

[music]

[background conversation]

Fadi: Hello.

Ryan: I'm Ryan. I'm from Indocarta.

Fadi: How are you? I'm Fadi from Hawani. How are you?

Ryan: I'm doing well. Thank you.

Fadi: It's good to see you, again. It has been a while.

Ryan: It has indeed. As you know, we've been in these sort of situations before but just wanted you to start off and-- can you tell me a little bit more about how your family's doing? How are things going for you?

Fadi: Pretty well, the kids are going to school. Life is good. Hectic, a lot of work, long business hours, but we get used to it by time. What about you?

Ryan: Yes, things are going really well here. Indocarta, we're a small nation, a little bit smaller than you guys are, but at the same time, we're really passionate about the things that mean a lot to us here. We are really grounded in our faith. We really believe that tradition through prosperity and prosperity through tradition are really the central pieces of our relationship with the world. And so, yes, we're just really proud of our identity. We're proud of who we are, and it's great to be with these other nations here today.

Fadi: Yes, it's really good. Anyways, today, we want to meet to talk about our next agreement with our neighbor country, Fuji. I thought maybe it's a good idea just to try discuss this. Maybe we can reach an agreement before we talk to Fuji. What do you think is that? What's--?

Ryan: Sure. Absolutely. So obviously, the rice exports are a key part of our economy. Without those rice exports, we are really in a tough place. Our economy does depend on rice exports almost entirely. I know that Fuji has a different economy than us, and I know you guys have kind of a mixed economy as well. I was wondering if you could tell me a little bit more [crosstalk] about your-- I was wondering if you could tell me a little bit more about your economy and how the rice exports fit into what you guys try to do with your national strategy?

Fadi: Although the rice agriculture sector is not dominant in my world-- or its the main basically product of our economy but we rely on rice exports as one of our main contribution to the GDP. We think that rice and production of rice should continue.

Ryan: Okay. I see.

Fadi: And this deal, frankly speaking, it means a lot for us. It means a lot.

Ryan: I see. It means a lot to us as well. What I'm concerned about is that Fuji might come in here and try to kick off some sort of a bidding war against us. I'm really

trying to see who can go to the lowest price possible. That's tough for my country. We're seeing a recession on the forefront or in the near future. We really are concerned about giving away any more to have these rice exports take place. We don't want to get into a bidding war with somebody. I don't know if you feel the same way, or if you're interested in trying to go to the lowest price possible. What are your thoughts about our pricing strategy?

Fadi: I'm still unclear how Fuji will handle this, but from our side, I think there should be a way to do it. I mean, just as said before, and I have to re-emphasize that, rice is one of our main products, one of our main exports that we need to continue, and this agreement in particular, or this deal in particular, it's really important to our country. I don't know how you handle those situations in the past, for sure, you may have to think of other opportunities maybe or other alternatives. I know that you can-- I don't know, maybe try to come up with other source of income for your country. I'm just trying to give you some ideas or trying to help, but this doesn't mean anything because, for now, for me, is like the deal is still on the table, we haven't reached an agreement yet, so.

Ryan: Absolutely. I'm interested definitely in hearing what Fuji has to say. Just learning more about their interests. I'd like to understand better from their perspective, how they see interacting with us as two partners, even though they can only secure those exports from only one of us. I'm curious to know more about what sorts of things they are thinking about as well.

Fadi: Yes. Me too.

Ryan: Great. That's excellent. That's good to hear. I'm glad to hear that things are going well for you.

Fadi: Thank you.

Ryan: We at Indocarta, we just love to learn about the person at the other side. It's really about the person in addition to their role, so.

Fadi: I agree. Yes, it's here. At the end of the other day, it's a personal relationship. We have known each other since long time and I know that, over time, we have developed a kind of good relationship together and I hope this will continue.

Ryan: That's wonderful, great. I look forward to it as well.

Fadi: I appreciate.

Moderator: All right negotiators, five minutes left in this first round. Five minutes left.

Ryan: The one thought I did have since you've been so warm and so kind, but I just wanted to put out there for you is that I see our two nations rather than being in conflict, as we have been essentially for the last 50 years, unfortunately, as having an opportunity for a new beginning, and I wanted to take this time because I think this is the last time we have together. You and me before an hour from now to-- I really want to emphasize that we hope to get over the past and really drive towards a new cordial relationship between Hawani and Indocarta, and one thing that I see is

that if Fuji tries to play the two of us against each other, there might be opportunities where we could work together, rather than being in conflict.

Fuji has to get rice from one of the two of our countries and there's no other options for them. I think there might be an opportunity for us to try to control Fuji a little bit, rather than letting Fuji try to control us. I just want to make that thought something for you to think about, because when it comes to dealing with Fuji, we're obviously going to advocate for our own interests. But I think that rather than having Hawani or Indocarta have to suffer, I think there might be an opportunity where we can both thrive, and Fuji can be the one to potentially pay a larger cost, given that they're a large oil-rich nation that might be able to throw a little bit of money around for us.

Fadi: What are the options?

Ryan: One thing I was thinking about is Fuji has to get rice from any one of us. But that doesn't mean that our countries can't exchange. And so one thing I was thinking about is some sort of potential agreement. The details would have to be worked out later. Where either Hawani could transport rice to Indocarta in exchange for money or Indocarta can transport rice to Hawani in exchange for money. And then whoever ends up with the deal with Fuji acts as the conduit for that case.

Fadi: Okay, I think it's a great idea, but at what's price and what's the quantity also? This really matters, I think.

Ryan: Absolutely, the quantity I think I'd like to learn more from Fuji about what quantity they're interested in.

Fadi: I mean the percentage how the distribution is going--

Ryan: Exactly. Yes. I think that's going to be important for us to talk about, maybe when we hear Fuji's perception of this as well, but I think that we have the opportunity if we do go into some sort of agreement such as that, to actually increase the prices on Fuji to move beyond \$10 per bushel, which I believe is where we are right now, possibly into a 20 or even 30 dollar per bushel range. And so when I'm seeing that, is we have the opportunity to both exchange rice, charge a higher price for Fuji and then be able to share the benefits together equal between our nation's or with some sort of sharing agreement between us.

Fadi: Do you think that you have the capacity to provide Fuji with all their demands for rice?

Ryan: Yes. I don't know what Fuji's request is, in terms of volume. We feel very confident about our ability to be a provider to Fuji. We also feel very confident in our transportation and logistics operation. We feel comfortable providing Fuji with that and being the conduit for all the rice to flow through. But we also are aware that Fuji is a much larger nation than Indocarta is, and Hawani might be able to contribute some volume or a significant amount of volume that would allow us to meet Fuji's full demand.

Fadi: Yes. I think this is a good idea, but it's up for discussion. Let's first of all, meet with Fuji and try to figure out what's their demand for rice and what the price they're looking for and maybe we can meet later on and talk about it.

Ryan: Absolutely. That sounds great. I know that we have another meeting coming up in about 45 minutes to an hour between our two nations. I will certainly keep this as a strong option for the people of Indocarta. I hope that Fuji does not try to split our nations apart.

Moderator: All right. Round one is over. For round two, it's all three parties at the same table. Fuji should be entering the room now. You have 15 minutes.

Ryan: I look forward to learning more about what they have to say.

Fadi: Good.

Fuji: Good morning, everyone. Thank you so much for being here so early. Hi.

Ryan: Good morning. Good to see you again.

Fuji: Good to see you again.

Hawani: Good morning. Good to see you again.

Fuji: Good to see you. Yes. I just want to thank you guys for getting up at the crack of dawn. I know it was not easy. I'm hoping that we can come to an agreement. As you know two of you are our largest trading partners. As well as, we have had a good relationship with both of you and we'd like to emphasize that relationship.

Ryan: Wonderful.

Fadi: Yes it is.

Ryan: Sounds good. How are things going in Fuji these days? How's the nation doing? How's your family doing? How are things?

Fuji: Things are good. I think we're fine. My family's doing well. The island is as beautiful as ever. We have a few kangaroos running loose, but other than that we're pretty good.

Ryan: That's excellent.

Fadi: I heard that you had a very good tourism season this year.

Fuji: Yes, you should come and visit. Both of you.

Fadi: Maybe we can visit together, just have a trip.

Ryan: Yes.

Fuji: That sounds good. We'd love to have you.

Ryan: I think that'd be an awesome way for us just to, in the future, get to know the needs of the Fujian people a little bit better and understand how our nations can interact well together.

Fuji: Great. In the interest of time, I think that's a good segue point, instead of understanding the needs of the Fuji people. I was hoping maybe we can talk a little bit more about our interest and what we're looking to get out of this deal. How does that sound?

Fadi: Yes. That's what we're looking for.

Fuji: Okay, great. Basically my priorities are really to get a fair price that will meet the needs of the Fujian people for rice and to continue our relationships, good relationships with both of you.

Fadi: Okay. That's pretty good to hear.

Ryan: Yes.

Ryan: Can you help me learn a little bit more about the needs of the Fujian people? I know you mentioned that you're looking to meet the needs of the Fujian people. What are their needs, specifically when it comes to rice exports? Is there anything else that our nation's can do to help meet the needs of the Fujian people?

Fuji: Certainly. My understanding is that both of you have rice and both of you have pros and cons in terms of exporting rice to us. Our needs are really to make sure that supply is steady. I guess one question that I have for both of you is, in case of a disaster to the rice crop, how would you be able to recover and how quickly do you think you'd be able to recover?

Ryan: Sure. The Indocartan people are passionate about their rice farming. It's a core part of our nation's identity and it's something that we've always taken pride with our relationship between ourselves and Fuji. One thing that we're very proud of is our transportation and logistics operation. We feel very comfortable not just with our ability to produce rice, but also to export it all throughout the Pacrim region. We are confident in our ability and have never had any issues in the past with any production related issues.

Fuji: May I follow up on that a little bit?

Ryan: Sure.

Fuji: I'm hearing that you're good on transportation. My understanding is that we're closer and the seas are less rough so transportation is a little bit easier. My concern is that there have been some projections for a drought and I know that Indocarta has faced drought in previous years. In case there were a drought this year, how do you think Indocarta would be able to recover?

Ryan: Sure. We may not seem to be the most sophisticated nation when it comes to our industrial capacity, but one thing that we do know how to do well is forecast with agriculture supplies. We pride ourselves on our ability to maintain stores of water

available to ensure that we're able to properly irrigate our crops, even in the event of some sort of a drought.

I know that there are potential projections for recession in the Indocartan Island, but we feel no impact from that for our rice crop production. We have faith that we'll be able to get out full demand this year, or we'll be able to do full supply this year and meet whatever demand we're down for.

Fuji: Thank you very much. Go ahead.

Fadi: As you know our economy is strong economy and it's diverse economy. First of all, I have to emphasize one thing before we move on. Is that we need to emphasize our good relationship and our trade relationship between our countries, and that's what we're committed to no matter what happens. Is that we're committed to good trade relationships. The relationship is what matters for us.

Back to the supply of rice, as I said, it's just like, our economy is diverse, we produce a good portion of rice and we have no issue with providing any quantity of rice that you demand from us. Regarding the supply and make sure that you have a steady supply, we had a lot of proposed mechanisms on how to ensure that you have a steady supply. We have a good relationship with many transportation companies.

Our transportation system is really strong and we have very good storage system. All of that will ensure that you'll have a steady supply of rice over the period of time that we'll talk about.

Fuji: Thank you. I appreciate that. Okay. I think one thing that is a concern for us, as you know, our Constitution is sacred. It would be very politically unpopular- Our constitution says that we can only import rice from one country and it would be very unpopular if we were to import rice from both of your countries. I know it's a difficult balance because our relationships are important to us, but at the same time, in terms of meeting the needs of our people, we really need to import it from one country.

What I wanted to hear from both of you is, what criteria would you want me to consider when deciding who to import from?

Ryan: I think one of the things that should be at the forefront of the Fujian people's mind is the relationship that the Fujian and Indocartan people have. Specifically, I think this is a concept that you may be familiar with, the concept of Amae, A-M-A-E, which is this Japanese cultural norm that's filtered through to our people. We feel very strongly about it and I know that the Fujian people have this as well.

It's the relational balance in life with a senior partner and a junior partner, in which the junior partner strongly supports the senior partner and in exchange, the senior partner is there to help support and cultivate the well being of that junior partner.

Fuji: Can I follow up on that a little bit?

Ryan: Absolutely.

Fuji: I understand that culture and traditions are very important to you and culture and traditions are also very important to us. Our constitution was born by our

benevolent dictator, Greenspan and our people revere him very much. For that reason it's impossible at this point to change our constitution and say that we have to export from both countries. We would really like to, and maybe we can think about creatively about how to manage that in the future, but for this year we're really looking at at one of you. I just wanted to communicate that to you that, respect for your culture is important, but respect for our values are also important.

Ryan: We love to hear that. That's great.

Fadi: Yes.

Fuji: I just wanted to give you a chance to-

Fadi: We have no issue. I think we have no issue. We really respect this. Is that you have to comply with your policies or abide by your constitution. We're happy and willing to provide you with whatever quantity of rice you demand.

Fuji: Okay. Thank you. I really appreciate that.

Ryan: Do you have any more information about the quantity of rice that you're interested in or is it just a continuation--

Moderator: All right negotiators, five minutes left in round two.

Fuji: I cannot give you that information at this time. I'm sorry.

Fadi: I have questions regarding the timing of the contract that we are talking about. Are we talking about one year's supply two years of supply? How many years?

Fuji: My understanding is that it's one year but I would check back with my minister and then I will inform both of you.

Fadi: Okay. Sure.

Fuji: Thank you guys so much.

Fadi: Thank you.

Ryan: Thank you

Fadi: I think I have to step out.

Ryan: Okay. Thank you very much then.

Fadi: Thank you very much as well. I will see you out there in a minute.

Fuji: Thank you Fadi, it was good meeting with you. Good to see you again.

