

Fact Pattern 1:

You and your partners own a small start-up company (CWL Apps, Inc.) that produces applications for Apple's iPhone, among other customers. Unfortunately, the competition this year is particularly steep, and it is time to renew your contract with Apple. Last year, you were able to sell six applications to Apple at \$350 per application, plus \$5 per phone sold. However, Apple is unsatisfied with the quality of your applications and has warned you that it is seriously considering using different vendors this year. The Apple account is your biggest and most important account, without which it will be difficult for you to earn a profit this year. You are also afraid that losing the Apple account will damage your company's reputation, which will make it difficult to attract new customers this year.

Instructions:

1. Decide who will represent Apple, Inc. and who will represent CWL Apps, Inc.
2. Negotiate a new Contract. You will need to decide all of the important terms. Consider the time-frame of the agreement, price, type of applications, etc.
3. Reflection: What was the easiest part of this experience? What was the most challenging?

Fact Pattern 2

You just designed a new line of designer blue jeans (Be Aware, Inc.). You are very excited about these jeans because you plan on donating 20% of your profit to breast cancer research. This is particularly meaningful to you because your mother is a breast cancer survivor. Unfortunately, the retail market is very tough this year, and many retail stores have already turned you down because they cannot take a chance on a new brand; the stores have told you that although your designs are fresh, your brand lacks name recognition and so the stores are not confident that they will sell. One of your old friends from high school is now a sales manager at Nordstrom, and she has arranged for you to have a meeting with her and her boss to “discuss” your new brand. You are determined to sign a trial contract with Nordstrom. Your idea is that you can negotiate a short-term contract for their Seattle flagship store. If the brand sells according to the negotiated terms, then you will be offered a long-term nation-wide contract. This is just the break you have been waiting for!

Instructions:

1. Decide who will represent Be Aware Inc. and who will represent Nordstrom.
2. Be Aware Inc. should try to negotiate a contract with Nordstrom. Think about what should be the terms of a short-term contract. Do you want to negotiate a certain percentage of sales, a certain number of jeans sold? What is the time-frame (deadline)? How much must Nordstrom pay you per sale? Would you prefer to be paid up front and Nordstrom must suffer the loss if your jeans do not sell? What are the conditions for a long-term contract offer?
3. Reflection: What was the easiest part of this experience? What was the most challenging?

Fact Pattern 3

You are the President of the Center School Prom Committee. You and your committee board members recently submitted five proposals to your classmates, and your classmates have overwhelmingly voted to have this year's Prom at Salty's at Alki, with the idea being to move the party over to the beach afterwards. The runner up is the Seattle Aquarium, but it's not nearly as popular. Unfortunately, you only have \$17,000 to budget for all your expenses, and Salty's initial proposal is over \$25,000. You have a meeting with them this afternoon to negotiate a binding contract, and you know this is your last chance. Time is running out!

1. Decide who will represent the Center School Prom Committee and who will represent Salty's.
2. What items are most important to each party? What terms can be negotiated? What prices are negotiable? Assume that the cost is all inclusive, meaning that Salty's will provide all of the services. (Salty's may subcontract to other vendors, but that is their own arrangement).

Consider: price per student, length (time) of the event, food, DJ, coat-check, decorations, and professional photography. Also consider if you want to spend your entire budget on the prom venue, or if you want money left over for a senior class breakfast, etc.

3. Reflection: What was the easiest part of this experience? What was the most challenging?