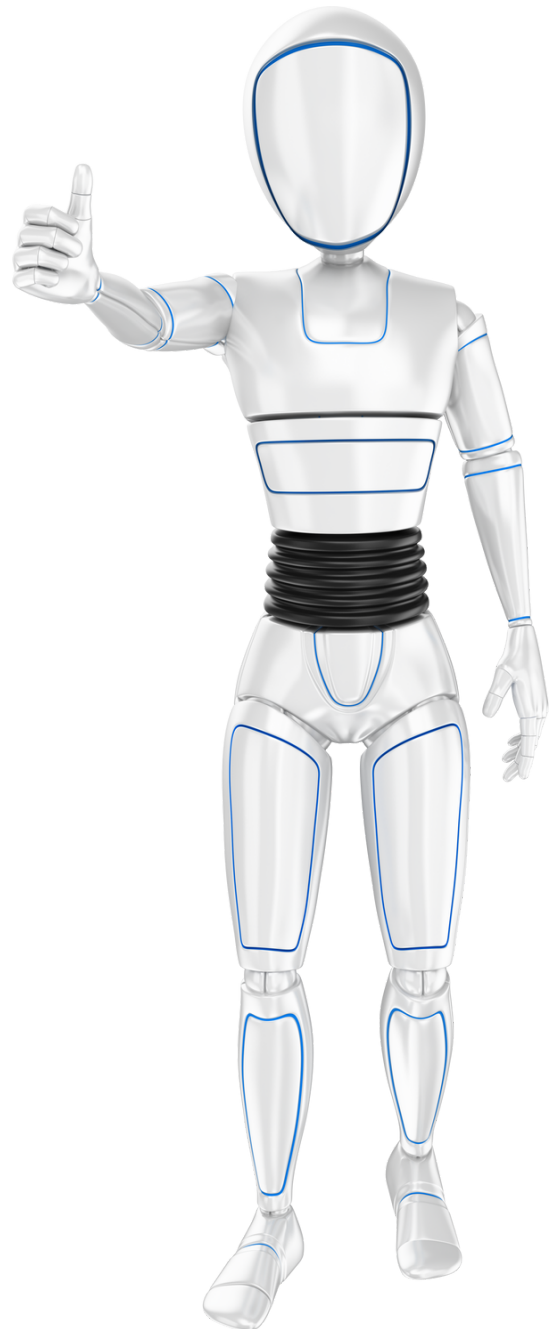


scenario 1 - Person B

You have such an awesome summer job. You've been hired by a movie studio to source props, and you love it!

Your latest task: find a robot head to serve as a prop in the movie *Robots vs. Humans*.

- You have \$100 left in your budget, and you will be fired if you exceed that.
- You want to spend less than \$100, in case more prop requests come in.
- You found someone selling a robot, and you are ready to buy today!



scenario 2 - person A

It's summertime, and boy is the grass in your yard growing this year, thanks to a lot of rain and plenty of sunshine.

You hate mowing grass, and you've decided that it's time to hire someone to do it for you.

- You estimate that it will take 30 minutes to do your yard, and you are willing to pay \$5, which is half the regular hourly rate for grass cutting in the neighborhood.
- You might be willing to go as high as \$7, but you refuse to pay more than that, because you garden, so much of the work you do yourself. In fact, they should pay you for the free advertising, because everyone asks about your yard it is so nice!



scenario 2 - person B

You started a grass-mowing business in your neighborhood, and business has been great!

- You are making \$9 per hour from your current clients, which was fine to begin with, but . . .
- The price for new customers is \$12 per hour, so that you start to make more profit per yard!
- A neighbor wants you to cut their grass, which you estimate will take you one hour to complete.
- While you want to grow your business, if you make a commitment for a lower amount, you will block a slot for a higher-paying customer!
- Can you negotiate a deal with your neighbor?



Scenario 3 - Person A

You live on Mars, and help run the colony where thousands of people now live to mine the planet and nearby moons and asteroid belt.

- The colonists currently keep 3% of the profits from the mining operations, despite significant risks.
- You were selected by the colonists to be their negotiator, and you have been asked to negotiate an ***increase*** in the percentage they retain.
- Another reason you think you deserve an increase is the new EZ Drill mining system will make the company even more money, but is more hazardous to use.
- If no agreement can be reached, everyone goes home with no pay during the return trip to Earth, so get going!

Scenario 3 - Person B

You work for Mine the Universe (MU), the corporation responsible for all off-world mining operations.

- Currently, the colonists on Mars keep 3% of the profits, but your job is to renegotiate that contract.
- Your instructions are to **reduce** the percentage given to the colonists, because costs have skyrocketed, and the profitability of the entire venture is at stake.
- The new EZDrill mining system *might* increase profits enough that you could offer the colonists an increase in their percentage, but the technology is unproven. Guess wrong, and you will put the company out of business unless you reduce the amount the colonists receive, as instructed.
- If no agreement is reached, you are instructed to shut down the venture, and send all the colonists on the long, unpaid trip back to Earth.

ADDITIONAL NOTES

Since you will be doing this outside a Launchpad23 session, we want to pass along a few additional hints to help you get the most out of the exercise. For example:

- After each exercise, have the teams come back and compare their results, and discuss what they liked / did not like about the style each person used.
- In the first exercise, there is a solution beyond the obvious dollar amount equilibrium. If nobody figures it out on their own, think about what each party really wants, including the other possible buyer.
- In the second exercise, think beyond just the dollar amount involved. What other incentives can each side offer to help seal the deal?
- Have the participants reflect upon the original question: what negotiating style is the best? What does the answer depend upon? Make a list!



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