Fuji: Thank you so much again for being here and I just want to really emphasize the good relationship between our countries and that it's very important to us.

Ryan: Absolutely. I just want to emphasize for you and I think you're aware of this too but the rice exports for the Indocarta people are enormously important. We're talking a matter of life and death for the people of Indocarta.

Fuji: Can you expand more upon life and death?

Ryan: Absolutely.

Moderator: All right, round two is over. Hawani leave the table. It's a truncated session one in round three. The Indocarta and Fuji have seven minutes. Hawani should be leaving the table.

Ryan: We heard Fadi talk about the people of Hawani and their diverse economy. We feel very strongly that without the rice exports their economy can continue along and there will be minimal impact may be some impact of minimal impact on the people of Hawani. For the people of Indocarta, it really would be a matter of life and death. Essentially it would be stripping away our greatest source of income and creating a famine-- Sorry, not a famine, but creating a global economic event for the people of Indocarta. As you know the Pacrim trading block is very small. We have this specialized expertise and Fuji is really our primary trading partner, and so without that exchange between our two countries and two economies the people have of Indocarta would be in a very difficult position.

Fuji: Thank you and I definitely appreciate that and to follow up on that information that I has says that your economies are teetering on the brink of collapse. Then the information that you said about it being a matter of life and death. Your economy actually depends on this, could you speak more about the economic conditions of your country?

Ryan: Sure. The economic conditions are essentially the way that they are because we are singularly focused on our rice exports. I think it's fair to say that. In the event that things continue to go well with our rice exporting business, we see no reason for concern with our economy. We don't see any regional ripple effects taking place because of that as well. We feel very comfortable in our economic condition assuming that rice exports continue into the future.

Fuji: If I'm hearing you correctly, as long as your rice exports are stable and can continue, your economic condition will be fine.

Ryan: Yes, very confident in that. Absolutely.

Fuji: I think the two main issues that I really want to cover in the interest of time, we have about five minutes left, is really the recovery for a disaster. That's a huge, huge thing for us is that let's say for example the crop fails because of drought.

Ryan: Sure.

Fuji: How would you be able to guarantee the delivery to us?

Ryan: Okay.

Fuji: Any way, you can do that, that's helpful. That's helpful information.

Ryan: Sure. So I'll start off by again reiterating our real strength in the transportation and logistics field.

Fuji: Yes and we recognize that as well.

Ryan: Yes, and it really I think comes more into light when it's in contrast with the people of Hawani. As you mentioned the seas are rougher on that side of the island of Fuji and our side tends to be much more calm. I know that culture and history is a huge part of the Fujian people and I know that unfortunately one of the reasons that Fujian history has changed in recent years was a result of the boat incidents that took down Greenspan, your leader.

Fuji: Yes, unfortunately.

Ryan: I know that that is just such a sad tragic event for the people of Fuji.

Fuji: Agreed.

Ryan: I know that recently last year Hawani had a shipment of rice that went down similarly, an entire boat of rice was unable to be delivered because it sank in those same rough seas that took down your great leader. I just want to emphasize that coming from the Indocartan side of the island of Fuji nothing like that would be of concern I can guarantee that. We've never in our long and illustrious history had anything to worry about with our transportation. Unfortunately, my friends on the other side of the table they've had recent concerns that have impacted the quantity of their crops.

Fuji: In terms of price what are you looking at, and if you could explain why that would be very helpful for me to know.

Ryan: Sure. Given the importance of this crop to our country, I know that in recent years the price has been \$10 per bushel.

Fuji: Yes.

Ryan: We would need to see a slight increase in order to help support our people.

Fuji: By slight increase what do you talking there?

Ryan: Yes, we're willing to sell the same quantities last year at the \$15 per bushel price.

Fuji: What that quantity last year?

Ryan: I would have to check on the actual numbers. I don't have it with me directly here.

Fuji: Okay. That's fine.

Ryan: Assuming that our agreement stays similar to in previous years it would be a \$15 a bushel price and that's really to support the economic growth of our country.

Fuji: Got it.

Ryan: We would definitely be taking some of that money investing it in diversifying our economy so that no longer would we be such a solely dependent country that really focuses only on rice exports.

Fuji: You're looking in other words if paying \$15 to you would help you diversify your economy so you're foreseeing that maybe in a few years you can start to diversify.

Ryan: Absolutely.

Fuji: Okay.

Ryan: We see ourselves as a key part of this Pacrim economic coalition.

Fuji: We see it that way as well.

Ryan: We don't want to be just the person who's always viewed as the rice team. The people that you always come to for rice we're proud of that history. We also understand that with our history we need to think about the bigger picture as well.

Fuji: That's understandable. Got it. In the last two minutes, we have another thing that I want to follow up with you on, is that you said you had stores of water to irrigate in case of a crop failure. Could you speak more about that? Is that the only measure that you have in case of a crop failure? Are there other measures that you're considering?

Ryan: Yes, I would say that that is our primary measure that we have been adhering to. I would say that with that \$15 per bushel price we do hope that some of that can be used as a store. Think of it sort of like a grain store so that we would be able to produce excess rice in future years and keep that stored on hand for the event of a drought in future years. Thinking of a way to smooth out our production so that if there is drought or any sort of serious event in the future years we can use that, but right now I'd say irrigation is our primary strategy.

Fuji: Okay, so you think that as irrigation-- Do you believe that irrigation will be able to support in case of a drought to continued delivery for like the next few years.

Ryan: I do, absolutely. I feel confident in our country. We've been doing these rice exports for many years. We love our agricultural production. We've seen ups and downs before in the past and we've been able to continue to thrive through those things. I do want to emphasize our history and wonderful export capacity.

Fuji: Thank you.

Moderator: All right session one of round three is over. Indocarta leave the table. Hawani come back in.

Ryan: All right thank you very much. I look forward to our next group session.

Fuji: Thank you. So good speaking with you.

Ryan: Yes.

Fadi: Hi. How are you?

Fuji: Hello. It is so good to see you Fadi.

Fadi: Good to see you again. How are you?

Fuji: Nice to see you. Hawani thank you so much for being here. I just had a couple of things that I wanted to follow up with you on. I know that you mentioned that you can deliver any quantity to us, and we are very much-- Yes, I think that's good for us. The concern that I have is transportation. As you are aware Indocarta has a few advantages over you in terms of transportation. I have some information that a shipment of rice sunk in previous years. What measures have you taken to ensure that doesn't happen again?

Fadi: First of all regarding this incident, in particular, we investigated the reasons for that. We come up with a couple of actions or corrective actions to do and one of them is that we need to upgrade or buy new ships. I believe we did that and we had a couple of other procedures to make sure not to have this incident again.

Fuji: Okay.

Fadi: Again regarding this, I remember you had the issue with a steady supply of rice.

Fuji: Yes, we did have that issue. Do you know of any issues on your end that would affect the steady supply of rice?

Fadi: Don't worry about that. We really thought about it. Again, as I said, our relationship is really important for us and for us is that having steady income for rice I think is something really essential for your country. We're going to set up a mechanism to have some storage in your country at your expense in order to make sure that you have steady supply of rice.

Fuji: In terms of the price, what were you thinking of?

Fadi: The price is dependent on the quantity for sure but I don't think that we're going to have an issue with the price as long as we agree on the quantity and we agree who are you going to buy the rice from?

Fuji: You're pretty much open to any price and the higher quantity we get, the more you're willing to come down price-wise.

Fadi: We're talking about our range for the price, and again, it depends on the quantity. It's between \$9 and \$12 per bushel.

Fuji: With quantities, what range of quantities are you talking?

Fadi: It depends now again, the \$12 is-- Just to be sure. We're talking about the quantity of 10,000 bushels. This is how we export. I think is that if we provide you

with the 100,000 bushels, it would be \$12. If we provide you a range between more than 100,000 to 300,000 bushels, it can be \$9.

Fuji: Thank you for that information. Let's say that you provide us with the quantity of rice and we don't need all of that right now, you'd be willing to pay for a system so that we can store the extra quantities?

Fadi: Sure. Again, this is going to be our procedures from now on is that we're going to have storage, we're going to store all the rice that's in excess of your demand and we can use it whenever you want it. It's going to be goods on assignment.

Fuji: Two questions, the first is how do you think the recession will affect your economy?

Fadi: Will affect our economy?

Fuji: Yes. My understanding is that I have information that a recession is coming in the area and that some of our trading partners are facing this. How do you think it will affect your economy?

Fadi: I don't think it would really have a significant impact in our economy. You know that our economy is much more diverse than other countries and we have such a very stable economy I can say. We have some financial services, we have agricultural, industrial. It's not going to have a significant impact I think.

Fuji: Thank you.

Fadi: Again, the rice industry is something that we're really proud of and really invest a lot of. Even the government is interested to make sure that the rice industry is not affected by any economic troubles.

Fuji: Thank you. I really appreciate that and the measures that you have taken to both ensure investment to rice production and to ensure delivery of your rice. The only other concern that I have is that you have a diverse economy and Indocarta does not have a diverse economy. What do you want me to consider? How would you respond to that?

Fadi: Again, as a representative of your country, it's a big country, it's a huge country, you have a lot of people and you need to make sure that you feed all your people. I think this is your interest. I'm assuming this is your interest.

Fuji: That's fair to say.

Fadi: For me as a business partner, I think that we should make sure that you fulfill your interests, you fulfill your commitment to your people. If there is any drought or people don't have enough food to eat, it's going to be a big issue. No matter what other countries, what kind of issues they have, I think you have to make sure that you protect your own people, you protect your own supply of rice. I can assure you from our side that we're going to help you to do this and we can have some commitments on the table to make sure that you don't have any shortage of supply for rice.

Fuji: Thank you, Fadi. I would definitely consider your offer.

Fadi: Thank you. In the meanwhile if we still have a couple of minutes [crosstalk]

Moderator: All right negotiators, round three is over. You have 15 minutes of all party negotiation. Send those guys back in. Be sure you pick up your announcement as you're walking in.

Fadi: Again, as I just emphasize is that the price for us we can look at this and we can negotiate this later on. Again, our relationship is important to us is getting this deal done. I think one [crosstalk] -

Moderator: As we begin round four, we have a news bulletin. The worldwide recession has deepened. This has sent Stock Market's tumbling has caused fear in many agricultural markets, including the rice market. Because of this speculation, the price of rice is fallen by \$1 per bushel. This is a significant blow to any country producing rice.

Fuji: Got it.

Speaker 5: Thanks Brady.

Fuji: Welcome back to the table, Ryan.

Ryan: It's good to be back although-

Fuji: It's good to see you.

Ryan: -tough times for our region.

Fuji: Yes, definitely. The price of rice I'm told has fallen by \$9 per bushel. In light of that, how do you think that affects your ability to produce rice?

Ryan: I don't think we'll have any issue with production. I think that they solely impacts pricing just global supply and demand but our Indocartan supply should see no impact.

Fuji: How is it on your end?

Fadi: I think the same applies for us because as you know the production of rice is kind of protected by the government so we don't have any issue with that. As I said, the production of the rice industry, the production of rice is one of the main earner for our economy so we protect that no matter what happens with the market. I don't think that the rice industry will be affected.

Fuji: How would it affect the price?

Fadi: Yes.

Fuji: It would affect the price?

Fadi: I assume that.

Fuji: I guess a concern of ours is first we need a good price. We're in a recession and I understand that the prices have to go up for both of you and I think that's reasonable. However, one of our main priorities is the price and also the quantity. As you know, we have a very large population, we have so many people to feed. My understanding is that we're willing to accept a larger quantity if we get a good price. That's really a big issue for us and I just wanted to flag that.

Another thing that I wanted to flag is that as long as we can guarantee that we get the supplies, that there's regardless of shocks to the economy or some sort of disaster, as long as we can guarantee that we get the rice, that's a really big important thing for us but I think the two big things for you guys to think about is how many years of supply can you deliver and how are you going to guarantee production? I think that's guarantee that we get the rice regardless of what happens.

Fadi: Regardless of what?

Fuji: Of whether it happens with the economy or with drought or whatever disaster?

Fadi: In terms of years of supply what's your expectation on the years of supply?

Fuji: The ball is really in your guys' court. As you know, we can only import from one country but at the same time, our contract depends on how many years we can think about that.

Ryan: I'm curious to learn more about your economy. The Fujian people's economy. I know that it's strongly dependent on oil exports and oil production and am curious to know if you had any impact with this recession as well.

Fadi: Sorry for that because I know that we're having a very serious discussion about the rice supply. Can I just ask how this is relevant to the rice supply?

Fuji: You want to learn more about our economy, am assuming it's because you want to figure out what we need in terms of rice?

Ryan: I'm just trying to learn more about the Fujian people, learn more about their economy, I know that you are a largely oil exporting country and I'm curious to know if there has been impacts to your economy as well.

Fuji: I don't know how this is relevant for you guys but if it is helpful, great. Currently-

Fadi: For me I don't feel it's relevant because we're discussing rice, but feel free to do that.

Fuji: As you all are well aware, we know that we need the rice. We know that we need to feed a large amount of people, you have the rice and we've good trading relationships with both of you and so we have a mutually dependent relationship here and I think that we can come to a deal on this issue. In terms of- we're not facing an impact of the recession that I know honestly so I really don't have a lot of information to give on you.

Ryan: That's great to hear. I'm happy to hear that your people are doing so well when it's tough time for our region. That's great.

Fuji: I acknowledge that.

Ryan: That's great.

Fadi: Back to our issue is that do you want to start talking about the price of the quantity?

Fuji: Yes, I think the price is really going to be a big thing for us and the quantity. Once again there's going to be a tradeoff. We're willing to accept the higher quantity for a lower price. What are you guys thinking of in terms of price?

Fadi: I already gave you my offer-

Fuji: And that stands?

Ryan: It stands, I think we can lower down one dollar from the two ranges I gave you.

