THEOTIS WILEY

Full materials for the scenario are available from the Harvard Law School Program on Negotiation <u>Clearinghouse</u>. The following abstract is taken from this website.

SCENARIO: Theotis Wiley is a promising young basketball player with a checkered past. Erive is a small shoe manufacturing company about to launch a new line of basketball shoes. Erive's Vice-President of Business Development has asked to meet with Theotis' agent regarding the possibility of an endorsement deal. Neither party knows much about the other party's interests or alternatives.

NOTE: This simulation was adapted from, and is structurally similar to, the Sally Soprano simulation.

MAJOR LESSONS:

• In this case, both parties have relatively weak BATNAs ("Best Alternative to a Negotiated Agreement"). The case affords a good opportunity to discuss the relationship between BATNA and reservation value (sometimes called a "bottom line"), and the effect of one's BATNA -- and of the other party's BATNA -- on the negotiation process and outcome.

• The available data allow a number of arguments about how much money a "fair" endorsement deal would involve. Participants can practice using objective criteria both as a sword and as a shield, and grapple with the challenge of judging the applicability of multiple objective criteria.

• The case allows for the creation of various options separate from the contract value issue, which can maximize joint gains for both parties. While the case can be negotiated in a very distributive manner, by focusing only on the salary issue, there is ample room for integrative bargaining.

• Each party in the case is privy to relevant information of which the other party is unaware, which allows for interesting learning points around information disclosure. On the one hand, substantive information exchange can facilitate value creation. On the other hand, by revealing too much information, one runs the risk of being exploited by the other side.

• Because the case is structured as a negotiation between representatives rather than principals, it can generate useful discussions regarding the principal-agent tension and other agency issues.