

Mandell Clip 4 Transcript

BRADY: So deal design was key here. We saw a lot of creativity in how teams actually managed to come to an agreement, given the sort of 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 were labeling ships an opposite country to deliver things, and pricing rice based on the strain or type of rice that it was. It's all very, very interesting and, I think, a great lesson in creative deal design.

So here are the results. Take a quick second to look at them. We highlighted the high and low bars for price. But I really want to talk about groups 11 and 12 because you guys waited to the very last second round 10 and came up with wildly divergent price points. So who's group 10? Raise your hands. Group 11? Oh, sorry. Yeah, group 11. 11.

Can you talk about who's the Fuji in that group, in group 11? Can you talk about how you agreed to such a low price? Because 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. So maybe talk a little about that.

ADAM: Just to clarify, the price was \$6.50. I wrote it wrong. But yeah. That was it came in at the very last minute. Basically, I was just holding out and kind of in a mindset, which is I know not true to character, but willing to starve my people to go to no deal. And eventually, they came together and decided 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.

ADAM: --determined was-- OK. I'll move on. But yeah, that was I was just stonewalling and being stone faced.

BRADY: You got a statue of yourself.

ADAM: And I got a statue out of it.

BRADY: That's great. How about group 12? Can you guys talk a little about how you came to this much higher price point, given the sort of three rounds of a price decrease due to the time constraints?

SPEAKER 4: In the first, I think it took until the second time there was a sidebar between Hawani and Indocarta. And 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 and in fact got \$15. So yeah, that was.

SPEAKER 5: Yeah, I was going to speak to our \$14 dollars. We wrote an entire draft. And it was led by Fuji, and it was all around \$14. So 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. And as soon as we all agreed to that, our Fuji said, but we're not doing \$14. And at that point, we decided that we could take the upper hand, no? Because if they don't buy from us, they either have to import via air or not feed their people.

BRADY: And how did you guys manage to, I guess, bridge the cultural divides in the initial rounds to come to such a strong coalition?

SPEAKER 5: Sure. Every time we said something, he said creative solutioning, though, creative solutioning. So he was trying to drive us to a coalition together, and it worked.

BRADY: Wow.

SPEAKER 4: I did ask a lot of questions like family. And I asked Fuji right here what his wife did for a living, and his facial expression was probably the best thing I've seen in this class so far. But yeah, I mean, I think they managed it OK.

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

DAVID LASZEZ: Yeah. 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, OK, 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? And I--

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

DAVID LASZEZ: Yeah.

BRIAN MANDELL: And 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? So separate from my other takeaways of you can't or 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 LASZEZ: So I guess I would've pushed back if that was my agenda. And my agenda, me personally, was to see how they come together and also take more a diplomatic approach.

BRIAN MANDELL: But didn't you see that they were like quite together?

DAVID LASZEZ: Yeah. No, yeah, which is actually like even though I settled for such a high price, that was the outcome that I wanted.

BRIAN MANDELL: That they should work together?

DAVID LASZEZ: Yeah.

BRIAN MANDELL: And you didn't care what the price was?

DAVID LASZEZ: yeah.

BRIAN MANDELL: And that you paid more than anybody in the class?

DAVID LASZEZ: Correct.

BRIAN MANDELL: OK. I don't want to make a big point to that.