Negotiation Through Simulation: A Three-Party Football Transfer Role-Play

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Abstract

Title: Negotiation Through Simulation: A Three-Party Football Transfer Role-Play

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Key words: Negotiation, Simulation, Multi-party, negotiation techniques, points, BATNA, long-term relationships, trust.

This dissertation, in the form of a case study, is based on a contractual negotiation involving a soccer player. First, a literature review is presented, covering all the concepts necessary to carry out this exercise. Next, the case is presented, which includes a sheet of general information and a set of individual and confidential information for each of the participants. Finally, the teaching notes are presented, a detailed guide with all the information necessary for a teacher who decides to use the case in class.

This role-play aims to replicate a real-world sports negotiation in the most realistic way possible to motivate and encourage students to put all the theoretical concepts taught into practice and to enable students to gain a more realistic understanding of the dynamics of a negotiation.

Resumo

Título: Negociação através de simulação: um role-play de transferência de futebol entre três partes.

Autor: Pedro Filipe dos Santos Chapeira

Palavras-chave: Negociação, Simulação, Multi-party, técnicas de negociação, pontos, BATNA, relações a longo prazo, confiança.

Esta dissertação, em forma de estudo de caso, é baseada numa negociação contratual de um jogador de futebol. Inicialmente é apresentada uma revisão de literatura onde todos os conceitos necessários para a realização deste exercício são abordados, de seguida é apresentado o caso que possui uma folha de informações gerais e um conjunto de informações individuais e confidenciais para cada um dos participantes, por fim são apresentadas as teaching notes, um guia detalhado com todas as informações necessárias para aplicar o caso em aula para um professor que o decida fazer.

Esta simulação tem como objetivo replicar uma negociação desportiva do mundo real da forma mais realista possível, para motivar e incentivar os alunos a colocar em prática todos os conceitos teóricos ensinados e permitir que os alunos obtenham uma compreensão mais realista da dinâmica de uma negociação.

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1. Introduction

Negotiation is a fundamental skill in both social and professional contexts, such as business, law, sports management, sales, and human resources. The complexity of a negotiation increases when there are multiple parties involved, diverging interests, and various issues to be discussed. This dissertation explores all these dynamics through a three-party, multi-issue, scorable role-play about the transfer of a young soccer player to a club that could provide a dramatic boost to his career.

The main objective of this exercise is to provide students with realistic, structured, and a challenging learning experience. Given that this is a simulation based on the negotiation of a soccer player's contract, there are three characters: the president of Real Oleiros, the club to which the player may transfer, the head Coach of the same club, and, finally, the player's agent. Each role has its own objectives, interests, priorities, and constraints, so participants will have to think strategically and use techniques such as logrolling, coalition building, and anchoring to achieve a beneficial outcome.

Given that there are nine issues to be discussed in this case, it is important that participants can identify distributive tensions and opportunities to reach an integrative agreement. That said, this role-play emphasizes interest-based negotiation, position-based negotiation, prior preparation, and internal alignment. Additionally, it exposes students to interpersonal and organizational dynamics such as trust, strategic persuasion, and the balance between short-term gains and long-term relationships which dictate the outcome of a negotiation.

This dissertation discusses not only the design and pedagogical logic of the simulation but also its potential to illustrate key negotiation concepts and develop practical negotiation skills. The exercise, through structured debriefing and analysis, seeks to enhance participants' knowledge in negotiation theory while concurrently providing an efficient, experience-based learning process that reflects the complexity of real-world professional negotiations.

Furthermore, this exercise also serves to observe students' behavior in a scenario of uncertainty, interdependence, and competing incentives. Since this simulation has a points system, participants will have to evaluate all trade-offs extremely carefully and understand how to manage their desire to maximize their personal outcome with the certainty of reaching an agreement. This type of structure forces students to reflect on how cognitive biases, emotional drivers, and interpersonal dynamics shape the behavior of a negotiator. Finally, the debriefing session allows the results of all groups to be compared, which in turn creates an environment in which students can understand all the strategies and behaviors they could have used to achieve the best possible result.

2. Literature Review

2.1. Introduction

With a very strong influence of areas like economics, psychology, law, management and pedagogy, negotiation studies have grown into a rich and multidisciplinary field. Scenarios that include professional sports contracts can offer a great opportunity to explore and study major concepts within the negotiation topic like distributive bargaining, integrative bargaining, multiparty dynamics, multi-issue negotiation and principal-agent issues. This chapter aims to review the theoretical and empirical foundations of negotiation research relevant to this case. The task of role-play simulations in negotiation pedagogy is also considered as well as the implications for the design of the case in this study.

Negotiation is a back-and-forth communication process in which two or more parties work toward an agreement. This occurs when some kinds of interests are shared among individuals or groups and others are opposed. These differences and similarities in each one's goals need to be communicated, clarified regarding priorities, and further explored for a solution that works for all parties involved (Fisher, 1991).

2.2. Core Topics of Negotiation

2.2.1. Distributive and Integrative Bargaining

A fundamental difference in negotiation studies is between distributive bargaining and integrative bargaining. The first refers to the division of fixed resources (fixed pie) usually this type of negotiation typically occurs when the issue is around money, such as buying a car or negotiating a salary however, it can also happen in other situations, such as when deciding on a vacation destination, these situations imply that one of the parties wins and the other loses (Lewicki et al., 2021).