Fuji: Okay. Thank you. What about you?

Ryan: We acknowledge that the recession has changed global prices as well and so we are willing to lower our price by a dollar as well. However, at this point it's important for us to maintain that price because of our need to diversify and so we want to maintain having that ability for the future.

Fuji: Okay. In terms of quantity how flexible are you in terms of that?

Ryan: We are happy to export our entire production with-holding enough for our people to have our domestic supplies.

Fuji: Thank you.

Fadi: For us as I just told you it's like no matter what you want, we're happy to provide with, supply with.

Fuji: Thank you.

Ryan: And we see ourselves being able to fill a similar role as well. I don't know if I can quantify in years of supply per-say but I know that we are willing to like I said provide all of our production even if that means going above and beyond what you demand in order for you to have a domestic store as well in order to smooth out some of the ripples in the economy.

Fuji: You're willing to provide extra so we can have a storage?

Ryan: Yes.

Fuji: I think so far that's pretty- I would consider both of your offers, I think we can come to a deal.

Fadi: Could we hear from you what's your expected quantity that you are looking for?

Fuji: As you know well, I can't really give you an exact answer. Unfortunately, I don't have that information so basically the more the better.

Fadi: The more the better.

Fuji: The more the better.

Fadi: Okay, and what's the prices range that you're thinking of?

Fuji: Well, currently it's around \$9 a bushel so I'm really not looking to go much more above that. I think that in terms of our people and me having to go back, my goal was to get a fair and a decent price. Anything more than about \$2-\$3 a bushel I'm really not willing to pay more than that and it's flexible depending on the quantity.

Fadi: Okay. You have more weight to the quantity more than the price or how is this?

Fuji: They're flexible. It depends. The more quantity you can give us, we'll be willing to pay a lower price but the less quantity we'll be willing to pay a higher price so they do inverse relationship.

Fadi: Okay. Okay. Great .

Ryan: I appreciate the frankness with which all parties have spoken at this table, I find that to be very helpful. It's very important for me to get to know each of you both on a personal level but also a professional level. I find that candor to be very helpful in allowing me to sit at this table with our regional partners and really feel confident in what we're doing here. I do want to emphasize that that was not necessarily how I felt coming in here this morning but I think that you both have gone above and beyond to make things more easy so thank you for that.

Fadi: Appreciated. Do you want to try to start to negotiate to finish a deal here or you want to do that separately, what do you prefer?

Fuji: Let me just look at our schedule and see what we can do. I think we have some time, I have an idea of the prices and I guess you guys have an idea of my expectation. I would really prefer if at all possible to go below the \$9 a bushel. If you guys can do that feasibly for me and provide me with a large quantity I'm happy to accept the really large quantity for me for that price and some grain stores as well. I'm really happy to do that but it's really dependent on the price. I think maybe if you guys want to start talking about your offers I think that would really be helpful to me in terms of deciding.

Fadi: I think we will be willing to go lower than \$9 per bushel. I think it's feasible.

Fuji: Okay. Is lower than \$9 per bushel feasible for you?

Ryan: It would depend on a number of factors. Both how much we would be willing to export at that level, it would also depend on what the actual specific number is that we're talking about here. I'm concerned for the sake of our people and our well-being that anything below \$10 starts to have an impact on human beings lives and I think that we risk having famine because of not enough money in pockets to support

people's livelihoods and I think that there's also a potential downward spiral impact that if we don't have enough money to invest in our economy and our future, then we are going to have a difficult time ever getting ourselves out of this situation.

Fuji: I just want to paraphrase what I've heard. Anything below \$10 would really be a hardship for you but depending on the quantity you would still be able to both feed your people and diversify your economy and things like that.

Ryan: I think at this point we're comfortable saying that although it's a difficult global economic times have required us to go to that 9 dollar level and we can do a deal at that level but it would be tough, we'd be tough on us.

Fuji: Thank you. That's very helpful to me.

Fadi: I think we still have like one minute. Just to clarify the process, we can reach a deal at any round. We don't have to wait till the end to reach a deal, just to make that clear.

Fuji: That's good. Thank you very much.

Ryan: I do hope that we have the opportunity to have some more additional frank conversations. I'm interested to hear more about the Hawaiian economy. I know that you are a diverse economy and I think that there's some good opportunities for all of our economies to come through this tough time thriving and meeting not just the bare minimum needs of our economies but thinking forward to the future and how we can all have this long lasting relationships that really put us in a good position for long term sustainability.

Fuji: Agreed.

Ryan: I do want to emphasize that piece of this meeting here that although we're talking about this year, we're talking about longer relationships as well and so I think that it's important for us to consider that as well.

Fuji: I agree and I just want to emphasize that there are many different years and there are many different outcomes to this situation and so that's just what I want to put forward.

Fadi: Yes, I hope we can reach an agreement that will satisfy everybody.

Moderator: All right negotiators, round four has concluded. Round five will begin with a seven minute session with Hawani and Fuji. Indocarta please leave the room.

[background conversations]

Fadi: Hi again.

Fuji: Hello.

Fadi: I would like to hear from you.

Fuji: The offer is \$8 to \$11. At around \$8 you can go between 100,000 and 300,000 and you're willing to pay for our extra storage system?

Fadi: Yes, extra storage. I was trying to think we're having here the \$8-- We'll talk about the \$9 then-- I think again, it depends on the quantity. Do you have an idea what's the quantity that you're looking for?

Fuji: I mean as I said the bigger the better I'm sorry I don't have more specific information for you. I wish I did, but provided that you're willing to pay for extra grain stores, we'll be willing to look at a lot of quantity.

Fadi: Okay. The price that you're looking for is \$8?

Fuji: I was thinking is it at all possible for you to go to seven?

Fadi: I feel is a bit difficult for me to go to seven because I think nine is the break even, going a little bit down it's becoming a little bit unfeasible but let me think about it, seven I think it would be a stretch.

Fuji: It would be a stretch?

Fadi: Yes.

Fuji: Okay, but eight is doable for you depending on the quantity?

Fadi: I think it's more 8.5 to anticipate because again you have to bear in mind that we're going to pay for the cost of the storage and all of that you have to account for that.

Fuji: Yes.

Fadi: You wanted to have steady supply of rice, I think we have to bear extra cost and are you sure that you can help us with this extra cost?

Fuji: Okay, at \$8.5 a bushel what quantity are you able to provide us?

Fadi: At 8.5 no matter what you want I think we're fine. The quantity here I don't think is an issue we can provide you with any quantity you want.

Fuji: Okay. I think you had mentioned earlier \$300,000 a bushel? Okay.

Fadi: If you want more we can supply you with more bushels, if you want less we can supply you with less bushels. As I said we can setup a mechanism where we can have some reserved rice stocks in the storage and we can replenish the stocks as we go through it.

Fuji: Okay. You'd be willing to stay at 8.5 if you're looking at a higher quantity?

Fadi: I think 8.5, yes, 8.5 is a good price for us.

Fuji: If we were able to purchase 300,000 bushels, you would be able to guarantee that production?

Fadi: To 8.5?

Fuji: At 8.5.

Fadi: I think so.

Fuji: Okay. Thank you.

Fadi: I think so.

Fuji: This information is helpful. If that's not feasible, we can look at maybe going higher than that.

Fadi: Yes, if you're looking again I know that the higher the quantity the less the price but you have to be reminded that the higher the quantity the more is the cost for the storage and the more this cost for transportation. Maybe we need to think about. If half a dollar is indifferent for you we can provide you with more bushels at a little bit higher price at nine so we'll make sure that you have enough supplies for the coming year.

Fuji: At \$9 how many bushels would you be willing to provide me?

Fadi: If you want to half a million we can provide you with half a million.

Fuji: Okay. Thank you. This is helpful information for me I will consider your offer. It was good work from you.

Fadi: Thank you. Just one last comment before I have the meeting with the-- again our relationship is very important I need to emphasize that again and I believe that our economy, our rating it's A minus which is really good, our supply of rice and our production of rice is one of the best over the world. All of these would give you more assurance that we would be able to have a constructive business relationship, we will be able to provide you and supply you with rice in a steady way and to compensate for any issues or any incidence that may happen.

Fuji: Okay. You said that you upgraded the ships. You've already done that, correct?

Fadi: We already done that. Yes, we already done that and again we still have insurance with storage systems that I told you about. It's actually even if anything happens to the ships we still have the storage system so I don't think at any point-- You won't have an issue with the supplier.

Fuji: Thank you. I really appreciate that.

Fadi: Again, the whole idea of setting up this new mechanism is to make sure that you have a steady supply. We want to make sure that you feed your people and that you don't have an issue with your people.

Fuji: Thank you. I will consider your offer.

Fadi: Thank you.

[background conversations]

Moderator: You guys good?

Fadi: Yes.

Fuji: Yes.

Moderator: All right.

Fadi: Can we leave?

Moderator: No, you have about another 30 seconds.

Fadi: Okay.

Fuji: Okay.

Moderator: Are you sure don't want to exchange any valuable information in the final 30 seconds?

Fuji: We really don't have any [laughs] .

Fadi: Just to let you know time is a bit sensitive for us and we're really looking forward to finish the deal as soon as possible.

Fuji: I think so. I think we're closer to that. We're close.

Fadi: Yes.

Moderator: All right, session one of round five is over. Hawani should be exiting the table and Indocarta should be coming in.

Fuji: Thank you.

Fadi: See you in seven minutes.

Fuji: See you soon.

Ryan: Hello again.

Fuji: Hello my friend. How are you?

Ryan: So great to see you.

Fuji: It's good to see you again. Welcome back.

Ryan: Thank you. I hope you had a fruitful discussion.

Fuji: We did. My friend I'm going to be very frank with you. Our relationship is very important to us and I really have a very competitive offer from Hawani that I'm considering taking and I'm just going to be very upfront with you because of our relationship I just wanted to give you a chance to come back.

Ryan: Thank you.

Fuji: I am close to finalizing my deal.

Ryan: Could you tell me some of the details of the deal, is that possible?

Fuji: I will give you some broad strokes.

Ryan: Sure.

Fuji: We're looking at remaining around the world price at a very large quantity of bushels.

Ryan: Okay you're looking at remaining at \$9 at full capacity let's call it?

Fuji: Yes.

Ryan: Can you tell me what is--

Fuji: We also have an offer to pay for extra storage.

Ryan: Okay.

Fuji: I hope you understand our relationship is important to us but as a government official my responsibility is to get the most quantity at the most competitive price for my citizens.

Ryan: Absolutely, and I don't want you to think that I'm not interested in that as well. I very much value our relationship and I think that Fuji is a country that can really help us develop.

Fuji: We're happy to do that.

Ryan: Yes, can provide us a path forward to allow us to prosper while also staying true to our traditions and true to our values. That's one thing that I think has been really admirable about the people of Fuji. I guess I'm curious what makes you so excited about that deal versus potentially doing something similar with the people of Indocarta.

Fuji: I'm going to be frank. We are looking at say around \$9 a bushel and we're getting half a million bushels.

Ryan: Half a million bushels?

Fuji: We have an offer to pay for extra grain I think that's a really good offer, a competitive offer for my people and I feel that I'm obliged to take that offer unless I hear from you a better offer.

Ryan: Okay, I do think that we can meet that quantity of production. That is within our ability. The \$9 price range is something that I think we could meet as well. I'm curious if you had the conversation with Hawani about the transportation and logistics?

Fuji: We did and I think they've been able to alleviate some of my concerns.

Ryan: Okay.

Fuji: The \$9 at \$500,000 a bushel would be doable for you?

Ryan: I think so. I would need to take a second to step back and we could-

Fuji: Sure, I'll let you do that.

Ryan: No, that's fine. I do just want to continue getting it some of the underlying factors towards this deal. You also mentioned that you're concerned about fluctuations and stability.

Fuji: Yes, I'm really concerned about that on your end, especially with the large quantity that we're asking of you. Are you confident that your water supply will be able to produce that?

Ryan: I am, but I'm also willing to entertain some measures to alleviate your concerns, such as some sort of an insurance policy that could be built in.

Fuji: Insurance policy built in for?

Ryan: Sure. Essentially treating the arrangement-- Let's say that we meet the \$9 price, your actual price to us would be considered an \$8.50 per bushel price, and 50 cents of that arrangement would go towards essentially an insurance policy whereby any production that goes under a certain level, gets acquired from other countries.

I know that Hawani does have rice production, and so we'd be willing to use that 50 cents per bushel to be put towards an insurance policy whereby we could acquire the rice from them, to ensure that we're meeting your needs.

In the event that we don't need to spend an insurance policy, it'd be refunded at the end of the year. Thinking of it as an effective \$8.50 per bushel price, but charge \$9 up front, and then refund it in the event that we don't need to actually spend it.

Fuji: Here's the thing, I'm in a really tight situation here. However you want to get that extra production, that's really up to you. I really can't be a part of that, because my career is on the line, and I'm just going to make that very clear to you. But however you want to meet that production is really up to you. I'm just going to put you in the driver's seat regarding that and give you a chance to explore that option. But besides that, I really can't be a part of that.

Ryan: Absolutely. I guess what I was hoping to do was walk you through some of my thought process to let you know that even in the event that the Indocarta economy has some sort of drought or agricultural event where we're not able to meet your production domestically, we would take steps to acquire that capacity through the other international partners that we have in the region.

Fuji: I'd very much appreciate you taking steps to acquire whatever production you need to meet our needs. Once again, my career is on the line here. However you do that is up to you. I really can't take part in that discussion.

Ryan: Sure. I guess I-

Fuji: I do appreciate you taking the steps.

Ryan: Yes. With that being a \$9 a bushel offer-- Actually, in essence it's an \$8.50 a bushel offer, because 50 cents of that goes towards our insurance policy that will go back to you. An \$8.50 a bushel offer, is that more competitive to you than the \$9.00 per bushel offer from Hawani?

