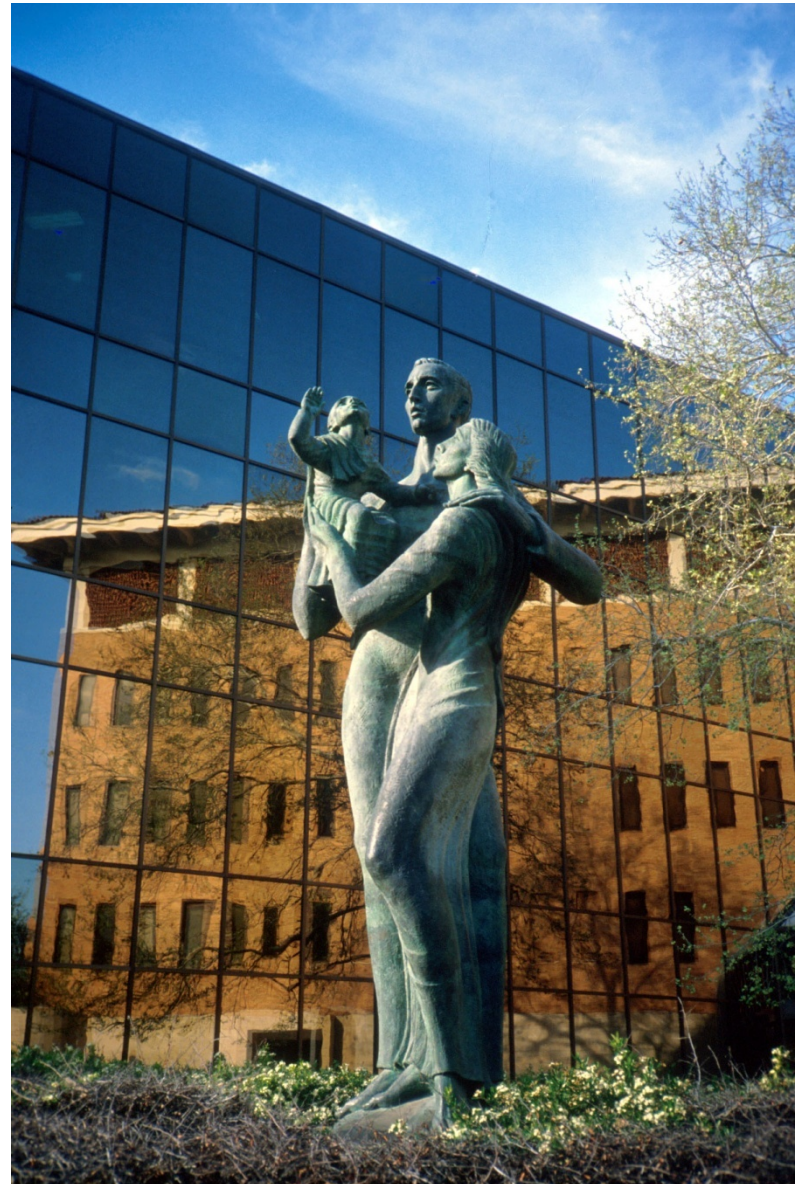


Running the “Sugar Bowl” Negotiation Exercise

Dr. Gaylen Paulson
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Gaylen.Paulson@mcombs.utexas.edu



Sugar Bowl Rationale



- **Quick and clear**
 - 15-20 minute time frame
 - Able to be used in very large groups
 - Little administrative oversight needed
- **Engaging and approachable**
 - Some familiarity, but rare to find any real expertise... no big advantages within the group
 - Fun... including a readily available prop is always enjoyable
- **Broad appeal**
 - Used with professionals, mid-level managers, retirees, etc.
- **Make participants more malleable**
 - Unfreeze -> Change -> Refreeze
- **Provide a rich base from which a variety of concepts and issues can be explored**

Simulation: “Sugar Bowl”