On the other hand, integrative negotiation emphasizes collaboration, open communication, and a deep level of trust, enabling parties to explore several matters at once and discover opportunities for mutual benefit. By approaching the negotiation creatively, each side can find trade-offs and options that extend the total value available, transforming situations that at first seem purely win-lose (distributive) into agreements that satisfy the deepest interests of each party. Yet integrative bargaining has its own limits as well. Not all issues can be expanded or jointly optimized, and negotiators still need to reconcile the pursuit of mutual gains with the necessity of claiming value for one's own side. Mastery of negotiation consists of managing this dual challenge: creating value where possible while protecting one's essential interests. (Thompson, 2015).

The framework "principled negotiation" advanced by Fisher, Ury and Patton (1991) has been widely adopted in both education and theory. The main core of this framework is to separate the people from the problem to keep focusing on interests instead of in positions, relying on clear and objective criteria and generating options for mutual gain.

2.2.2. BATNA, ZOPA, Pareto Efficiency and Reservation Point

Negotiation theory highlights the importance of knowing the best alternative to a negotiated agreement (BATNA), in more simple terms, the best option that a party has when a negotiation fails. Someone with a strong BATNA will have a stronger bargaining power as this could allow a negotiator to get out of an unfavorable situation (Raiffa et al., 2002).

Knowing your BATNA also helps you understand the Zone of Possible Agreement (ZOPA) which is the range where both sides' acceptable outcomes overlap. If there's no overlap, there's no point forcing a deal. But when a ZOPA exists, negotiators can work toward an outcome that benefits everyone. The goal is to reach an agreement that's Pareto efficient, meaning you can't improve one party's outcome without hurting the other. Together, BATNA, ZOPA, and Pareto efficiency help negotiators find deals that are not only possible, but genuinely fair and satisfying for both sides (Raiffa et al., 2002).

The reservation point is the least favorable outcome a negotiator is willing to accept before walking away, and this concept goes hand in hand with their BATNA, since it represents the point at which accepting the deal makes no sense since just walking off would be more beneficial for him. Knowing this limit is crucial because it anchors decision-making, prevents undue concessions from being made, and protects the negotiator from agreements that would leave them worse off than their BATNA (Kesting, Smolinski, 2023).

2.2.3. Negotiation Strategies

Strategic negotiation behavior is about designing and directing the negotiation process to ensure the best possible outcome for yourself without jeopardizing the existence of an agreement. (Ardianto & Hermawan, 2022).

Position-based negotiation, like distributive bargaining, focuses on the individual interests of each party, with each participant taking a firm stance to achieve their goals. This type of approach ultimately results in win-lose situations where one party emerges victorious and the others defeated. This ultimately reduces flexibility, escalates conflict, and increases the risk of deadlock. On the other hand, similarly to integrative negotiation, interest-based negotiation explores the priorities, motivations, constraints, and needs of each party with the aim of reaching an agreement that satisfies the interests of all parties involved. This type of strategy involves a process that emphasizes collaboration, open communication, creativity, and joint problem-solving, which leads to more acceptable agreements for everyone and the creation of long-term relationships between participants (Fisher, 1991).

To reach this type of agreement, certain techniques that are well recognized in the world of negotiation are used. One of these being logrolling, which consists of making trade-offs according to preferences, a participant gains more in something they prefer by giving up something on an issue that is less important to them, which ultimately increases the total value of the agreement. This technique works particularly well when priorities among the various topics to be discussed differ.

Another widely accepted technique is anchoring, which consists of setting an initial reference point, usually a price or other specific interest in single-issue negotiation and a complete proposal in multi-issue negotiation. This reference point aims to shape the rest of the negotiation around the proposal made, since people naturally rely on the first piece of information they receive when making judgments, the initial anchor can strongly influence how subsequent offers are evaluated. An aggressive anchor may tip the negotiation in favor of the person who set it, making the counteroffer that emerges quite reasonable, while a lower anchor will likely have the exact opposite effect, leaving the participant in a situation where it will be very difficult to come away with as profitable an agreement as possible. Using this technique correctly requires adequate preparation for the negotiation, credibility, and a strong understanding of the expectations of the other parties involved. An anchor that is set too high compared to what is considered realistic could damage the relationship of trust between the participants or even ruin the possibility of reaching an agreement. When used strategically, however, anchoring helps negotiators create psychological advantages, frame the zone of possible agreement, and shape outcomes in their favor (Tversky & Kahneman, 1974; Galinsky & Mussweiler, 2001; Thompson, 2021).

An additional technique is framing which consists in shaping how information and proposals are disclosed to others to influence how they are interpreted and evaluated. When used correctly, framing can be highly effective, as people base their decisions largely on how the problem is presented. To use this technique correctly, negotiators emphasize potential gains rather than losses or highlight common interests rather than conflicts. Effective framing by negotiators helps the parties steer the discussion in directions supportive of interpretations that favor them and reduce resistance while promoting cooperative problem-solving. Research indicates that positive, interest-focused frames can increase the likelihood of integrative agreements, while negative or competitive frames escalate conflict and limit creativity. The strategic choice of lens through which the negotiation is viewed allows the parties to shape outcomes without changing the actual substance of the offer. (Fisher, Ury, & Patton, 2011; Lax & Sebenius, 1986; Kahneman & Tversky, 1984).

A third technique is to offer package deals, as the name suggests, this approach consists of including several issues as a bundle in a single proposal and as such, this technique is only valid for multiple-issue negotiations. By offering package deals, parties can create more value, reveal and leverage differences in relation to each other's priorities, such as conceding on a less important issue to ensure a better outcome on a more important one, thereby reaching a more integrative agreement. In addition to helping uncover the interests of other participants, this type of approach promotes transparency, reduces distributive bargaining, and encourages more efficient decision-making. Package deals allow negotiators to find trade-offs that are advantageous to both sides, avoid impasses, and arrive at agreements which better satisfy the interests of both sides than does single-issue negotiation (Thompson, 2021; Fisher, Ury, & Patton, 2011; Lax & Sebenius, 1986).