Fuji: I can say it's definitely more competitive, but how you choose to go about guaranteeing that production, once again, it's really up to you. You're in the driver's seat as to how you do that, whether you-- It's really up to you.

Ryan: Are there additional concerns that I can alleviate to--?

Fuji: No, you've alleviated all of them. I can't give a definite yes or no. As long as you can guarantee the production by whatever measures that you want to, whether it's the measures you suggested here or some other measure, we're totally fine with that. You're really in the driver's seat in that.

Ryan: I do feel confident that we will ensure, guarantee your full production level, 500,000 bushels at that \$8.50 price.

Fuji: Thank you.

Ryan: I hope that that is a generous offer that you'd be willing to entertain.

Fuji: Thank you. Once again, however you want to guarantee that production, whether it's the measures you've stated here about alleviating my concerns, I know I asked you a specific- you give me a specific answer, that's really up to you as long as we can get it.

Ryan: Thank you. That's wonderful. Hello, Fadi.

Fadi: Hi.

Ryan: Okay.

Fadi: She's gone?

Ryan: She's gone, yes. We're currently in a position where we're in a bit of a bidding war. It's my understanding.

Fadi: Okay.

Ryan: I've just gone under your most recent offer, and it sounds like she's going to entertain that offer. What I'd like to do is investigate the possibility of the two of us aligning our forces together and helping to drive prices in the other direction.

Fadi: Could you be more clear what's the price that you offered?

Ryan: Yes. You went to \$9.00 is my understanding, and we went down to \$8.50 with full guarantees, full quantities, all of that. I think we're going to be proceeding at a level where we each continue to go under. What I'm interested in investigating is if Indocarta could sell all of our supply to Hawani at whatever price, we can decide on that, and then Hawani becomes the exclusive partner to Fuji, and you get to set whatever price knowing that I will not be competing. Does that make sense?

Fadi: Yes, it makes a lot of sense. It makes a lot of sense. Let's set up the deal this way, is that- whatever we agree on in terms of the quantity, let's agree with a percentage. Let's say if [unintelligible 01:06:45] 100,000 bushels, like you say, X%'s for you, X% is for me. The way how you look at it, I think we can give you 25% of the deal to you, and 75% for the deal for us, knowing that-- You know that we have the capability of going lower than that, and I know that it's a bit difficult for you guys to do that. What do you think?

Ryan: Sure. Fairness is of utmost importance to us. I need to be able to go home and tell our people in Indocarta that we're getting a fair deal. As you know, 50 years of tensions, there's a lot of mistrust. So, what I'm hoping is that we can use this as an opportunity not only to improve our trade positions, but improve our political situations as well. How I see that taking place is through some sort of fairness arrangement. To me that's a 50-50 arrangement. However, I would be willing to sell to you at a slightly lower price than you charge Fuji.

Fadi: What's the price that you're--

Ryan: I would like to see an increase. We hope to use some of this excess profit to improve our local economy. We want to make some investments. I'm thinking of something like-- My initial offer was 50. I was hoping to sell it at \$15, a bushel and then hoping that you, as the exclusive partner, could sell at something like \$20 a bushel to Fuji. You'll get no competition from me, and so Fuji's in the position where they have to accept your offer.

Fadi: At \$20.00 now, it's way out of [unintelligible 01:08:38] .

Ryan: I think that can be a starting point and you can work it down. I think that the power dynamic could shift if we team up here, because I will not be trying to cut your price any lower than what you can pay. Let's think of it this way, I'm willing to sell to you at a price that is one to two dollars lower per bushel than what you sell to Fuji, as long as we have a 50-50 arrangement. Does that make sense?

Fadi: I feel it's a bit like still 50-50 arrangement, I'm not really comfortable with that. First of all, because I have a huge amount of production, you know that. We have a lot of surplus of rice production, firstly. The second thing is that we're bringing the cost of setting up some storage to store like a reserve of rice for Fuji in order to ensure steady supply. We're bringing a lot of cost here and we're expecting from you to give us more concessions.

Ryan: Here's what happens, is I'm in a position where I will keep going lower, if we don't-

Fadi: You what?

Ryan: I will keep going lower if we don't come to an agreement here. I'm trying to do something that would benefit both of our countries at the expense of this richer country. I don't think it's right that our two countries should have to continue fighting after 50 years of tense relations, but I need to do what's best for my people, and I will do that. But that's not what I to do. That's my last alternative, is to be able to go as low as possible to get this contract.

Fadi: What's your offer now?

Ryan: Sure. I will sell to you at \$1 to \$2, I'll let you decide. Let's call it \$2 so that we're not the same. \$2 lower than whatever you sell to Fuji at, and I will give you as long as I get half of the quantity.

Fadi: I don't see that you did any concession [unintelligible 01:10:45] concessions. We were talking about this just a minute earlier.

Ryan: Sure. Let's say that we sell a million bushels, and I sell 500,000 of those and you sell 500,000 of those. You're getting the higher price because you would sell it at, say, \$15 a bushel, I'm only getting it \$13 a bushel. I'm conceding that I'm not going to be putting nearly as much in my pocket as you are, because even though it's the same quantity, my price is going to be lower than your price.

Fadi: But again, I told you about the extra cost that you have to cover regarding the storage, and you're not going to pay any money for that.

Ryan: I'm fine splitting that extra cost with you, I don't want you to feel that you have to bear that cost totally. I would even be happy to say that we would bear 75% of that cost of building extra storage with the hope that your countrymen could help us with the technology so that we also develop engineering capacity to understand better how to build those storage baskets. We're happy to build 75% of that cost.

Fadi: 75%?

Ryan: 75% of the storage capacity.

Fadi: Storage capacity.

Ryan: We'll pay 75% of the storage capacity and we are willing to give you an extra \$2 on every bushel like it's sold. We would sell to you at \$10 and you would charge them \$12. Whatever you decide, we'll go \$2 under that to you. But just know that if we can't have an arrangement here, we will just go into a bidding war-

Fadi: Yes, I know.

Ryan: -and go as low as possible.

Fadi: I'm fine with that. We know that. We're fine, we don't have any issue with that. My last offer in this regard is-- Thank you for 75% if you want to come in 75% of the storage capacity in exchange that we're going to teach you on how to do it, or to coach you and train you. I think the percentage instead of 75-25 that I offered at the beginning, I can say it be 60-40, 60 for us 40 for you, and the price difference \$3.

Ryan: \$3 I cannot do. I absolutely cannot do. I can do something that is either proportional to our populations. So, I believe that your country is 19 million and we are 14 million, so I would be willing to entertain something that's proportional to our sizes.

Fadi: Are you talking about the-

Ryan: The split, yes, the quantity. That would be a 58 to 42 split.

Fadi: Which is 60-40, I think it's not a big difference.

Ryan: We're already giving you a price premium. I want to make clear I'm not willing to do 50-40, I would do 55-45. We're already giving you a discount on the price.

Fadi: Again, we haven't reached an agreement on discounted price yet. I'm talking about \$3, you're talking about \$2. What do you think?

Ryan: \$2.

Fadi: If I'm going to agree on \$2, I need to increase my percentage.

Ryan: I can't do that. I'm sorry. I need to be able to take this back to my people and let them know that they're getting a fair deal.

Fadi: Again, you know that we can have this price war-- and we're find with it. We're totally fine with that. I know that the rice industry in your country is one of the main industries, so it's going to affect you dramatically.

Ryan: It absolutely will, but I'm in a situation right now where you're proposing two losing options to me.

Fadi: Again, just to let you know, now we're anchoring around \$8-9, and \$8-9 is not a really very good price. If we're talking maybe, I'd say, higher price, I would be a little bit more receptive, but the price now is not good.

Ryan: What price are you looking to charge Fuji if you're the only person at the table?

Fadi: I still have no idea, it depend on how it goes.

Ryan: That is an important piece of information. I'm curious to know, are you trying to charge them more than \$9 if you're the only person dealing with them? Or is \$9 still your top limit?

Fadi: It depends with the quantity and it depends on the focus of the negotiation.

Ryan: I see. Cool. That's helpful to now. Good. Any other questions you have for my side to get to know our needs a little bit better?

Fadi: Again, the 75%, I can cover that, but I need some concessions on the percentages and the price.

Ryan: Right now I see that I've given you two concessions, that we as partners in a perfect world would be splitting 50-50. Perfect world. What I'm seeing is I've decided to give you a discount on price, and I've decided to give you an increased share of the quantity. So, I have actually made two concessions to you as your partner at the table, and you're continuing to try to squeeze me for more.

Fadi: I'm not, I think this is natural, this is organic, because it just reflects the facts on the production.

Ryan: I'm not hearing why you should be getting a better deal than I should.

Fadi: Again, because I'm going to manage the whole thing, I'm going to do the shipping, I'm going to do the insurance, I'm going to compensate them for any issues, I'm going to set up all the storage system and the mechanism for having a steady supply of rice. So, of all that is on my expense.

Ryan: If I manage all of those things, would you be willing to sell to me at a discounted price?

Fadi: No.

Ryan: Okay. So, if you're not willing to accept that, why should I be willing to accept the other way around?

Fadi: Because whenever there's a shortage of rice I will be the one who will compensate, not you.

Ryan: I would compensate.

Fadi: You don't have enough production of rice. You don't have.

Ryan: We do.

Fadi: I don't think you can do it.

Ryan: [laughs] Okay. I strongly disagree. You did not convince me with that argument. Let's put it that way.

[background noise]

[silence]

Facilitator 2: Indocarta, don't look at this till the end of the round. Hawani, don't look at this till the end of the round.

[background noise]

[silence]

Fadi: By the way, we can have side talks at any time. **[unintelligible 01:18:55]**

Ryan: Okay.

Moderator: All right, negotiators, that's the end of round six. The next round we have an announcement so you can read your news bulletin, but start traveling to your required location. The announcement is the weather has been absolutely perfect for growing rice this year. Both Hawani and Indocarta had bumper crops. Due to this surplus, countries producing rice have been forced to drop their price by another \$1 per bushel. **[unintelligible 01:19:28]**

Fuji: Hello, guys, it's good to see both of you.

Ryan: Hello.

Fadi: Hello.

Ryan: Thank you.

Fuji: What new info do you have for me?

Ryan: I think we have a separate session here.

Fuji: Okay. Separate session?

Ryan: Yes, so it's Indocarta and Fuji.

Moderator: **[unintelligible 01:19:50]** Hawani should be leading the table right now.

Fadi: Yes, okay.

Facilitator: **[unintelligible 01:19:53]** the table.

Fadi: Okay, thank you.

Fuji: Thank you.

Fadi: Thank you.

Ryan: So great to see you again.

Fuji: So great to see you again as well.

Ryan: I know that we ended the last round with an offer on my part. I'm curious to hear your thoughts on that offer, if it's all right.

Fuji: Again, I'm going to be very clear. It has to come from one of you. I don't care how you get it. Whether you make an agreement with somebody else, whether you take extra measures to build up your grain stores. I really don't care how you get it, it just has to come from one of you on paper. If you decide to get it from somebody else, that's not necessary to let me know as long as it's coming from one of you guys.

Ryan: Sure. I had a conversation with Hawani that was just very hurtful to me and to my people. As you know, there's been a 50-year war simmering beneath the surface as a result of the war that took place 50 years ago. Even though we have a peace

agreement, things haven't been very good between us. Just being at the table with him was very hurtful to me.

Fuji: I'm very sorry to hear that.

Ryan: You know that we're a strong, proud people, and it just saddens me to interact with him that way.

Fuji: I'm very sorry to hear that.

Ryan: Thank you very much.

Fuji: I definitely want to preserve the relationship between the three of us because I think it's a very important one, but go ahead with what you think.

Ryan: Sure. I have just been reflecting on the relationships at this table. I've really come to see how important it is for us to be strong, relational partners with Fuji, and I'd like to make an offer to you that I hope that we could sign at this point and take to our teams. As you may have heard, there was a bumper crop, which means that prices in the global economy have dropped a little bit.

Fuji: Understood.

Ryan: My most recent offer was \$8.50 for a bushel. I'd like to revise that to \$7.25 a bushel. That's actually at a premium. I should be technically just dropping it to \$7.25 a bushel, but I want to give you that extra 25 cents as a show of good faith and dedicated, long-term willingness to work with the people of Fuji.

My hope is that we'd be able to sign a deal in this round. My thought there is that we are happy to ensure the production and building of storage capacity. We guarantee all shipment, and we enter into a-- Not that this involves you, but we will ensure all of our crops so that any shortage due to international conditions, be they agricultural or economic, would be able to be compensated so that the people of Fuji would never feel a thing. How does that offer of \$7.25 of bushels sound to you?

Fuji: I think it's very competitive. It's \$7.25. To be sure, it's 500,000 bushels?

Ryan: Yes, absolutely. We just heard that there was a bumper crop, and so we have whatever production capacity you need, we are happy to provide that. I know that Hawani was questioning my country's ability to produce. He said that to my face. I don't mean to have that be hearsay, it was a direct comment to me. I just want to let you know that I can ensure you we have production capacity to get what you need.

Fuji: So, it's \$7.25, 500,000 bushels, you're going to guarantee all shipment and ensure all crops so that any shortage will be compensated to us.

Ryan: Absolutely. I'd love to be able to sign that agreement right now.

Fuji: I would too. I'm just concerned for our relationship with Hawani, I would like them to be able to maybe come back with an offer, just so that I've given everybody a fair process.

Ryan: Sure.

Fuji: If Hawani doesn't come to me with a reasonable offer, I'm willing to go ahead and sign this deal, and I'm just going to make that upfront.

Ryan: That's wonderful. I hope that just in the back of your mind is, again, thinking about the people in each of our countries.

Fuji: Agreed.

Ryan: The Indocartan people really rely on this deal to ensure that they'll be able to have a livelihood going forward. The people of Hawani have many different industries, and rice is just one of them. If they don't get this deal, they'll be able to survive with their other diversified industrial economy.