- Preparation: 5 minutes
- Negotiation: 10 minutes
- **TIPS:**
 - Do your best with the info you’re given
 - Embellish only where needed
 - Lying happens, no honesty requirement!
 - Submit your result, then DO NOT DISCUSS





Logistics Notes:

- Typically partner via proximity
- Someone you don't know
- Encourage people to scatter
 - Out of earshot
- Odd Number of People?
 - Discourage multiple trios
 - Partner or friend of the buyer
- Deliverable: Bill of Sale or Receipt



Sugar Bowl Debrief

- **Opening Questions:**
 - *How many reached an agreement? No deal?*
 - Grab a Sugar Bowl...
 - Identify a Seller...
 - *Excited to make the sale?*
 - *How'd you come to own this piece? (note the blem)*
 - Buyers...
 - *Excited about your purchase?*
 - *What caught your eye about this bowl? (this is the bowl)*
 - Segue into a simple map...



“Sugar Bowl” Valuations...

ANTIQUES SELLER:

ANTIQUES BUYER:

HOPE =

HOPE =

LIMIT =

LIMIT =

ALT =

ALT =



“Sugar Bowl” Valuations...

ANTIQUES SELLER:

HOPE = \$300-1200?

“As much as I can”

LIMIT = \$250-350

ALT = Wait...

ANTIQUES BUYER:

HOPE = \$300 - <\$2500

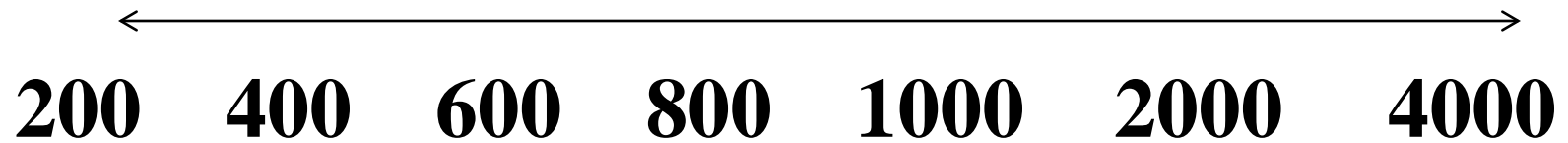
“As little as I can”

LIMIT = \$3000

**ALT = Sell as incomplete,
or hold for future**



Sugar Bowl “Bargaining Zone”



**“Bargaining Zone”:
Your Deal:**



Sugar Bowl: Some potential lessons

- **Preparation**
 - Key elements
 - Myopia vs. Perspective Taking
- **Bargaining Processes**
 - Distributive Elements in Phases
 - Opening Statements
 - First Offers
 - Concessions
 - Signalling Commitment
 - Closing Statements
- **Satisfaction**
 - Disconnect: Actual vs. Perceived performance
 - Expectations Drive Evaluations



Sugar Bowl & Integrative Potential

- “I” version being released by DRRC in early 2013
- Parallel to the original, with integrative potential
- **Changes and the Creative Opportunity:**
 - Buyer more purely motivated by the \$\$
 - Seller of the Sugar Bowl has had several people express interest in purchasing a complete set
 - One regular client has pledged \$12K plus fees for a complete set in “Superior” condition, resulting in an aggressive, but fruitless, search
 - Includes information confirming all pieces rated “Superior”, and defines seller’s normal Locator Fee arrangements (10-30% w/ minimum)
 - Offers significant additional value (\$3-4K) over what the Buyer hopes to obtain at auction (\$8-8500)
 - *How/when do we discover this opportunity?*
 - *How does this get distributed??*
- **Early piloting suggests...**
 - 10-20% of pairs capture the opportunity
 - Trend toward partnering/splitting the risk and the added value
 - These pairs are very proud/vocal, and need to be carefully managed during the debrief to reveal when *you* want the concept to emerge
 - Very interesting “Negotiator’s Dilemma” discussions around sharing information



What questions, comments...?