2.2.4. Multi-Issue Negotiation

As the name suggests, multi-issue negotiations occur when participants bargain across several matters, in this case, salary, signing bonus, release clause, contract duration, performance bonus, player's role, housing, the job for the girlfriend and finally the agent commission.

This type of negotiation tends to result in agreements that are more efficient and more beneficial for all parties than strictly distributive ones (Lax & Sebenius, 1986). As claimed by empirical studies, integrative potential increases when negotiations are structured around several issues instead of only one (Kersten & Noronha, 1999).

2.2.5. Multi-Party Negotiation

A multi-party negotiation is one in which there are more than two parties involved which are characterized by a higher degree of complexity. The existence of several parties in a negotiation creates stronger communication challenges, offers a higher number of misaligned wants which leads to an increased risk of inefficiency (Swaab et al., 2008).

In these types of negotiations coalitions, long or short-term alliances between two or more parties to achieve a common goal and strengthen bargaining power, can be formed (Murnighan, 1986).

These coalitions are usually formed when one of the parties concludes that it can achieve a more beneficial outcome for itself by working together with another participant, or when one party realizes that it is in a weaker position than the others. There are three types of coalitions:

- Natural coalitions: Formed due to common interests among participants
- Interest-based coalitions: Formed due to a common interest in relation to a specific issue
- Blocking coalitions: Formed with the aim of preventing another party from achieving a certain objective.

Although these alliances are beneficial when created correctly, they also have many associated risks, such as conflicts within the coalition, reduced flexibility, and information leakage (Lewicki et al., 2021).

To better deal with this type of dynamic, participants can use different types of techniques to form and dissolve coalitions. Usually, to form this type of coalition, common interests must be found, engaging in issue linkage (connecting multiple topics to attract partners), and using side agreements or preliminary commitments to strengthen alliances (Lewicki et al., 2021). After the creation of these coalitions' parties should share information and maintain a high level of trust to keep everything stable (Thompson, 2015).

On the other hand, dissolving or preventing the existence of a coalition may also be in the interest of a negotiator, and to achieve this goal, strategies that include highlighting individual interests, clarifying misalignments, and offering side deals may be used. One of the best-known techniques for achieving this end is to divide and conquer. A negotiator weakens a coalition by securing the interests of only one of the parties in that coalition.

2.2.6. Principal-Agent Theory

There are several challenges that arise when one party (agent) negotiates and makes decisions on behalf of another (principal), this is explained by the principal-agent framework (Kesting, Smolinski, 2023).

In this case the player is the principal, and his agent should act in his best interest, however the agent has his own interests and incentives, mainly his commission and maintaining a good relationship with both the club and the player.

In football agents make money on commissions of a transfer, therefore they benefit from quick transfers and contract structures that in some cases are not aligned with the player's best interests (Poli, 2010).

2.2.7. Information Asymmetry

Information asymmetry in negotiations arises when one of the parties involved has more knowledge than the others. When one of the parties is at a disadvantage because of this, the likelihood of them accepting a worse deal than possible increases. In a scenario where the presence of imbalanced information knowledge is evident, strategic disclosures or concealment become critical since this will strengthen trust and improve the chances of reaching an integrative agreement (Bazerman & Neale, 1992). Due to these reasons information asymmetry and perception of fairness play a major role in negotiation.

In multi-party negotiations these challenges increase exponentially because each one does not only have to understand each of the other parties' intentions but also the relationship that they maintain with each other.

2.2.8. Negotiation Pedagogy: Role-Plays and Simulations

Simulations have been extensively used in modern pedagogy negotiation. Even if this technique does not increase concept learning, retention and critical thinking skills, students' motivation and attitudes are shown to improve when role-playing is included in class. Also, according to eight different studies, students that are exposed to simulations retain the information learnt longer than those who are exposed to other techniques (Druckman and Ebner, 2013).

3. Role-Play

A Three-Party Football Transfer Role-Play

General information (available for everyone)

This negotiation is performed by three parties:

1. The President of Real Oleiros - Luís Esgaio
2. The Head Coach of Real Oleiros - João Rodrigues
3. The player's agent - Eduardo Pereira

Leandro Mangas, a 19-year-old Portuguese young talent who, after having a wonderful season, has emerged as the league's most talked-about prospect and has become one of the brightest strikers in the league, is about to move from Póvoa FC, a modest mid-table club, to Real Oleiros, a club whose reputation has grown dramatically over the last five years. Currently, Real Oleiros aims to become Portuguese champions, and to achieve that objective needs to sign high-quality players.

To reach an agreement, the three parties are going to gather. Eduardo Pereira, Leandro's agent and closest confidant since he was 14 years old, is the one responsible for negotiating on the players' behalf and protecting their interests. Because he thinks Leandro will be an important member of the team and that the investment will pay off handsomely in the long run, Real Oleiros president Luís Esgaio is determined to see the deal through to completion. The club's head Coach, João Rodrigues, is also present in the meeting. He is one of the best in the country and believes that Leandro will be an excellent addition to the team.

The goal of this negotiation is to come to a mutually agreeable agreement: a contract that respects Real Oleiros' long-term financial and athletic balance, gives Leandro a clear path for advancement, and strengthens the team on the field.

In addition to the general information that everyone has available, each participant has their own role materials containing private information. Please do not disclose confidential information with other participants.

President's Role - Luís Esgaio

You are Luís Esgaio, the president of Real Oleiros, a club that has been making a strong name for itself on the Portuguese scene and is in search of its first championship. For this next season, your ambition is to build a very competitive team without compromising the club's financial situation or disturbing the team's balance.