Fuji: Thank you for that.

Ryan: I just want to make sure that that's kind of at the forefront of your mind, that the mouths and the stomachs of the people in my country depend on this deal.

Fuji: That's something we definitely take into account. I just want to be real with you that, yes, that is an important factor, which is why if Hawani doesn't come back with a good offer, a much better offer honestly, I would be willing to go ahead and sign this deal. But for the sake of our relationship, I just wanted to give them an opportunity to do that.

Ryan: I appreciate that candor, and that's very helpful to me to know that you're willing to entertain an offer from them, but it's not out of bad faith, it's out of fairness, and fairness is something that's very important to us as well. I just want to be able to go home at the end of the day and tell my people that I gave it the best shot to ensure their livelihood. So, thank you for explaining your thought process.

Fuji: At this price, \$7.25, you'd be able to diversify your economy and build up grain stores for your people?

Ryan: Yes, we would definitely be able to build up the grain stores for our people. Diversifying the economy, if that's something that with this concept of a mentor mentee relationship between our two countries, that am I that symbol of mutual relationship-

Moderator: All right, session one of round seven has concluded. So, Hawani, please leave the table. Indocarta can come back into the room.

Ryan: -if you are willing to help us just with some knowledge and capacity-building, we have the willingness and the labor to do that.

Moderator: Oh, opposite. My bad. Indocarta leave, Hawani come out.

Fuji: Thank you.

Moderator: Thank you for keeping me honest.

Fadi: Hello again.

Fuji: Hawani, it's so good to see you again. I think we're coming closer to a deal.

Fadi: Hopefully, yes. Thank you.

Fuji: I'm just going to lay it all out for you. I have a very competitive offer from Indocarta, I'm considering taking that offer. I just wanted to give you the opportunity for the sake of our relationship to come back with a better offer.

Fadi: Sure. Could I ask what's the offer that you have on table?

Fuji: I'm not willing to reveal the exact details, but I'm going to tell you generally. We have a competitive price. It's below the \$9 a bushel. We have all the quantity that we want, and we have some extra guarantees in there as well.

Fadi: Great. I don't know, whatever-- I'm fine with-- You have a \$9 price, I think. You're talking about-

Fuji: We have below the world- the \$9

Fadi: Below the-

Fuji: Below the \$9.

Fadi: I can tell you whatever price you have, I can offer you a 20% discount. You can have all the quantity that you want and all the guarantees that you want.

Fuji: Got it. The only concern I have at this point is, I know that you have a diverse economy and that your economy doesn't depend on rice, whereas Indocarta's economy does. I'm wondering, how would you respond to that?

Fadi: If you care about them, I do appreciate that. I feel like it's the kind of commitment to countries to each other and to neighboring countries. I'm pretty unclear what you're asking me here. Like how-

Fuji: Oh, sure. Basically, here's my consideration, I have a competitive offer from them and I'm strongly inclined to take that offer, because I know that their economy depends on it, and there's a business reason for this as well, which, I'm sure, as a business person yourself, you can appreciate.

If the people of Indocarta go into famine, that's money out of our pockets to help them, and I really don't want to have to pay any extra money outside of this deal. So, I'd rather have them be satisfied, so that we don't have to take money out of their pockets to support them in case of a famine. I'm just going to be upfront with, but for the sake of our relationship, I just wanted to give you a way to come back.

Fadi: Got it. Okay, just keep for me now. In response to that, I can tell you that we can buy their production of rice.

Fuji: Okay.

Fadi: Yes, it's fine with us. We can buy-- Not everything, but we can give them a share of the deal. But this is that we have to sort out with them, just to make sure that their rice industry is still working and they don't have any issue.

Fuji: All right. That's good to hear that you're willing to address my concern. The only thing that I have from that is that if you guys decide to come to an agreement about that, I cannot be involved in that, my career is on the line. If you decide that, that's up to you, but it has to come from one of you on paper. I'm just gonna make that very clear.

Fadi: Just to make sure, now- the thing is that- what you're asking is that you're fine with the 20% discount?

Fuji: I'm totally fine with the discount, the lowest price, the quantity of the bushels, and the money to support our grain storage. I'm totally fine with that. If you want to make an agreement within Indocarta about the thing, that's up to you. I cannot be a part of that, unfortunately. But on paper, it has to come from one of you. I'm just going to make that clear. I appreciate your willingness to solve the situation, it's just that I can't be a part of an agreement between the two of you. On paper it has to be one of you.

Fadi: Sure. Can you just give me commitment that you are going to agree on the deal?

Fuji: I will commit to agree on the deal as long as I get a price anywhere around \$7. I can have at least \$500,000 a bushel and payments for a storage system.

Fadi: A payment for storage system? So, that's what you're looking for? \$7 per bushels and a storage system. What else?

Fuji: \$500,000 bushel. Is that's something that's doable for you?

Fadi: Yes, sure. As I said before, the quantity is not something that we have an issue with.

Fuji: Okay. Once again, I can't be a part of any agreement that you decide to make with any of our members. If you decide that's how you want to get the quantity to us, that's up to you, I can't be a part of that, because once again our Constitution says we can only get from one country, and it will be politically unpopular if we're even seen to be getting it from two countries. If you guys reach an agreement, that's between the two of you, but on paper, it has to be one person. I'm just going to mention that.

Fadi: The last question I think I have to ask you is that, if we don't reach an agreement, me and Indocarta-

Fuji: I can't be a part of any-

Fadi: No, I know that. But I mean, like, say, if I give you a competitive offer, you're still going to buy from them because you feel that you have a commitment to them?

Fuji: If I get this offer, I will sign the deal.

Fadi: With one country?

Fuji: It has to be one country. I don't care what agreement- how you get it, whether you work out an agreement, whether you don't work out an agreement, but it has to be one country signing only.

Fadi: Okay. I think I'm fine with it.

Fuji: Okay.

Fadi: Thank you.

Fuji: All right. Thank you.

Fadi: You're welcome.

Fuji: All right.

Fadi: Thank you.

[background noise]

Fadi: So, it's a done deal now. So, you have to sign the final form.

Fuji: I'm going to give us a chance to talk, but I think we'll be able to get an agreement in the next round.

Fadi: Okay. So, you're still considering this deal?

Fuji: I'm still considering this deal.

Fadi: Okay, that's not that you were fine with it . Yes.

Fuji: Yes. But I'm telling you that this is what I need from you.

Fadi: Okay.

Fuji: However you get to that, that's up to you. If you want to reach an agreement with Indocarta, I can't be a part of that, I can't have anything to do with that. I just want to let you know upfront. It has to be one of you. However you achieve that outcome, it's up to you. If the next round, if you guys maybe want to talk more amongst yourselves, that's fine, and you can ask me to leave.

Facilitator: All right, the round is over. So, for this round, all parties are up to the table. This round is concluded with every party in places in 15 minutes.

Fadi: This is the last round?

Fuji: No, this is the eighth round. You can ask me to leave the table at any time.

Fadi: Sure. Okay.

[background noise]

Fuji: So, guys, good news, I think we're closer to reaching a deal.

Ryan: Okay.

Fuji: I just wanted to let you know that either one of you can sidebar me at any time, or you can ask me to leave the table. It's up to you.

Fadi: Okay.

Fuji: I made it clear to both of you that on paper I can only accept it from one of you. However you want to meet that, whether you want to come to an agreement, whether you want to do something else, that's up to you. I can't be a part of any agreement. I just want you to be aware of that.

Ryan: Sure.

Fadi: Okay. Sure.

Fuji: So, go ahead.

Fadi: I think you have to be just like transparent now just talk about the offer I offered Miss Aisha from Fuji and I think she was fine with our offer. I just want to hear from you-

Ryan: I would be curious to know what that offer is so I can know more about what I'm responding to.

Fadi: Okay. Could we just talk before we-

Fuji: Sure.

Fadi: Yes. Now, we're getting into- as we said, we didn't agree at the previous round and we're getting into a price war. As I said, we have no issue with lowering the prices, but I still feel that there is some kind of commitment as countries to each other, and I'm just interested to know if you have any other offer on the table.

Ryan: I'm trying to understand this a little bit better. You want to enter into an arrangement with me in which we would share some of the quantity, but in doing that you're not willing to try to increase prices on Fuji at all?

Fadi: I think that we reached kind of a point where we almost agree on the price, kind of. Fuji, I think they're talking from a very strong position. They still see that we are too fast competing to get this deal done, and they're using it to their advantage.

Ryan: I agree, and I think that I am willing to do something for you in order to put both of us in a better bargaining position. Because if one of us steps away, Fuji is no longer the power player at the table. They lose all their power. One of us becomes the power player, and then we get to set the price. The only way that I'm willing to do some sort of sharing agreement is if we try to increase the price at Fuji.

Fadi: What's the price that you think of?

Ryan: I've mentioned before, I was trying for 15, I'm willing to go down below that, but it needs to be going up. Because when we go into an agreement, it's like a collective bargaining arrangement. So, we bargain as one and then we can put the pressure on them, but if it's all about trying to go from \$7 to \$7.50, that's tough for me to then say not only did I not get the right market price than I also gave away a majority of the quantity to our people in Hawani. That is something that I cannot take back to my people at home.

Fadi: But what if we didn't manage to get a higher price from Fuji?

Ryan: Then, I would need to know that it's at least a 50-50 split. I see the benefit of a partnership with you as being able to exert power on Fuji.

Fadi: Yes, that's for sure.

Ryan: It's not about stopping the price war, it's about pushing back and going the other direction. That's what I see the benefit of a partnership price.

Fadi: What's your strategy? How do you think we can achieve that?

Ryan: If you'd be willing to entertain or think about the flip side, if I were the person negotiating with Fuji, I would say that Hawani is going to deal exclusively with Indocarta, and we at Indocarta are going to be charging \$12 or \$15, or whatever, a bushel. That is the new offer that's required in order to get a deal. We are aligned in our interests. The two of our nations are in agreement. We both have arranged to make sure that Fuji will have the right amount of quantity, the right capacity, and the right technology and everything that they need. We will make sure that they are not in a bad position, but the new price is \$12.

That's how I would do it. That's what I see the advantage of coming to a mutual agreement is, because if I'm sacrificing some quantity, I need to know that the price is going up.

Fadi: Okay. The issue here is that I think we're almost reaching an agreement, but she's still considering, I think- is that we're talking about the price of \$7. I don't know how we're going to change that. I feel it's a bit challenging to change it right now and I can take that, you know that. I can take the \$7, I can [unintelligible 01:40:29]. But for me, in order to give you a percentage of the deal, I need to get-- Again, if I can get 40% of the deal from you at a price that's a discount of \$2.

Ryan: What price would you be charging Fuji?

Fadi: \$7.

Ryan: So, I'd be selling you at \$5?

Fadi: Yes.

Ryan: Why do I not go into a deal with Fuji for \$5?

Fadi: You can do that.

Ryan: I just want you to see that your offer to me is not meeting my interests at all.

Fadi: What's your counteroffer then?

Ryan: Sure. I can do a 55-45 split, but at no price discount. If you're not willing to raise the prices up, then I'll deal directly with Fuji. Because it doesn't make sense for me to give you a discounted price then.

Fuji: I just wanted to check on you guys if now is a good time for me.

Fadi: Just I think need- two minutes we'll be done.

Fuji: Okay, go ahead.

Ryan: I want you to put yourself in my shoes and think about my interest in me talking to my people. I cannot give away quantity and price and be below the market price. I would love to hear a counteroffer that does give something on your part, because right now I'm conceding a lot.

Fadi: What are the concessions that your-

Ryan: I would be selling below market price for the price.

Fadi: But you know the marketplace now is \$8.

Ryan: Yes, and you're asking me to sell it at \$5 to you.

Fadi: Yes, but this means that at least you can sell your production.

Ryan: I could sell it to \$6 to Fuji and that's lower than your offer. So, that's one. You're also asking me to not sell the full quantity, so half of the quantity. Not only am I-

Fadi: Half of the quantity of the deal, not the production, which is different.

Ryan: Production is not an issue for my side, fairness is, and how we're perceived in the PacRim region. I need to be able to say that I have a deal that treats the people of Indocarta with respect in this region. For me, I've tried to compromise, I said 50/50, but then I said, I'd be willing to do a proportionate to the population, just 57-43. So, that's another concession there.

Then, the third concession is willing to let you take the lead in the negotiation. I'm happy to take the lead in negotiation, but if you're not willing to do that, I'm going to deal directly with Fuji. Those are my three concessions that I've made, and I'm curious to know what you can do to make things a little bit better for me.

Fadi: You say if you're willing to sell the rice to Fuji for \$6, I think I would be fine taking this price.

Ryan: You'd be selling to Fuji at \$7?

Fadi: At \$7, yes.

Ryan: Why don't I sell to Fuji at 6.50?

Fadi: Again, I'm giving you a concession here. Like you said \$5, now I'm giving you \$6 to buy from me- \$6. Again, if you keep saying that you can sell them to Fuji 6.50, I can go by 6, you can go by 5, I can go by 4 and we'll end up like a \$2.

Ryan: No, I agree.

Fadi: This is kind of-

Fuji: Just to check back in. In the interest of time, are we good or do you need more time?

Fadi: We'd just like two minutes more please.

Fuji: All right. I'm going to give you guys a minute more, and then we got to go.

Fadi: Sure. The final is that \$6. I'm going to buy the \$6 of your production. I think we're very close to the percentage. You're talking about 50, then you went to 45. I just wanted you go down to 40. That's it.

Ryan: I've made two concessions there and I'm making a concession on price. The two things that are important to me are price and quantity, and I've made concessions on both, and you're trying to get more concessions from me.

Fadi: No, now I'm giving you-- Again, I'm offering you \$6. What's the concession that you're giving here?

Ryan: In order for me to go-

Fadi: You ask for 6 I give you 6.

