

# **Planning & Preparation Paper**

**-Brookside vs. Black-**

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## **I. The Problem:**

The current dilemma that I, the President of Brookside Community Hospital Corporation is facing, is one dealing with a contractual miscommunication with Black Computers. The original problem was when Brookside hospital was facing financial issues due to an array of issues such as: “lack of efficiency in trying to provide full services to all patients, inefficient use of medical devices, too low a percentage of outpatient to inpatient services, and the lack of computerized clinical information system” [1]. The problem stems further when the hospital sought out a solution from Black Computers’ handheld devices that offer a clinical information interface system with a data entry software. Brookside’s Director of Information Systems, J.D. Matthews spoke with one of Black Computers’ sales representatives, T.D. Gross and had agreed on Brookside paying Black Computers, \$6.8 million for the entire software for a five-year lease which would include: hardware, medical decision support system, clinical information interface system, a remote clinical information interface system, and a data entry software free of charge.

The data entry software was a critical component of the clinical information interface system installation because this would allow the hospital to transfer all paper files/reports to electronic versions which would gain them long-term financial stability and a critical return on investment. The big problem comes into play after the contract between Black and Brookside was signed. T.D. Gross from Black Computers said that the data entry software was not a part of the contract, nor agreed upon, whereas Matthews from Brookside said that it was settled as an agreement free of charge. This poses a problem of not only mistrust, but risk of Brookside becoming bankrupt due to a useless investment, and a wasted installment of software.

## **II. Goals and Decision Makers:**

As President of Brookside hospital, and one of the decision makers within this negotiation, my goal and high expectation is to meet with the Division President of Black Computers in an informal setting as he had requested, and request Black’s programmers to write Brookside’s data entry software as promised within the interface system. Our goal is to spend no more than \$6.8 million (the original amount within the contract), and to acquire the most critical component of the system as promised by T.D. Gross.

My opponent, the Division President of Black Computers (target decision-maker), will most likely propose a high expectation of the \$6.8 million payment (\$2.6 million for the former and \$1.6 million for the latter) that was promised from Brookside within the contract that was signed January 15th, 2002 [1]. Along with the original agreed upon payment, the Division President of Black Computers’ goal is most likely to avoid supplying the hospital with the data entry system to avoid the extra labor from their

employees and free charge that was promised to Matthews by Black's sales associate, Gross.

### **III. Underlying Needs and Interests:**

One of the needs as the President for Brookside Hospital is the data entry software. This is a critical need within the negotiation because the data entry software would replace traditional record keeping/data entry with a software in the handheld devices with easily accessible and organized information. Brookside's interests behind acquiring this include: speed and convenience of accessing patients' charts, administrative/registration files, and records would improve the quality of patient care and benefit doctors and nurses. Another need as the President of Brookside would be to minimize expenses for the hospital by only paying the rest of the \$4.2 million if we acquire the data entry software within the interface system. We cannot lose out on the \$4.2 million and settle for no data entry system because there will be no long-term benefit or return on investment that could save Brookside from going bankrupt. Brookside also wants to avoid going to court and risking losing a trial and being forced to pay the \$4.2 million to Black because of financial interests. My bottom line offer if Black's Division President denies the data entry software, will to pursue legal action through our lawyers and file a complaint against Black Computers for breaching the contract and defrauding Brookside by leaving out an agreed upon component within the contract [1].

Black Computers has a need to only deliver the components within the contract which were the interface system and hardware. Black Computers' interests are in saving the company from doing extra work by converting Brookside's paperwork files and writing them into an electronic data software. The Division President of Black Computers also has a need to negotiate and settle an agreement with Brookside to avoid pursuing legal action and going to court. This could be due to financial and reputational interests. Black Computers' bottom line is most likely going to be the same as Brookside's, which would be to pursue legal action and file a complaint against Brookside for breaching their contract if we refuse to pay the rest of the money [1].

### **IV. Leverage:**

Unfortunately, if there is no deal where Black Computers agrees to deliver the data entry software within the interface system, then Brookside Community Hospital Corporation is the one who has the most at stake and will lose the most. Brookside has already suffered from financial losses and needs the software to head towards a profitable long-term future. Brookside will also lose out on the chance to improve patient care, billing purposes, and overall effectiveness of the hospital staff and daily operations. To reduce the risk of losing out on the negotiation and driving the hospital towards bankruptcy, I

will need to negotiate with the Division President of Black Computers appropriately and respectfully in hopes to settle on an agreement where we can both gain.