The signing of Leandro Mangas was a clear and direct request from the team's head Coach, João Rodrigues, as he sees the player as the missing piece to have a team that can compete for first place in the league. That said, if no agreement is reached, you will be in a very delicate position because, in addition to your relationship with João Rodrigues deteriorating, your reputation will be tarnished in the eyes of the fans, which will be very damaging to you, considering that the club's presidential elections occur next month. Therefore, your major priority in this negotiation is to secure the signing of Leandro Mangas.

Tiago Silva, a legend and captain who has represented the club for 10 years, is currently the highest-paid player on the squad, earning €700k per year. As Leandro is a young player who is about to join the club, it is not expected that he would have a salary equal to or higher than Tiago's, as this would generate controversy among the team. If Leandro is requesting a higher wage, you can include a signing bonus of up to €250k; however, it is advisable not to surpass the €225k mark.

To protect the club both athletically and financially, you aim to establish a release clause[1] worth €80 million. The lower the value of this clause, the more exposed the player will be to a possible departure from the club in the future. Also, to keep Leandro as long as possible, you would like him to sign a five-year deal with the club.

As is customary in the world of football, players are subject to performance bonuses. If the club wins the national championship, the club is willing to pay the player a bonus of 100K. Keep in mind that there is a high probability that the agent asks for an individual bonus if Leandro reaches a certain objective however you only want to attribute a bonus only in case of winning the championship.

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[1] A football release clause, also known as a buyout clause, is a predetermined fee written into a player's contract that, when met by a buying club, allows the player to speak to that club and potentially force a transfer, bypassing the selling club's agreement.

Regarding Leandro's role in the team, for the same reason as before, it is not advisable to consider him a star player. For you, it would be ideal to give him the role of an important player because this could be an incentive to increase his release clause. The role of a regular starter would also be appropriate in this situation.

To facilitate the signing of new players, the club has a sponsorship deal with a construction company that allows them to buy houses for players at prices more affordable than those on the market in exchange for the main sponsorship on the game jersey. That said, it is in the club's interest to offer housing to Leandro if this allows for a reduction in salary or signing bonus.

Recently, one of the club's doctors retired, and you know that Leandro's girlfriend just graduated in sports medicine and is currently looking for work. However, you would prefer that this not happen, as you fear it could cause controversy among the players and be a distraction for Leandro in his daily life

You also aim to establish a relationship with Eduardo, as this would facilitate future deals with players represented by him. However, offering a high commission on this deal would be detrimental to the club's financial health. Usually, an agent makes between 5% and 10% of the transfer value, therefore, to minimize the total costs, the ideal commission would be around 3%, which could rise to 5% without any major consequences for the club, but you should avoid exceeding 7%.

Luís Esgaio: President's Point Payoff Table

The table below is intended to record the points obtained for each negotiation issue. Please mark the points you got in each issue and **do not show your points system to anyone. A good agreement is a contract worth a minimum of 20 points.**

Negotiation Issue	Option	Points
Annual Wage	400k	10
	500k	6
	600k	3
	700k	1
	800k	0
Signing Bonus	175k	6
	200k	4
	225k	3
	250k	1
	275k	0
Release Clause	€40 million	0
	€50 million	3
	€60 million	4
	€70 million	5
	€80 million	10
Contract Duration	3 years	0
	4 years	1
	5 years	3
Performance Bonus	100k for first place	2
	100k for first place +100k individual bonus	0
Player Role	Squad player	1
	Regular starter	3
	Important player	5
	Star player	0
Housing	Yes	0
	No	2
Susana as Doctor	Yes	0
	No	2
Agent Commission	3%	6
	5%	3
	7%	1
	9%	0

Agent's Role - Eduardo Pereira

You are more than just a negotiator; you are Leandro's closest confidant inside and outside football. You have helped Leandro a lot during his life by providing some of the best advice that you have. You both share a deep relationship based on trust, and that is one of the things that you value the most. Not reaching a deal in this situation could severely affect your long-term relationship.

Before the meeting with the president and head Coach of Real Oleiros, you and Leandro had a long conversation where you both defined your goals and objectives for this negotiation, which were:

- Yearly wage + Signing Bonus: 700K + 250K
- Performance Bonuses: 100k if the team is champion, and 100k if Leandro reaches 30 goal contributions (goals and assists)
- Family relocation: House paid by the club
- Release Clause[2]: 40 million
- Player role: star player
- Contract duration: 3 years

Even though Leandro's salary, signing bonus, and performance bonuses do not directly affect you, you should do your best to protect your player's interests.

For you, what really matters is the length of the contract, the release clause, the player's role, and your commission. Since an agent's salary comes solely and exclusively from commissions based on the transfer value, it is in your interest that there are as many transfers as possible and that they are as expensive as possible. The shorter the contracts are in terms of duration, the greater the likelihood of more business opportunities. The more important the player is to the team, the more attention he will receive, which may attract new business opportunities. For instance, a star player will get more attention than a regular starter. Also, the higher the release clause, the higher its value, the more you will earn in the event of a transfer. Finally, obviously, the higher the agent's commission, the higher your income.

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[2] A football release clause, also known as a buyout clause, is a predetermined fee written into a player's contract that, when met by a buying club, allows the player to speak to that club and potentially force a transfer, bypassing the selling club's agreement.

Recently, Susana, Leandro´s girlfriend, completed her training in sports medicine with great merit, and for sure getting her a job would also be very appreciated by the player since, for him, it would mean that you care not only about his well-being but also that of his family.