Ryan: In order for me to 60-40 with you I would have to get the same price for my rice as you sell to Fuji.

Fadi: But this means that 40% of the deal. Basically, I'm not going to get any profit for that. Actually, I'm going to lose from that because I'm going to pay for the whole storage thing and all-

Ryan: I will split the storage with you. I will do 75% of the storage with you. The storage to me is not an issue here. That is a small cost.

Fadi: Okay. So, the storage is- you're going to pay 75% and we're talking- about I'm going to sell it 7 to Fuji, and buy it from you for 7.

Fuji: Okay, guys, just checking in. We have-

Fadi: But this means that we need to-

Fuji: You need more time?

Fadi: Yes, please. This means that we need to-

Fuji: All right, one more minute and then I'm going to ask your final offers.

Fadi: The percentage you said-- Again, like, I need to profit more little bit here like 40%?

Fadi: Can you lower down this a little bit?

Ryan: No, I can't. You said that production quantity doesn't matter, right? So, it's all about perceptions. You can produce as much as you want, they can take as much as they want. I can produce as much as I want.

Fadi: This means that here, in this case, is that I will only profit from 60% of the sales. I'm not getting profit from the-

Ryan: But 60% of an infinite amount is still a good deal.

Fadi: Not like-- What about 605?

Ryan: No. I'm sorry, this is my absolute stopping point. I can't do more than this. That's where I am. I'm happy if you want to take this deal to them as a joint deal, otherwise-

Fuji: Guys, two minutes. I'm asking for your final offers. Do you guys still need more time?

Ryan: I do not.

Fadi: Yes, let's go.

Ryan: Thank you.

Fuji: Final offers, I'm deciding at the end of this round. Let's go.

Fadi: Now, we have-

Fuji: Once again, it has to be one of you.

Fadi: Okay, so we agreed that I'm going to take this to you. I agreed with Indocarta.

Fuji: I can't be a part of any agreement.

Fadi: Yes, it's only with us But we have a little bit of-- I think it changed to our initial offer due to some other considerations that's happening on the ground here now. So, we need to raise the price a little bit.

Fuji: Okay, and what's that?

Fadi: I think in order to have a feasible deal, we need to sell at the market price, which is \$8.

Fuji: Okay, \$8 and what are you giving me in terms of bushel-

Fadi: The 500,000 that you asked for?

Fuji: Since the price has gone up a little bit? Can I ask for 550,000.

Fadi: \$550,000? I think it's fine.

Fuji: Okay. All right. That contains the price for paying for storage system?

Fadi: Yes.

Fuji: All right. So, let's go. Then sign this deal.

Ryan: I need to talk with you briefly.

Fuji: Okay, you guys, we have one minute.

Ryan: I need this to be this, otherwise I go. I have to have the same prices you're giving them. Otherwise, I will try to undercut you.

Fadi: Yes, but we just agreed at \$7 [unintelligible 01:49:02]

Ryan: It has to be the same price. It's not about-

Facilitator: All right, round eight has concluded. So, round nine begins with Hawani and Fuji for seven minutes. So, Indocarta needs to leave the table.

Fuji: All right. Thank you guys so much. I think we're ready to go ahead and sign this deal. What do you have for me?

Fadi: You're going to sign the deal with me?

Fuji: I'm going to sign the deal with you.

Fadi: Where's the form? Do you have the form?

Fuji: I have the form. What group-- Are we 14? Yes, we reach an agreement. This is round nine. I'm selling Hawani. What price am I buying for?

Fadi: It is at \$8.

Fuji: Any measures to guarantee delivery agreed to?

Fadi: We talked about the storage.

Fuji: Hawani will pay for a storage system for Fuji to store extra grain?

Fadi: No. Again, we're not going pay to you that, we're going to set up our own storage system for you. What you need to get is just the steady supplier.

Fuji: Okay. Hawani will set up a storage system for Fuji to store extra grain. Also you mentioned that you upgraded your ships. Hawani upgraded ships to ensure that shipment, rice will not sink. Hawani has purchased insurance and has taken other measures to ensure the grain- You will provide us with 555,000-- Okay. Good job.

Fadi: You want me to sign this?

Fuji: Yes, sign it. Thank you so much. Nice doing business with you.

Fadi: Thank you.

Fuji: Who wants to go first?

Ryan: Feel free to give me a feedback. Go ahead.

Fadi: Just before the feedback, one last thing I was a bit confused there is that we didn't agree, yes?

Ryan: No.

Fadi: Basically, I had a deal with you without an agreement. I thought it was not clear for you really. I closed the deal without-

Ryan: No, I know that.

Fadi: Okay. That's good.

Fuji: All right, so the two of you didn't reach an agreement?

Ryan: Correct.

Fadi: That's correct. We didn't. You want to start?

Fuji: Ryan, I think did an excellent job of referencing your back table, framing the issues. I think, especially, you put pressure on me by appealing to fairness standards when you said, "Look, my people won't eat." That was very important, that was very great that you did that. I think you did an excellent job with managing concessions. You labeled your concessions as well like, for example, when I said, "Can you move to the world price?" you said, "That's really going to be really difficult for me for these reasons." So, I think you did an excellent job with that.

Ryan: Thank you.

Fuji: I can't really think of an area for growth. I think, maybe, in terms of now, just like being a little bit more concise in terms of your reasoning, I just think your statements are more impactful that way.

Ryan: Thank you.

Fadi: I think that you were really good in, again, emphasizing your interest. You said that, many times, that you really care about your people, you need to feed your people and all of that. The image you did, you emphasized that many times. When we were-

Moderator: Session one of round nine that's included, so Hawani needs to exit the room and Indocarta comes back into the room.

Fadi: In terms of when we started talking about the concessions and the prices, you were really clear in giving the concessions, labeling them, repeating them many

times, which appear-- For me, it felt like I need to do something well. You're telling me as if I'm asking you for too much and I didn't do anything about it. That was really powerful.

I don't know if you were upset. I was about to change it at one point to give you more concessions at one point, because of that, because you repeated that many times.

In terms of room for improvement, I feel that you were assertive, but I don't know what transactions that you have, but transactions that I have for you in case that you need to be more like trying to emphasize that you need to help your people, not getting from the side that this is the deal that I want to do, and to be more assertive about it.

I felt, maybe, if you tried to talk to more my emotional side more than the business side, maybe you were able to get more concessions from me. I felt like you were too assertive for your case. Maybe, in other case it would be fine, but for the case that you have- and that triggered the assertiveness or the competitive part in me. If you're too assertive, I'm assertive too. I have a very strong case here and I can easily defend it. That was a bit- for me, not threatening, but it triggered me a little.

Ryan: Competing versus competing?

Fadi: Yes, competing versus competing.

Fuji: Just going back to Ryan in terms of what Fadi said, I think you could have been a little bit more reasonable. Basically, my job is that I wanted the two of you to reach an agreement, but under the table, so I can say, "Hey, I don't know about this agreement." Because if I explicitly stated it, I would have been fired. Literally, that was what my instructions said, and I think you picked the top on that, but I think you could have worked harder to reach a deal with Fadi under the table, because your people won't eat. I think, going forward in terms of deal sustainability, you could have done better than that.

Ryan: Sure, thank you.

Fadi: Maybe, I can just give you a couple of points why my instructions is that I need to be professional. I need to finish your deal as soon as possible. I know they have a very strong position in this case, and with more business relationship. I don't really care about the case of the Indocarta and how they utilize the rice industry.

I think I was supposed to be very competitive and assertive, and that's what I intend to do. I gave variety concessions and I felt like it's-- I was now working against those instructions, but, maybe, I was a little bit against my TK mode or the-

Ryan: Okay.

Fadi: After that I will.

Fuji: What's your dominant TK mode?

Fadi: Compromising.

Fuji: Okay. That's good.

Fadi: I gave it my default mode.

Fuji: I think the competitive conflict mode was appropriate here. I think you did an excellent job of being assertive without being aggressive. You were very firm, and I think it's appropriate for your role. I think a lot of times we associated the competitive, conflict style with you have to be aggressive, over the top, and you didn't do that.

I think, at the same time, you also appeared reasonable and trustworthy and that's why I was willing to make a deal with you. I think you did an excellent job of probing me for questions and reasons, and they kind of tugged back me a little bit. I think you did an excellent job with that.

When you called in the last round, before the plenary, and I just told you what the reason was when I, "Oh, I really need to find a solution here." You tried to that and I think going forward in terms of deal sustainability, that was the right move. I think, overall you did a good job.

In terms of growth, the only thing that I have right now is, maybe, just be a little bit more clear and concise with your reasoning.

Ryan: Okay. Cool. I think you did an awesome job setting the tone, and you coming in right within the first 180 that you're going to be down to business. You brushed off my emotional appeals and said, "Okay, let's get down to business." I knew, exactly, who I was dealing with here. That was great.

I thought you did a nice job taking the lead on the deal design and proposing deals and creating deals. I think that that's a very powerful position to be in in a negotiation. The one thing I don't know, I think there's two ways that these negotiations can go. If we team up, we can get a higher price out of Fuji than the market price. I was really trying to get that from you. I was receptive to that idea. That made it tough for me because any concession that I had was already beneath the market price. I was actually thinking about sustainability in a way because if I would go back to my back table with all the things I would have needed to get in a joint agreement, I would have basically lost my job or been thrown out or whatever.

I was in a lose-lose situation. You guys ended up making the deal without me. Honestly, that's where I was at that point like that. That was a rational outcome of where my position was. Part of that was a good job on you of taking the lead and counting me out. If you wanted to get me involved, I think maybe if we had anchored in a different way, I could have had a little more flexibility to meet some here.

Fuji: I think Ryan has reminded me of one term of improvement is that you have to think about the relationship going forward. I think it's great for your side that you got a deal. Another thing I think, in terms of if the relationship was very important between the two of your countries going forward, I think it would have been more helpful in terms of deal sustainability to help.

Another thing is that just a slight is nitpicking at this point, but concession, at one point we agreed to \$7 a bushel and 500, and then walking back in that concession.

You have to be really careful about walking back in concessions because it can diminish trust in my role?

Fadi: First of all, was it a good deal for you?

Fuji: I think it was a good deal for me. My goal was to get below the market price. Especially when you throw in the green I was like, "Yes." Great job with creating value there. My goal is to get below market price as much as I could. I think you used a powerful reason for why I should like, for example, you have to feed your people. You have a really big population. It's like, "Oh, yes, I have a huge population. I need this." Then the grain store just really sweeten the deal for me.

I was just like, "Oh, yes, what if we have excess grain? We can store it. That's cool." I really think going forward and thinking about my interest, I think that was very good in terms of creating value.

[background conversation]

Fadi: Were you willing to go to \$10 or \$15 or \$20?

Fuji: I would if I got more. I would have been willing to go if I got more bushels. I don't know if that would have been a smart move for me.

Fadi: As you said, it's an inverse relationship, so that's why-

Fuji: It's an inverse relationship, so the more money, the more bushels I purchase, I want a lower price.

[background conversation]

Ryan: You did a good job being above the line player in this negotiation. I think that it became clear when you had two deal partners on the other side of the table, that you could play us off against each other. There were certain times I tried to have real deal urgency, and tried to get you to sign off on something. You did a really nice job of saying, "Let me just think about that a little bit more. Let me wait on that. Let's talk with my other partners."

I think that that's a very good thing to be able to do. Because if you don't have that, then you could get pigeonholed into a deal that's not advantageous for you. If there's one area for improvement, I was actually surprised to hear that \$8 was the final deal.

Fuji: I could have pushed them up.

Ryan: I think there was a 7 and a 725. I think you could've even possibly like, given that we weren't collaborating, continued to try to drive us down a little further. You could have come back to me and said, "Ryan, give me five," and I probably would have said yes. I don't know. Then go to Fadi "Would you do four?" Probably, yes.

I think you were very-- I think it almost ended up being slightly accommodating and that you left a little bit of value for yourself on the table while getting something for the whole day. I also appreciated the way that you spoke to your interests. I knew

pretty early on what your key interests were. I didn't have to probe around or make assumptions. I thought you did an excellent job with that.

Fadi: I think you did a really good job. As Ryan said, just to speak your interest. Many times, I was also trying to rush you into agreement or deal by you. You were just will like, "Let me think about it. Let me look at other options." That was a good strategy. I feel like we always left the final decision to you, which is, by the way, but you were able to show us that you have the power and you make the decision. You did it really well. Sometimes I was trying to like, "Okay, this is the deal. Let's finish up the deal. No, let me talk about it. Let me think. Now I have an offer."

Many times, you didn't reveal what the offers are, even though I tried to push you to give me some offer, the offers that were presented to you. That was really good. One thing that I think I was a bit surprised to hear from you is that, at the time, and frankly speaking, I did give him the paper. He said no.

At that moment, I felt like we're supposed to talk more with Ryan, to finish the deal with Ryan. Then I told, "Now we're changing the deal." I'm not expecting at all for you to say, "Okay for eight." I was not expecting. Because the relationship is inversely, which is you provide more, the price is less. What happens, we increased the quantity and we increased the price. We increase the quantity from 500,000 to 550,000 and the price from seven to eight, and you said, "Yes." I was really surprised from that.

Fuji: I should have thought more about that. Oh, my goodness.

Ryan: I think you were still within [crosstalk] .

Fadi: I think maybe you need to like the last 180 minute or seconds, you need to think about it and not to watch.

Fuji: Yes. Maybe before I have a deal, I should say I should step back a little bit. I think maybe I could have used the beginning of round nine with you to try and play down a little bit, and then play the two of you off against each other.

Fadi: Yes.

Fuji: Okay, that sounds good. Thank you guys so much. That was helpful.

Ryan: A lot of fun working with you guys. This is great. I loved it.

Fuji: I learned a lot. Thanks so much.

