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# FORTUNATE FORD NEGOTIATION

## Teaching Note

This is a short and sweet classic used car negotiation, intended to be purely distributive. (I originally developed it for a negotiation workshop for Ford management and Ford UAW members.) It could take no more than several minutes to negotiate, though you could certainly allocate 15 - 20. Informed that they have ample time, negotiators have no excuse not to engage in introductory chit chat and strategic curiosity about the other's circumstances. (Frankly, they should do so even with a short negotiation window.)

The simulation set up is that both parties are under time pressure. In a couple of days, the seller is leaving the country to live in Europe for a year and has agreed to leave their house renter a space in the garage. The buyer has a new job to which they must drive on the Monday morning and would rather not rent a car. The seller will put the sale proceeds toward transportation in Europe, likely to be expensive. Though the buyer just received their insurance company's check for the value of his previous car (totaled in an accident), their bank account was perilously low before that. Bottom line: while time matters to both parties, money also matters. The buyer has reason to want to pay as little as possible and the seller has reason to want to receive as much as possible. The simulation roles provide information about blue book values for private sales and likely dealer offers. While the simulation suggests numbers or ranges at which the parties would be comfortable, it does NOT provide strong bottom line or top dollar numbers.

You can use this simulation to introduce distributive negotiation as well as basic negotiation vocabulary: BATNA, ZOPA, and Reservation Price/Value, as well as the power of information about the other side's circumstances. Short and sweet, it should well at the beginning of a course or workshop.