In addition, one of Real Oleiros’ biggest rivals, Ramada Rangers, also made an offer for Leandro, offering him a salary of 600K per year. Leandro is reluctant to accept this offer as he would like to earn a higher salary.

Eduardo Pereira: Agent's Point Payoff Table

The table below is intended to record the points obtained for each negotiation issue. Please mark the points you got in each issue and **do not show your points system to anyone. The offer presented by Ramada Rangers has a total value of 20 points. If an agreement worth at least 20 points is not reached, Leandro will accept the Ramada Rangers' proposal.**

Negotiation Issue	Option	Points
Annual Wage	400k	0
	500k	2
	600k	3
	700k	4
	800k	5
Signing Bonus	175k	1
	200k	3
	225k	4
	250k	5
	275k	6
Release Clause	€40 million	10
	€50 million	6
	€60 million	4
	€70 million	1
	€80 million	0
Contract Duration	3 years	4
	4 years	2
	5 years	0
Performance Bonus	100k for first place	0
	100k for first place + 100k individual bonus	2
Player Role	Squad player	0
	Regular starter	1
	Important player	2
	Star player	4
Housing	Yes	2
	No	0
Susana as Doctor	Yes	3
	No	0
Agent Commission	3%	0
	5%	4
	7%	6
	9%	10

Head Coach's Role - João Rodrigues

You are João Rodrigues, the Head Coach of Real Oleiros, a club that has been making a strong name for itself on the Portuguese scene. For this next season, your ambition is to build a very competitive team to obtain your main objective, the Portuguese championship.

For you, Leandro Mangas' arrival at the club means more than just reinforcement for the team. In your eyes, he is the missing piece you need to build a team competitive enough to win the title, and there is no other financially viable option that can meet your requirements with the same quality. If Leandro does not complete his transfer to Real Oleiros, you are afraid you will not be able to achieve the sporting objectives set by the board, therefore your season may be compromised.

Tiago Silva, a legend and captain who has represented the club for 10 years, is currently the highest-paid player on the squad, earning €700k per year. As Leandro is a young player who is about to join the club, it is unthinkable that he would have a salary equal to or higher than Tiago's, as this would generate a lot of controversy among the team. Even if the club's financial situation isn't your biggest concern, if you can get Leandro to take a lower salary, you'll have more money for future signings that could help you reach first place in the league.

Like salary, the signing bonus is not the most relevant issue to you, however the lower the bonus the more money is available for other needs. Before the season started, the club decided that it would award a bonus of 100k to each player if the club won the championship. However, it is in your interest to award an individual bonus of 100k if Leandro reaches 30 goal contributions (goals and assists) to make him feel more motivated to perform better.

Regarding the release clause[3], you would like it to be set at a high value so that the player is better protected in relation to a possible future sale. You would also like Leandro to sign a five-year deal with Real Oleiros.

[3] A football release clause, also known as a buyout clause, is a predetermined fee written into a player's contract that, when met by a buying club, allows the player to speak to that club and potentially force a transfer, bypassing the selling club's agreement.

When it comes to Leandro's role in the team, in your opinion, he is undoubtedly someone who stands out, a star, but you don't want him to perceive himself that way because you don't want him to have a superiority complex and act unprofessionally. That said, you would like Leandro, like any other player, to be seen as a squad player or even a regular starter. In a situation where negotiations are hanging in the balance, he may even be given the role of an important player, but never that of a star player.

Thanks to the club's partnership with a construction company that allows them to buy houses for players at prices more affordable than those on the market almost every player has a house bought by the club, therefore there is a strong probability that the president will offer a house to Leandro. You really do not have a strong preference If Leandro gets a house paid by the club or not.

Recently, one of the club's doctors retired, and you know there is a possibility that Leandro's girlfriend will be hired for the position. However, you would prefer that this not happen, as you fear it could cause controversy among the players and be a distraction for Leandro in his daily life.

Regarding the agent's commission, you do not have strong preferences, since it is a financial issue, which is a president's concern.

<u>João Rodrigues: Head Coach's Point Payoff Table</u>

The table below is intended to record the points obtained for each negotiation issue. Please mark the points you got in each issue and **do not show your points system to anyone. A good agreement is a contract worth a minimum of 20 points.**

Negotiation Issue	Option	Points
Annual Wage	400k	6
	500k	4
	600k	3
	700k	1
	800k	0
Signing Bonus	175k	3
	200k	2
	225k	1
	250k	0
	275k	0
Release Clause	€40 million	0
	€50 million	4
	€60 million	6
	€70 million	8
	€80 million	10
Contract Duration	3 years	0
	4 years	4
	5 years	6
Performance Bonus	100k for first place	0
	100k for first place + 100k individual bonus	3
Player Role	Squad player	5
	Regular starter	3
	Important player	1
	Star player	0
Housing	Yes	1
	No	0
Susana as Doctor	Yes	0
	No	1
Agent Commission	3%	3
	5%	2
	7%	1
	9%	0

4. Teaching Notes

This negotiation is a three-party, multi-issue, scorable simulation game. This exercise aims to simulate the dynamics of modern sports contract negotiations, where issues about very different fields such as financial implications, sporting matters and personal interests will be discussed.

4.1. Scenario

Real Oleiros, a club that has been making a name for itself in the Portuguese league, intends to sign Leandro Mangas, a promising young player who stood out last season. The president, head Coach, and player agent meet to finalize the agreement regarding Leandro's personal terms. Each of the three sits at the table with different interests and priorities regarding each topic discussed. The president wants to protect the club's financial future while ensuring sporting competence, the Coach wants above all else to create a team capable of winning the national championship and to do so needs to protect the atmosphere among the players, and finally, the agent tries to secure the best deal for his client while protecting his own personal interests.