Prof. Mandell: Welcome back. Before we go to our usual practice of showing you the data and how much a bushel of rice really, really costs, and seeing the wide spectrum and what those results were, I want to set the frame for how I understood the negotiation problem or challenge that I wanted you to work on. You might want to take a couple of notes here because our exercise this afternoon, also has some cultural and organizational culture dimensions to this.

I wanted you to play this exercise to have you begin to think at this point in the workshop about strengthening your cultural intelligence and situational awareness. I

wanted you to think about this, in particular, in the broader frame of what to do in the first 180 when I don't have sufficient information about who was sitting across the table from me. That's different from asking what's the content of their brief. This is very much about the point of who is sitting across the table from me.

A couple of things that I want you to think about in this direction. This is a checklist. This is almost similar to a micro-skill checklist. I want you to think if you did this implicitly or explicitly. Beyond your own preparation, did you do a good job of assessing the salients and stakes of the negotiation for your counterparts? Is this actually important to them? Is this a do or die negotiation? Can those people really, really run an entire economy on rice alone? What might I be missing here?

Did I assess the incentives, motivations, potential rewards and risks for other parties at the table? Remember, a central challenge in all our negotiation work here is around this idea of naive realism briefly. I assume that I am a reasonable and rational person. Here's how I problem solve and understand the world, here's the naiveté part. I assume you are a reasonable and rational person leaving out in brackets, the term culture. Therefore, I assume that you think about problem-solving the way that I do. No matter how far we live from each other, we will use our best boats to get the rice to you.

Do you agree with that? You haven't checked in on that they actually own enough boats to deliver the rice required. In all of these assumptions that we're making, so remember this bit of a mantra. Some of you have heard this from me before. Never assume the other side or sides are playing the same game as I am. Think hard about the other side's constraints in terms of time, urgency, current deadlines and what's really important in managing their economy.

We had this a bit in our introductory exercise on Dami Ba lleek about sensitivity to casualties. People to this day cannot believe the horrific tragedy that's unfolding in Syria. For example, over the past eight years and there have been betting regimes from Las Vegas to London. How long is President Bashar al-Assad going to last in office? We bring to that instead of calculations that any normal person would think he would have been gone by now.

Think about as you read your role the degree of verbalizing your requests. A central part of this exercise is, how do you signal your preferences as they go through the cross-cultural filter? In this particular case of Fuji, that woman or man playing that role is to have their hands over their eyes and hear no evil, see no evil. I don't know if they're having a joint or collusion or any agreement.

How do I signal as Indocarta or our counterpart that we want that kind of agreement? As we think about shaping process expectations, the roles were written in a way of how much we should talk about process and relationships before substance. The rounds are only 15 minutes, why don't I do 14 minutes and ask you about your family? The other party time is money. You have to quickly get a sense of what those particular competing values are.

Finally, I think what's really important in this exercise is how using the cultural lens and we've talked about that in this course and it's complicated in this exercise. Do I write in this case Fuji's victory speech? What's the cultural filter lens for that? In

terms of building your cultural intelligence, I want you to ask yourself these questions.

How effective am I at planning for relating to people different from myself before I enter the negotiation? When I come into a new cultural situation, can I immediately sense that something is going well or not? What signals did you pick up immediately that you were not tracking with either your counterpart or with Fuji at the table? You can be culturally deaf, you can be culturally unaware and you can be culturally insensitive.

This can often be the vulnerability and it was in one of the roles where time indeed is money and let's get down to business and doing this. Did I find a need to modify my speech style tone to suit the people of a different culture? We have to look at the video work that some of the groups did. What did you actually change in your behavior if anything to accommodate the other party?

A big thing in cross-cultural business negotiations whether I am going to Rome or Beijing, the Middle East or Midwest here. Do I have to change my tone, my behavior, my offers in a way that accommodates the other side? The tension there is should I always be consistent and be myself in the negotiation and "not apologize for who I am" as a negotiator.

Did you feel confident that you could deal with any cultural curves in the negotiation? How did those actually then impact the bottom line of the price of a bushel of rice? To follow on from Professor Riley Bulls lecture yesterday, does gender make a difference in negotiation? I would argue that the same as in culture, context and situation really matter. I want you to think hard as we go through this debrief.

What arguments was I vulnerable to that I wouldn't normally be in an organizational context in my own culture? How did I think about concessions in a multi-round negotiation where, A, there is a volatile rice market and Brady has a career in broadcasting and announcement. How effective were you at managing? What was being said in the room and you're not there? Finally, again, in multi-round negotiations, what are the elements of the final deal and were you thinking next thing ahead to those rounds? Let's have a look at what you did.

Brady: Great. All right, congratulations negotiators. We're really excited to hear from you guys and the dynamics that surfaced in PacRim . For PacRim , they were four main dynamics that play here that we want to talk about. One is this idea of time sensitivity and changing conditions. We've already talked about the volatility of the rice market, but you're also dealing with highly truncated rounds of negotiation. Two, is this idea of the rules on side deals and reading between the lines.

We've talked a lot about how to effectively leverage a sidebar. Here you're under more constraints for that, we want to talk a little bit how that surfaced at the table. Three, it's obvious we want to talk about the cultural issues at play in between Hawani, Indocarta and Fuji and the lack of a formal scoring system.

You were given one price as a point of reference, but as we go into the results, we got wildly divergent prices from that single reference point. Deal design with key

here, we saw a lot of creativity and how teams actually managed to come to an agreement given the constitutional and cultural barriers to initial agreement.

We had people designing secret flights to deliver rice, people who were leveraging the weather system to get around treacherous areas and storms, people trading oil for rice. People who are labeling ships in opposite country to deliver things and pricing rice based on the strain or type of rice that it was. All very interesting and I think a great lesson in creative deal design. Here are the results, take a quick second look at them. We highlighted the high and low bars for price, but I really want to talk about groups 11 and 12.

You guys waited to the very last second round 10 and cannot with wildly divergent price points. Whose group 10? Raise your hands. Group 11? I'm sorry, yes, group 11. 11, can you talk about who's the Fuji in that group in group 11? Can you talk about how you agree to such a low price? Your deal is also interesting. Adam also has them building a statue of him that's rising out of the sea as part of the agreement.

[laughter] .

Maybe talk a little about that.

Adam: Just to clarify the price was 650, I wrote it wrong, but it came in at the very last minute. Basically, I was just holding out and in a mindset which is I know not true to character but willing to start my people to go to no deal. Eventually, they came together and decided like this was what they wanted. In terms of the statue, me and John built a very special relationship throughout the negotiation. First, he stole my chair which I commented on and then he decided to sit on the floor which I--

Brady: We'll get to that.

[laughter]

Adam: Okay, I'll move on but yes, that's kind of I was just stonewalling and being stone-faced.

Brady: You got a statue of yourself.

Adam: I got a statue out of it.

Brady: How about group 12? Can you guys talk a little bit how you came to this much higher price point given the three rounds of a price decrease due to the time constraints?

Female Speaker 2: I think it took until the second time. There was just a sidebar between Hawani

and Indocarta . At that point, we just made a coalition and said we're not going to accept anything less than 14 and then we didn't budge. In fact, got 15, so yes, that was--

Female Speaker 3: I was going to speak to our \$14. We wrote an entire draft and it was led by Fuji and it was all-around \$14. There was a half a page of Microsoft Word document around \$14. We had all agreed to the wording of it, we had all agreed to everything in it. As soon as we all agreed to that, Fuji said, "We're not doing 14." At that point, we decided that we could take the upper hand now because if they don't buy from us, they either have to import via air or not feed the people.

Brady: How did you guys manage to bridge the cultural divides in the initial rounds to come to such a strong coalition?

Female Speaker 3: Sure. Every time we said something, he said creative solution they know, creative solutions. He was trying to drive us to a coalition together and it worked.

Prof. Mandell: Who was Fuji?

Female Speaker 3: I did ask a lot of questions like family and I asked Fuji right here what his wife did for a living. His facial expression was probably the best thing I've seen in this class so far.

[laughter]

I mean, I think they manage it.

Brady: David, would you like to have reflect on that at all?

David: Yes. I knew price wasn't really a big concern for me. It was more like what can I do to get these two to work together without really influencing it directly? For me, it was like, okay. Well, if I'm in this drought, how do I ensure that my demand is going to be met? Or what kind of insurance policy can I make?

Prof. Mandell: Let's unpack a bit. Why did you agree to this ridiculous price?

[laughter]

The broader question while you're thinking about face-saving here is did you feel you responded to a take-it-or-leave-it offer? Separate from my other takeaways of you can't, you won't, take-it-or-leave-it, did you feel the strength of their leverage? If you were less price-sensitive than you just said you were, why didn't you push back more?

David: I guess I would have pushed back if that was my agenda. My agenda personally was to see how they come together and also have like I take more like a diplomatic approach.

Prof. Mandell: Did you see that they were quite together?

[laughter]

David: Even though I settled for a high price, that was the outcome that I wanted.

Prof. Mandell: That they should work together. And you didn't care what the price was and yet you paid more than anybody in the class.

David: Correct.

[laughter]

Prof. Mandell: No, I don't want to make a big point to that.

[laughter] .

Brady: Classic Mandell style. Also, these news updates which I think led some really creative reactions from the groups and just to go through a few of them, people found out about side deals that ended up blowing up negotiations. The Fuji ministers tried to make this three-way deal that was technically constitutionally impossible. They managed creative ways whether it was labeling ships wrong or delivering food at night, people violating constitutions willfully and just not caring. Then also being aware of collusion, but turning a blind eye to it.

To be clear, I think we've gotten a little bit from David on this but Fuji does prefer a joint agreement with both Hawani and Indocarta . They should not be aware of this and they cannot be the ones to suggest it. We want to talk a little bit about nonverbal signaling to get to this conclusion and I think some people had some pretty good takeaways on this. Who are my Fuji' s in the room, could you just quickly raise your hand? Did anyone try to signal their preference for a coalition non-verbally? Anyone who want to reflect on that, Xander?

Xander: No. I don't know.

Brady: Not particularly, anyone else. Aisha, yes.

Aisha (Fuji): Well, what I tried to do is I just use sidebars and so I said at the beginning of the round anybody can sidebar with any party at the time. When I left they asked the sidebar and I left the room. I just kept on checking in with them, so I put pressure. I'm like, "Hey guys, we have time."

Brady: Awesome. As Fuji, you're almost playing the role of a mediator like bringing two disparate parties together over one come outcome. In this case, you were highly biased and not neutral and that you wanted a deal that was acceptable on your own terms. We'll get into that, that's really good though.

All right, so there's three main forms of uncertainty here. There's this idea of how volatile is this market? What's this next announcement going to say? What's being said when I'm not in the room and what actually are we agreeing to in this deal design? A fourth term of uncertainty we wanted to get to is, why is John sitting on the floor here? Can you just talk a little bit about why that occurred and what the dynamic played out of a table was like?

John: When we were first sitting down and Adam came in, who is Fuji. He claimed that I was sitting in his chair and wouldn't take his chair back. I decided to sit on the floor effort of deference and trying to get some bilateral deal going. Then I came

back later and Adam was sitting on the floor. He never invited me back into a chair until the secular party was at the table.

Brady: I mean it seems like a really good way to bridge a divide and actually have a quite a frank and interesting conversation in a very funny- [crosstalk] .

John: It made it more fun to when we shot a come back at him, a bit more hardball tactics because I don't think he expected it

Brady: Fantastic. All right. Again, to sort of harp on the cultural aspect, you're dealing with three parties and two main cultures. You have Indocarta which is a high context culture where relationships really matter.

Hawani which is lower context which cares more about formality in the actual deal at the very end. Fuji who is respectful and aware of these disparate cultures, but as a intermediary point with culture and acts as the middle ground for the two parties. This is a little more from your role information Inodcarta, The one quote that I want to highlight is they believe that life is not a race against time, but an intricate equation in which time is one part versus Hawani, which is like time is money.

[laughter]

The announcements they were getting for the volatility of the rice market were like stop talking to these people and just get a deal versus the Indocarta one because we hope the weather was great. I hope your family is doing really well. We saw this play at the table, it was really fun to watch.

Prof. Mandell: One of the things that I want you to take away from our workshop is your capacity to adjust your operational tempo at the table without losing patience. Okay, so you're getting a signal that the other side wants to talk a little more. You're getting a signal and getting a sense of what they would like to talk about in which particular order. You may have smoke coming out of your ears already. What did you do for those in these two roles to be able to adjust without getting frustrated? Let's get some other folks in the conversation, Robin. If only I had more time. Let's not make a big deal.

[laughter]

Robin: The other party wanted to talk about family, so we gave it five minutes.

Prof. Mandell: Great point. I want to pick these up as we go. I'm happy to hear about your family. You don't have to necessarily put the five-minute piece and I'm hoping and expecting that after hearing about your wonderful 12 children and 46 spouses. After that, we can move into a discussion, so you're signaling to the other side as well to limit that piece of things that others did.

Sophie: I was Hawani and I understood that the Indocarta counterpart was very focused on these relationships. Very focused on honor and saving face and was emotional. At one point he was trying to turn the conversation towards family. It's really important that we get to know each other all at the table before we come to talk more about price points and many deals.

I really was pushing for time as Hawani. To try to respect his culture I said, we could all talk about this a little bit more over sake tonight. Perhaps while we're here and in round two when I was alone with Fuji, I anchored with a price point because I really wanted to move that whole formal process forward.

Prof. Mandell: Then how was it received?

Sophie: It was higher. I mean, I think my anchor was a little bit too low, so I think Fuji was probably quite happy with that. It was received well, and then we just moved up a little bit there.

Male Speaker 5: I think it's a brilliant move that Sophie took when we started chatting about family and I exchanged sms with Indocarta and everything. She was Fuji and at some point, we talked about spouses and she mentioned that her husband was actually working in the trade department and the business--

Prof. Mandell: Small right business on the side.

[laughter]

Male Speaker 5: We were talking about spouse and I think it was super executive because it got us to the topic while actually just talking about personal relationships.

