![A green tag with white text

Description automatically generated]()

**Role Play**

**The Joint Bid:**

Role of Representative of Minavar Pharmaceuticals

06/2024-6911

This role play was written by Warren Tierney, Postdoctoral Research Associate at INSEAD, under the supervision of Martin Schweinsberg, Associate Professor of Organisational Behaviour at ESMT Berlin, Horacio Falcão, Professor of Management Practice of Decision Sciences at INSEAD, and Eric Uhlmann, Professor of Organisational Behaviour at INSEAD. It is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

To access INSEAD teaching materials, go to <https://publishing.insead.edu/>.

Copyright © 2024 INSEAD

Copies may not be made without permission. No part of this publication may be copied, stored, transmitted, translated, reproduced or distributed in any form or medium whatsoever without the permission of the copyright owner.

You are the representative of Minavar Pharmaceuticals, an Astana-based company which has invested heavily in finding a treatment for Parkinson’s disease.

You are about to enter a bid for Lith flowers with a Central Asian government, because you recently received some exciting news. Your company has discovered that a substance found in the rare Lith flower can counteract some of the effects of the dreaded disease that other drugs have failed to treat. Adding even just a tiny grain of the compound from the Lith flower stem into daily doses of a drug cocktail for Parkinsons prevents the patient’s symptoms from deteriorating further at a 90-95% effectiveness rate. Unfortunately, it is proving extremely difficult for your company’s scientists to synthesize this key compound in the laboratory.

Compounding this problem, the Lith flower is only found in one isolated Central Asian forest and is impossible to grow commercially. It does not have any leaves and it does not use photosynthesis to produce its food, like normal plants. Instead it receives nourishment from a specific fungus which grows in close contact with the root system.

The local government that controls all of the territory in which the flower grows has decided to permit the harvest and sale of a maximum of 100 Lith flowers. This limit was set because environmental studies indicated that harvesting more Lith flowers would deplete the plant’s population too much and could lead to its extinction.

To your alarm and dismay, another company, Kunjur Cosmetics, has also shown interest in purchasing the very limited available supply of Lith flowers. For a complex mix of political and humanitarian reasons, the local government has invited Minavar and Kunjur to submit a joint proposal on how to best divide up the 100 flowers. If a joint proposal is not completed at this meeting or rejected by the government, there is the risk that the government will allow other interested parties to bid.

The government has set the minimum bid for each of these rare flowers at $100,000. Minavar has instructed you to obtain as many of the 100 available flowers as you can and authorized you to spend as much as $50,000,000 ($500,000 per flower if you were to purchase all of them). You are authorized to negotiate any deal with Kunjur within these limits. You do not know anybody from the government well enough to approach them independently without raising suspicions over your intentions and thus your participation in the joint bid exercise.

To summarize, you and your counterpart first negotiate over the number and price of flowers you will be able to purchase. If you reach an agreement with your counterpart both of you will then present a joint proposal to the government.

Prepare for the meeting with your counterpart from Kunjur Cosmetics.