In this case, all parties involved have risks and opportunities. For Real Oleiros, signing Leandro opens doors to levels that the club has not yet been able to reach, either sportively or commercially. For the agent and the player, this transfer could be an excellent showcase for a future transfer in two or three years to a top European club.

The best outcome for this negotiation would be an agreement that strikes a balance between realism and ambition. To achieve this, it will be crucial for the three parties involved to take a broader view than just monetary values. A short-term victory could jeopardize the long-term relationship between those involved.

Across the simulation the several issues that are going to be addressed are going to be presented on the following table.

Issue	Number of Options	Details
Annual Wage	5	Ranges from €400,000 to €800,000, increasing in €100,000 increments.
Signing Bonus	5	Ranges from €175,000 to €275,000, increasing in €25,000 increments
Release Blause	5	Ranges from €40 million to €80 million, increasing in €10 million increments
Contract Duration	3	Participants must agree on a 3-year, 4-year, or 5-year contract length.
Performance Bonus	2	€100k bonus if Real Oleiros becomes champion or €100k for the team title + €100k if Leandro reaches 30 goal contributions (goals + assists).
Player Role	4	Participants must agree if Leandro is going to be a squad player, regular starter, important player or a star player.
Housing	2	Decide if the club provides a house for Leandro or not.
Susana as Doctor	2	Decide if Leandro's girlfriend, Susana, receives a position as club doctor or not.
Agent Commission	4	Decide if the agent gets 3%, 5%, 7% or 9% of the transfer value.

4.2. Logistics

This simulation should be performed by three people, one assuming the role of president, another that of head Coach, and another that of agent. The exercise should follow the next steps:

- Initial explanation (10 to 15 minutes) - The teacher begins by explaining the background of the case, the objectives of the negotiation, and how the simulation is structured. This ensures all participants understand their responsibilities and the flow of the exercise.

- Case preparation (20 minutes) – This step is meant for the students to read the general and private information and for participants to create a strategy for the negotiation. Those playing the roles of president and Coach may choose to align their ideas before the negotiation during this time. It is also possible to present the exercise to students in the class prior to its realization so that they can make adequate preparations in advance and so that a more extensive and comprehensive debriefing session can be held.
- Negotiation session (25 to 35 minutes) - All three participants meet to negotiate the player’s contract, attempting to reach an agreement under a realistic scenario.
- Debriefing (20 minutes) - The exercise concludes with a discussion about the outcomes achieved, the strategies used, and the key lessons learned from the negotiation process.

When adding the materials for the exercise, make sure that all instructions and the mechanism of the simulation is clear to everyone. In particular, the following points.

- An agreement must be reached.
- All parties must accept the deal in case they reach an agreement.
- For a party to accept the deal, the minimum points assigned to that role must be obtained.
- For the simulation to be as realistic as possible, the agent or president must take the lead of the negotiation, under no circumstances should the Coach assume this position.
- All roles have a strictly confidential points table. Players must keep track of the points corresponding to each issue and negotiate according to the points established for each outcome in each matter.
- The game’s objective is to obtain the highest individual score.
- The points system is designed to support only the options and issues present in the case, so students cannot offer something that is not present in the points table to obtain something that is in their own interest.

Students should avoid conducting the negotiation process close to each other, as this helps create a more realistic simulation scenario. By separating groups, participants can stay fully focused, reduce distractions, and more effectively immerse themselves in their assigned roles.

Adequate spacing also prevents the accidental sharing or overhearing of confidential information between groups, ensuring that each negotiation unfolds independently and remains true to the intended learning objectives.

4.3. Pedagogical Context

This simulation was developed with the aim of being used to teach negotiation courses in higher education, whether for bachelor's or master's degrees. This case works particularly well in introducing concepts such as multi-party negotiation, integrative vs. distributive negotiation, and coalitions.

This case can also be used to study three more pedagogical themes:

- Multi-party coordination: As mentioned in the literature review, multiparty negotiations are characterized by a greater degree of complexity than bilateral negotiations. In addition to having to manage their interests in a more challenging way, they must pay attention to the formation of coalitions, interdependent objectives, and communication. Research shows that the presence of more than two parties increases the likelihood of misaligned priorities and coordination problems (Swaab et al., 2008). In this case the club president and head Coach share the same main goal, which is to secure Leandro's signing, but the terms of the contract differ in importance between the two. The president wants to ensure the club's financial stability, while the Coach seeks to ensure sporting success, which involves protecting the environment among the players. That said, it is up to the agent to explore the differences between the interests of the two club representatives, which mirror real-world challenges in corporate or team negotiations where decision-makers have diverse metrics of success.

- Value creation and claiming: In negotiations where several issues are discussed, there is an opportunity to use techniques such as logrolling or package deals to reach an agreement that benefits all parties, an integrative agreement (Thompson, 2015). In this case, given that this negotiation has nine topics to be discussed, there is room for claim value through distributive trade-offs, and participants are also given the opportunity to create value by using these techniques.

- Relationship management: Knowing how to manage relationships with other parties is crucial in any negotiation, especially in scenarios where it is necessary to ensure a long-term relationship. Maintaining good relationships strengthens trust, which in turn promotes the exchange of information, reducing the likelihood of reaching a distributive agreement (Fisher, Ury & Patton, 1991). In multi-party negotiations, this issue is even more important due to the formation of coalitions. Forming an alliance can be very beneficial for its participants, but if there is no trust, it is likely that it will never exist (Swaab et al., 2008). In this role-play, especially in the role of agent, it is extremely important to know how to properly manage existing relationships with both other participants and the player. This is because the Coach and the head Coach are aligned with most issues, which, if overlooked, can put the agent in a very weak position.