Prof. Mandell: I want you to take this point to heart . Can you do an effective hybrid approach that you're embedding the one discussion in the other? It sounds interesting this piece about your family. Then you intervene with a piece about something about rice and the weather as they talked about family vacation and you try to weave these in without you becoming impatient. One last on this.

Male Speaker 6: Robin had started the conversation to talk about business and then I started the conversation about relationships. He asked me questions when I asked him about his family, he asked me questions about my family. At that point what I felt that he'd been acknowledging my interest then we moved this smoothly.

Prof. Mandell: Right and it raises the currency challenge in negotiation. Listen carefully to how I'm defining it. What's the minimum cultural respect unit that gets us to the next point? You have to be fairly skilled and have done a lot of negotiation but we often oversteer. Tell me about your 14th child. We've done one to 13 it's now late evening. We started at 6:00 this morning. We overplay that particular hand.

Mohammed makes the critical point about I'm listening that you respect and acknowledge me. Beyond that we are wasting time in the negotiation. Your family's important to you. Great to hear that. How much are we going to pay for that thing of rice? I'm not talking about that limited but that you don't have to overplay that hand.

Brady: Someone mentioned sake in the evening. I think Charles might have caught the Gordian Knot and brought the sake kit to the negotiation. Charles, do you briefly want to reflect on why you made that decision. Why it was actually just water and then any effect that might have had on the final deal.

[laughter]

Charles: I brought the Saki for three reasons. One was to have a more of a nonverbal move at the beginning that would show that I'm the one setting the pace of the conversation by bringing this and giving it to them. Secondly, to meet the cultural needs of Indocarta. I thought this would be a good trust-building relational move. They say those who eat and drink together can make a deal. The third reason was to show them nonverbally that I was committed to a deal for all three of us. That I didn't want to cut any of them out. But I wanted to have a deal with all three and that did end up in the end.

Brady: Great. [unintelligible 02:32:24] do you want to reflect on that at all?

Female Speaker 4: It kind of. I know that you were trying to send a nonverbal signal. I thought that was his way of acknowledging both parties. In the beginning of it, it didn't really send across a signal that he wanted all three of us in the deal. Maybe it was a question of interpretation on my cultural side. Maybe it just meant that they're very welcoming of other people who come to their country.

Prof. Mandell: Remember through the cultural filter, message intended is not always message received. What could have been viewed as a significant important social gesture could also be viewed as a bribe. Keep that in mind. The unintended consequences of using your signaling and getting back the message that you didn't intend to receive. I intended compliment, it was taken as insult. Happens a lot in negotiations.

Brady: We do have a slide later on that talks about explicit nonverbal signals culture to culture that are perceived as different signs. Just to go back we had a whole slew of people joining the floor game right here and we also had some celebrity appearances from course coaches, so thank you, Stephen.

Let me hear from some Indocarta and Hawani people. Who in the outset because round one was just the two of you and you needed to do two things at once. Disparate cultures overlaid on this backdrop of violence, civil war, and mistrust. Who felt they had a particularly creative way of bridging that initial divide? Yes, Greg.

Greg: Initially planning on, I was Indocarta and I was going to show him pictures of my dog and ask lots of questions around my family. If he didn't buy into that I was gonna go all in about how he's disrespecting me and this is just a continuation of this war, that wasn't totally his fault. I give him a lot of credit because I think he-- I had the picture of the dog I was showing it to him. I could see him be like what the heck is going on?

[laughter]

Then he pulled out a picture of his dog on his phone. Again, you adjusted really well and you caught on to that. If you hadn't caught on to that I think it would have gone down a very different path.

Brady: So you got frustrated in the moment of just like either someone's leveraging time too quickly. Someone's not talking about the family or the opposite, now this person's not focused enough.

Prof. Mandell: Was the purpose of the picture to show that it's a dog-eat-dog world?

[laughter]

Greg: I hadn't thought about that before.

Prof. Mandell: Okay, I wasn't clear.

Brady: How about the Fujis in the room? Interestingly, you had several opportunities to negotiate one on one in these seven-minute sessions they were called. Did anyone manage to change their negotiation style? Pretty effectively they felt round around. Yes, Guy. Guy then we'll go to Mason.

Guy: [sound cut out]

Brady: Great, then did anyone in her group want to reflect on that?

Mason: I was just going to say I give myself cultural whiplash just because the first meeting was the hardest trying to set a tone that I hear and understand both sides, both cultures. Then after that, I was very much like sit down with Indocarta and it's like that's wonderful, I respect your culture and just on and on about not necessarily the deal and but in relationship.

Then Hawani sat down and it was like, "Let's cut the crap and get to business." And I was like, "Okay, we're in." So it was just strictly numbers at that point. I thought we played an interesting dynamic there. Then I mostly tried to let Hawani and Indocarta work out those differences themselves rather than trying interceding.

Prof. Mandell: Hold on to the mic for just a second. How can you leverage three-party negotiation? How can you leverage the fact that your two other counterparts have competing notions of culture? Were you able to take advantage of that?

Mason: Yes, I tried to play a little bit of-- There's someone extreme on either side. When I got really pushed from Hawani and they were being very competitive, I was able to just say to Indocarta like, "Well, they're really pushing me. They're being disrespectful. Do you realize this and like you would kind of factor into it?"

Prof. Mandell: In different contexts you have, you're all familiar with good cop, bad cop negotiations. This has a piece that I want to get Kevin right here.

Kevin: Their cultural stuff was for me an opportunity to frame and reframe the terms and use it as a bridge. Then the fact that Hawani wanted to get straight down to business and let me bracket this up by leveraging the two against one another.

Prof. Mandell: We talk about all the time in creating value in negotiation that we trade on differences. How yesterday from Hannah's talk today in the cross-cultural sense. How do I maximize the use of differences full stop in negotiation and think how that played out today? Now that can be the two competing countries or it can be from Fuji or in mediation disputation. Think of the case with Allison Greer about how that gets used. How those differences get leveraged.

Brady: Moving on. All right, I think we're going to end this debrief with some reflections from Professor Mandell regarding [unintelligible 02:38:06] writing on how culture affects negotiation.

Female Speaker 5: I have a question. One of the groups made a coalition and caused Fuji to raise the prices. My question was that. It did strike my mind but I didn't go ahead with it because I thought it was culturally not appropriate for-

Prof. Mandell: This is how I would have interpreted that particular take on it. Can you just put up the slide with their results again before going to this? A core gift of all the work that you do in negotiation in a class context is that you often get to see what other people have done. In your real-world negotiations you won't get to see what other people have done. As I have told many of my MPP students who I teach in the fall semester. I had a case a few years ago where two graduating MPP twos went to an outfit in San Francisco.

They both came home with a job offer at \$10,000 differential in starting salaries and different packages. It got me thinking about what was the nature of the interaction between that student and the potential employer that produced these results? Take just 30 seconds, look down the price. Do a very, very short discussion with the person beside you. Knowing what you did comment on-- What's our lowest rating?

Brady: 4.25.

Prof. Mandell: We have 4.25 to 15. You're all smart, capable people. How does this wide differentiation in our data, how do you explain these different results? Have that discussion for just a few seconds with the person beside you?

Prof. Mandell: Okay, so you're competing here for your explanations here. I want to understand how the smartest group of people at the Kennedy School, taking this course, pursuing graduate degrees in public policy. How do we explain this spread thinking through the cultural filter? How do we go from four and a quarter to 15? What's your explanation? Mike, just as we call on you, just wait a few seconds. Yes, go ahead, Josie.

Josie: I think we've heard about how people interpret their roles. I think there's enough uncertainty and how it's written for-- Fuji in our group told us that they could get the airplane flown in rice for \$10. So we interpret that as okay. We obviously have to go below that because why would they make a deal with us? I think there's an interesting point here in how you could leverage that uncertainty to craft the narrative to get the deal you wanted to get.

Prof. Mandell: Right. How that uncertainty zone is felt. Yes?

Junita: I think this was also a tradeoff between a one-time deal and a sustainable deal. I was playing the Hawani and we could have gone lower price and clinch the deal with Fuji. But given that regional cooperation was very, very important on our relationship with Indocarta, I think we would have burned that bridge to build that relationship but we agreed on some concessions where they said that they will be a trading partner in the industry with us. They were leasing our vessels and so on and so forth. We also share the production. Rather than going directly for one time deal, I

sat there and said maybe it should be sustainable. Over time, we gained economically in any case if we made some concession.

Prof. Mandell: Where are the 4.25 people? Where are you? Are you going to sleep tonight? Are you ashamed of yourself?

[laughter]

Matteo: More broadly on the spread of results. I think what's difficult here is that we're not giving scores, we're not giving points. We have no frames in terms of results. We don't know what winning represents. Within people who have the same culture, different individual can have different priorities.

Prof. Mandell: Right? I wanted you to have an exercise where there isn't that kind of pointed structure that's giving you the floor and a potential target point. Any other explanations? Ken, I'll just get you a mic.

Ken: We were in group 20 and we got to a \$12 deal. Just to respond to **[unintelligible 02:43:01]** point about cultural appropriateness. I come from Southeast Asia and I think part of the reason why we reframed the deal because we were talking about my family and how we were both sick of the civil war. We use that framing to be able to show that if we have an economic agreement, we will be able to have a more sustainable peace agreement in the future. Just testing out the peace deal.

Prof. Mandell: We use history as our persuasion frame. If we can both become viable economies, we can get beyond this conflict. Any other sort of as you reflect on the spread, John?

John: [silence]

Prof. Mandell: I want to understand though from that spread and then I will wrap up fairly quickly. What does it mean to do well in this exercise? Are they all win-win deals if everybody got an agreement?

Xander: I was Fuji as well and I interpreted winning like a win-win deal somewhat differently. I felt that regional instability would have a knock-on effect on my economy. I was primarily concerned with making sure both economies could stay afloat. That's why I was comfortable with an 8.50 deal because it let me take back a concession to my boss but didn't sink either economy.

Prof. Mandell: You need to have everybody still wants in. Okay last.

Female Speaker 7: Why aren't we talking about the side deals? Because it seems like there was a lot going on there?

Prof. Mandell: We're going to go there. You're so anticipatory.

[laughter]

Prof. Mandell: Sooner or faster. Very good. You learned something in the course. From these, I want to point out just two or three that I think are important. You raised

and I think Josie raised this. Risk and uncertainty tolerance has a huge impact on the price differentiation. Looking at your faces as Brady was reading out the-- Excuse me. The price pressure for agreements. Second, on this issue of time sensitivity. I want you to think hard how you manage that by getting what you needed and to [inaudible]'s point through side deals. How many people did side deals? Seems like the majority of groups said very quickly. Do we have a mic right here? Mitch, please.

Mitch: In our side deal we actually had a price differential. Where we had agreed to give I think it was 20,000 bushels at five. I gave my 10,000 at \$7.5 per bushel. She effectively had to then take \$2.5 per bushel. Along with that were other things like if this collapse for some reason, I got the- [crosstalk] .

Prof. Mandell: So there was a contingency if.

Mitch: With ours, I gave her an exchange, a 20% discount on industrial goods for our country because she was a small economy that cost me very little but I mean a lot to her.

Prof. Mandell: And she would get Amazon's third headquarters.

[laughter]

Okay. Do we have one other creative deal here? Nicole.

Nicole: I was a Hawanii and I was very scared to get out of the deal because I knew that the stakes were higher for Indocart a and I felt really bad that if they would be left out the deal, they would all starve. I realized that it made more sense for the product to go from their island because of environmental reasons. I decided to give in on that and we agreed on same terms. I would sell them and they would sell eventually to Fuji. We agreed on the same price. What I did that really solidified our agreement was that I made him sign a bilateral agreement before. Then I told him now I'll support you in any price you set.

Prof. Mandell: We're going to end with a sensitive question. This is for international students, if you self-ascribe to yourself as an international student. Is it a cross-cultural negotiation in the class to deal with your American colleagues?

Student: Yes.

Prof. Mandell: Anybody want to share? Too dangerous a question.

[laughter]

All right.

Brady: Andre and then Priti.

Andre: I think the one thing to get in through the right mind frame is considering that in the US people are less relational. Meaning it's not about first building a relationship, telling you who, for instance, we started with Kat mentioning that, "Oh, you know who complimented you when I called asking if he or she knew you? It was Tekaii and he said this thing, really nice thing about you." It's a nice way to start

building a relationship before talking about anything. It's really poor relationship building talking about weather or baseball or soccer or World Cup. There's more tactfulness needed into it.

Pro. Mandell: Right? Or the classic American way of asking you in the form as you're walking by, "How are you today?" Before you answer, they're 200 meters down the hall.

[laughter]

I really, really don't care, Andre. It was just a conversation question, that's all. Quickly, when you think of how you played across the 10 rounds. Did you manage across the rounds through the cultural filter the right and scope of your concessions? What does it mean when a cultural variable is there? What does it mean through the cultural filter notions of fairness and justice? When you think of the deal that you got beyond being sustainable, how do the parties view it in terms of fairness of a critical resource allocation?

Then did you exercise threats, bluffs, promises, predictions of the weather and how was that received by the other side? We're doing this course in a Western cultural context here in the United States. How this is perceived and I found Ken's comment interesting. In Southeast Asia, this exercise would be played quite differently, would be played differently in the Middle East. There are other contexts as well, so that context has a huge impact on how we understand fairness and justice in negotiation. We're going to hold it there. We're going to have a speaker now, and then we're going to get you ready for your exercise this afternoon. What comes at the end of the exercise?

Participants: Pizza.

Prof. Mandell: Where is it?

Participants: It's there.

Prof. Mandell: No, it's downstairs.

[laughter]

It's ready.

[laughter]

Okay. Thank you all.

[applause]

A special shoutout to Brady, my broadcast counterpart.

[applause]

[02:50:55] [END OF AUDIO]