

Freaky Freddy

You are looking to sign a music recording deal with GoRed Records and discontinue your own record label, FreakyTown Records. You would like to focus more on the production of music and leave the distribution and marketing to someone else. You are currently very unhappy with your situation and are hopeful that a deal can be worked out in which you'd earn at least half of what you made last year. Last year, you earned \$5 million combined from all of your music – so you'd be willing to earn at least \$2.5 million – on the basis that you could earn more money based on your sales of music, concerts and merchandise. You are negotiating on your own behalf and would like to convince GoRed Records that your rap music would be a great entry point into rap music for them – as they currently don't have any rap artist signed. You want a two-year deal and will only take three or four year deals if you're able to make more money. You don't want to be locked into a long-term contract and feel underpaid or undervalued. Currently, you have no one else interested in your music so it is critical that you come to some agreement. The relationship is important to you as you hope it will be a long-term one.

You are personal friends with Ricky Fiesta (a signed artist of GoRed Records) and were given some information in confidence – and it is imperative that you not let GoRed Records know that you have it:

Musician	Signed	Years	Amount per year: Base salary	Amount per year: % of sales	2013 Total Music Sales	Total Amount earned by artist in 2013
Ricky Fiesta	2012	3	\$ 2,000,000.00	5%	\$ 25,000,000.00	\$ 3,250,000.00

Plan your strategy and negotiate with GoRed Records.

Student Name: _____

Negotiated with: _____

Case Study _____

Elements of Negotiations – Worksheet

Parties	Alternatives	Interests	Options
Who are the parties?	What are our Alternatives?	What are our interests?	What are possible options?
Communication What questions do we want to ask?	What are their Alternatives?	What are their interests?	
	Legitimacy (Standards and Norms) What objective criteria might help us evaluate options?	Relationship (A) How is it now? (B) How would we like it to be? What can we do to move from A to B?	Commitment What topics need to be discussed before we can commit? Terms?
What messages do we want to send?			
<ul style="list-style-type: none"> • Leverage: Do you have any? If yes, what is it? 			
**Final Outcome/Terms of Agreement:			