4.4. Pedagogical Objectives

After completing the exercise, students are expected to understand the dynamics of multi-party and multi-issue negotiations which implies recognizing that:

- Even when parties are on the same side, their interests may not be aligned, which weakens their bargaining position.
- All the issues that are going to be discussed need to be organized strategically based on the importance of each one to each role.
- Aligning positions before the actual negotiation is a great way to minimize the weakness created by internal misalignment.
- Exploring information asymmetry could be a very important way to strengthen one's bargaining position.
- Forming coalitions create opportunities to secure that one gets the best possible outcome in a specific issue.
- An integrative agreement is the best solution for this type of negotiation.

Students are also expected to use negotiation techniques such as logrolling, packaging offers and anchoring. Regarding relationships balance, participants should negotiate in a way that trust and future opportunities are preserved while being assertive it is also the duty of those involved to realize that this assertiveness comes of the way that they communicate, the tone, wording and body language. Students should recognize that maintaining a good relationship is as important as closing the deal.

In addition to the objectives mentioned above, this simulation aims to reinforce essential lessons for the negotiation framework taught in academic and professional courses such as:

- The impact that good preparation prior to negotiation has on its outcome. When a party succeeds in identifying priorities, possible coalitions, and beneficial trade-offs, the chances of success in the negotiation are high.
- Recognize that success in multi-party negotiations does not depend solely on the performance and interests of one side, but rather on how the different interests are aligned among all parties. Often, winning in these types of situations involves creating a win-win situation.
- Manage power and information effectively. In this case, power is not limited to monetary values. The president has more control over the budget, while the Coach has a stronger say in the player's role in the team. In turn, the agent represents the player, which means that he has the final say on whether Leandro signs the contract or not. To ensure the best outcome for themselves, participants must use the information they have strategically and reveal it only at the right moment.
- Given that this simulation has a wide range of issues to be discussed, students can choose to “expand the pie,” that is, find ways to connect different interests to exchange them more efficiently, thus creating a win-win situation.
- Good self-management of emotions plays a critical role in all negotiations. This is particularly true in the world of sports, which is strongly associated with people with very high egos and pride, making it an excellent opportunity for students to practice emotional self-awareness.
- Have a sound argument behind the proposal made. Students are expected to be able to develop logical and clear reasoning that strengthens their bargaining position. The agent's BATNA, the offer from a rival club, and Leandro's potential for growth should be used to argue for a higher salary for him. Meanwhile, the

salary of the Real Oleiros captain should be used by the president and Coach to reduce the player's salary.

4.5. Debriefing

The debriefing session is the main point of this exercise, as it is here that students will be able to reflect on the entire negotiation process, as well as the outcome, the techniques they used, how they managed their emotions, and how they were able to maintain long-term relationships. Initially, the teacher should collect each student's results and identify patterns among them, i.e., get an idea of the average values obtained for each issue. After this, a discussion should be created where students share what techniques they used to reach an integrative agreement, how, when, and for what purpose they formed coalitions, and how they dealt with the distributive issues present in the case. Finally, the instructor should bridge the gap between the students' behavior during the exercise and the theoretical component of the course, the dynamics of multi-party and multi-issue negotiations, BATNA, integrative negotiation techniques such as logrolling or expand the pie, interest-based negotiations, coalitions, and trade-offs.

To begin the discussion with the students the instructor should ask the following questions:

- Which groups did not reach an agreement and why? Keep in mind that it is expected that everyone reaches an agreement.
- To the ones that got the highest scores, what strategies did you use?
- To the ones that got the lowest scores, what happened? Why did you think you could not get a higher score and what would you have done differently?
- What did you learn from this simulation?

Frequently Asked Questions (FAQ):

Is there a correct deal?

No, there is no correct agreement. Any contract that satisfies the minimum number of points for each role is acceptable.

What happens if no deal is obtained?

If no agreement is reached, each participant will receive zero points, meaning that everyone has failed the negotiation. For this reason, it is expected that all students will reach an agreement, given that, considering the points tables for each participant, they all have a comfortable margin to reach the minimum number of points.

What are the maximum points obtainable for each role?

The maximum number of points for the president role is 46 points, for the agent is also 46 points and for the head Coach is 38 points. However, in any of these scenarios at least one of the other parties does not obtain the minimum points needed therefore there is no deal. In a case where everyone gets the minimum points needed the maximum that the president can get is 35, the head Coach can get up to 33 points, and the agent can get as much as 31 points.

The following table presents the deals where each character gets the most points while the other two get at least twenty points.

Issue	Maximum Points for the president	Maximum Points for the head Coach	Maximum Points for the agent
Annual Wage	€400k	€400k	€400k
Signing bonus	€175k	€200k	€175k
Release clause	€80M	€80M	€40M
Contract duration	3 years	5 years	4 years
Performance Bonus	team €100k	team €100k + individual €100k	team €100k
Player Role	Important player	Squad player	Regular starter
Housing	No	Yes	Yes
Susana as doctor	Yes	Yes	Yes
Agent commission	9%	9%	9%
Number of points	35	33	31

What is the most optimal deal?

The most optimal agreement is the one that obtains the maximum number of points from the sum of each role where everyone gets the minimal number of points. The agreement that satisfies these conditions gets a total of 84 points, 34 for the president, 30 for the Coach and 20 for the agent. The agreement is the following:

- Annual wage: €400k
- Signing bonus: €175k
- Release clause: €80M
- Contract duration: 5 years
- Performance bonus: team €100k + individual €100k
- Player role: Important player
- Housing: Yes
- Susana as a doctor: Yes
- Agent commission: 9%

Those who play the roles of president and head Coach may meet prior to the negotiation itself?

