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“The House on Elm Street” Exercise: Essential Negotiation Strategies and Skills

Success in business transactions and personal relationships require an understanding of negotiation. This role-playing exercise, entitled “The House on Elm Street,” provides an introduction to essential negotiation strategies and skills.

Specifically, the exercise is designed to help students learn how to:

1. understand different types of negotiations,
2. prepare for negotiations,
3. recognize and decide ethical issues,
4. develop and use negotiating power via the concept of Best Alternative to a Negotiated Agreement (BATNA),
5. apply contract concepts to negotiations, and
6. create value in a manner that benefits both sides.

The exercise involves a transaction anyone can identify with—the sale of a house. Each student receives a short role description as either the buyer or seller. They negotiate for 30 minutes, followed by an instructor-led debriefing. There is a twist in the exercise known only to one of the roles. At the conclusion of the exercise, students receive an assessment of their negotiation skills that forms a plan for improving those skills in the future.

The comprehensive **teaching note** for this exercise provides all the information an instructor will need to set up, execute and debrief this exercise. It contains the following appendices:

- **Appendix A:** Tracy (Seller’s) Role
- **Appendix B:** Pat (Buyer’s) Role
- **Appendix C:** Self-Assessment and Feedback

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