On the other hand, if there is no deal, then Black Computers won't lose much besides the risk of Brookside refusing to pay the rest of the \$4.2 million that could have increased revenue for their company. Black Computers has more leverage because they have the data entry software that Brookside needs in order to be profitable. Black could also run the risk of damaging their brand reputation from their sales representative failing to follow through on his end of the agreement when it came time to write out a formal contract with a client. As president of Brookside Hospital, if worse comes to worse, I can threaten Black by spreading negative word of mouth about how they do business or how untrustworthy their sales representatives are. This could influence Black's Division President to give in and supply Brookside with the data entry system.

**V. Possible Proposals:**

When I meet with the Division President of Black Computers, I am going to propose that we come to an agreement of having Brookside pay the rest of the \$4.2 million and Black Computers installing the data entry system. This proposal would fulfill both sides' interests: saving Black from a negative and untrustworthy reputation, and promising profitability for Brookside. This proposal would also mean that both sides could avoid taking legal action and expenses involved with appearing in court.

**VI. Authoritative Standards and Norms:**

One of the few standards I will declare on the behalf of Brookside Community Hospital Corporation, is demanding that Black writes the software for the data entry system so that Brookside can gain from the business deal with Black Computers. Black will argue that this was not a part of the written and signed contract. My counterargument for that will be that Brookside will then threaten legal action, in pursuit of investigating Gross and his unethical behavior and Black Computers for defrauding one of their clients.

My second standard on behalf of Brookside will be a modification of the contract as originally agreed to with Black Computers. Black will most likely argue that the contract is already set in stone and cannot be breached once signed by both parties. On the behalf of Brookside, I will threaten to refuse paying the rest of the amount for the interface system if it does not come with the data entry system.

**VII. Third Party Moves:**

To gain more leverage within the negotiation, I can gain insights and strategic advice from Brookside's lawyer and financial consultants. These third parties will supply me with all the details on what may happen to Brookside Community Hospital Corporation if

there is no deal or if Brookside settles for the best alternative to a negotiated agreement (BATNA) [2]. Another third party that would come into play that could serve as both an audience and new target decision-maker, would be a jury. This would only be the case if Brookside and Black decide to go head to head in court if there is no deal agreed upon when I meet with Black's Division President informally.

#### **VIII. Situation and Strategy Analysis:**

Based on the merits of this situation and conflict between Brookside Hospital and Black Computers, I need to go into the meeting categorizing it as a balanced concern, as stated within Shell's Situational Matrix [2]. This situation is more so classified as balanced concern because the conflict over stakes is high for Brookside (possible bankruptcy), and the perceived importance over future relationships is also high at this point being that we have a five-year lease signed with Black. Brookside needs to nurture the relationship with this business partner because Black Computers will be around annually for updating the system and will be the go-to company for any questions/concerns regarding the hospital's technological system. I will need to use a compromising style when negotiating so that I can come across as willing to seek fairness and a resolution that suits both Black Computers and Brookside Hospital.

The Division President of Black Computers will most likely approach the situation as being categorized as relationship based on Shell's Situational Matrix [2]. Black Computers has signed the contract that allowed for them to collect \$6.8 million from Brookside and avoided including the data entry software within the formal contract; therefore, their stakes are low over the conflict. Black is a successful company and is also not experiencing financial crisis like Brookside is. Their perceived importance of future relationships with Brookside is most likely high for the same reason as Brookside's. The two will be locked into a five-year lease with one another and will be in contact/conducting business often. If Black sees this as a relationship situation, then their Division President is most likely going to be using an accommodating negotiation style.

#### **IX. Best Modes of Communication:**

For this situation, the best means for negotiation and communication would be face to face as originally suggested by the Brookside Community Hospital Corporation's lawyer. This informal negotiation and meet with the Division President can allow for casual conversation, expression and clarification of tone, and time for questions. An alternative mode of communication would be using third party agents or lawyers to settle the dispute between Black and Brookside if there is no ability to make a deal.

**X. Overall Positioning Theme:**

My key theme to anchor my position against Black Computers will be the desire for what was originally agreed upon by Mr. Gross and Matthews to reestablish trust between us and Black Computers in hopes we can build a professional and long-term relationship as business partners. Brookside Hospital is willing to respectfully pay their dues as promised if Black Computers can follow through with their initial agreement; therefore, no one loses out on the deal.

## References

- [1] Brett, Jeanne.Goldberg, Stephen. “Brookside Community Hospital vs. Black Computer Systems”. DRRC. November 12. 2018.
- [2] Shell, G Richard. *Bargaining for Advantage*. Penguin Group, 2006.