Yes, if they do so within the time allocated for reading and strategic preparation, and as long as they do not share information regarding the scoring tables.

Who should have dominated the negotiation?

To make the exercise more realistic, the head Coach should not take charge of the negotiation. The president or agent may try to take the lead during the negotiation, but whoever does not do so should take precautions so as not to be completely dominated, as this can weaken their performance.

What events could lead to the agreement not being concluded?

When one of the parties is overly ambitious and implements anchoring too rigidly, the parties may be reluctant to find an integrative solution. Another situation that can lead to the deal not being concluded occurs when the president and the Coach are unable to deal effectively with their differences regarding the interests to be discussed. Finally, when the bond of trust between the parties is broken, reaching an agreement can be a difficult task.

How do coalitions work with this case?

During the negotiation process, various coalitions may be formed. The Coach and the president may join forces to secure a higher release clause. The agent and the Coach may form a coalition to secure a mid-level salary for the player. If necessary to close the deal, the Coach may even pressure the president to increase the commission amount, since it is not very important to him. An alliance between the president and the agent may be less common given the circumstances of the case, but it is possible for both to give the player a more important role.

By the end of the debriefing students should recognize the main elements that move way bargaining from a distributive scenario from an integrative one, where all parties get a win-win situation.

One of the main advantages behind not only multi-party negotiations but all negotiations in general is knowing the BATNA of the other participants, as this will strengthen one's own bargaining position. By knowing the BATNA of the others present at the negotiation table, one can more accurately assess the interests of the other side and what one can offer in exchange for something of greater importance.

Another key principle is to distinguish between positions and interests. Positions are the stances that each participant takes on each issue discussed, while interests are the concerns of each participant. If participants focus on interests rather than positions, they will generally be able to reach a more integrative agreement which tends to be better for everyone than a distributive one. When participants place more emphasis on positions than on interests, positional bargaining occurs. In positional bargaining, each participant usually identifies bottom lines, openings and fallback positions during the preparation period for the negotiation. Normally, after one of the participants makes an initial offer, each of the other negotiators proceeds to make concessions and counterproposals based on their fallback strategies. Concessions are made alternately until consent is reached on the issue or until the participants reach an impasse. This type of negotiation does not encourage the creation of trust between participants, which in turn makes it impossible to build a long-term relationship. This type of process is characteristic of distributive bargaining.

On the other hand, in situations where negotiators choose to focus on interests, parties tend to listen to each other more carefully, which in turn allows each to understand the other's interests more clearly. If this happens, the chances of the problem being resolved collaboratively and creatively increase, and what is initially seen as a division of resources between adversaries becomes the resolution of a joint problem. As discussed earlier, this type of approach enables beneficial trade-offs for the parties involved, which in turn results in an agreement that increases the size of the pie.

Another highly recommended practice during negotiations is to separate the people from the problem. By focusing on the problem, the parties can collaborate and resolve the issue more easily together. They can identify common interests on various issues instead of creating a battle for limited resources. Approaching a negotiation with this type of thinking helps you control your emotions, since when you interpret an attack personally, you may react more heatedly, which weakens your negotiating position.

5. Conclusion and Limitations

The objective of this dissertation is to create a role-play exercise that enables students to put all the negotiation theoretical concepts and principles into practice in a realistic scenario to motivate them and consolidate their learning.

The simulation demonstrates that even what appears to be a simple contractual negotiation can be a challenging process characterized by divergent interests, interpersonal relationships that lead to the creation of alliances and distribution of power. In addition to understanding how to achieve their individual goals, participants must also understand how to obtain an integrative outcome, how to manage conflicts, and how to maintain relationships between all parties. More than just consolidating theoretical concepts, this role-play is perfect for stimulating students' emotional intelligence and soft skills, which are crucial components in a simulation.

After the negotiation the debriefing session further promoted learning, as it allowed participants to reflect upon their strategies, comparing them with the other groups as well as the scoring boards and examining how group behavior influenced the process. These reflections underlined the pedagogical contribution of the simulation: learning does not come from the agreement itself, but from what it took to reach there, including misunderstandings, missed opportunities, and creative breakthroughs.

While the pedagogical goals of the simulation are achieved, it is important to recognize several limitations that impact its design as well as the interpretation of its results. First, even though the role-play is based on realistic dynamics from the football world, it remains a simplified representation. These types of contractual negotiations typically involve additional stakeholders such as lawyers, sporting directors, sponsors, and family members, whose absence in this case reduces complexity. The exclusion of these actors was intentional to preserve the pedagogical clarity and manageability of the simulation, yet it limits the extent to which the exercise replicates the full spectrum of real-world negotiations.

Time constraints also inflict a significant structural limitation. Once more, in the world of football, real negotiations can last for days, weeks or even months allowing a different type of preparation, iterative discussions, and gradual relationship-building. In contrast, this role-play compresses all those processes into a single session which will require a faster decision-making that may prevent students from coming up with solutions that are as creative as may lead to the creation of a long-term relationship in a way that is not very realistic.

Finally, the extent of students' knowledge about the world of football is also a limitation to be considered. A student who is very fond of this sport and understands it well may have an advantage over another student who is not so familiar with it.

6. Appendix

With the objective of improving the quality of the exercise, two pilot tests were conducted. These tests involved people with knowledge of the world of soccer and others without such knowledge, to assess whether this difference had an impact on the negotiation process.

In the first pilot, the president scored 35 points, the head Coach 32, and the agent 28. Since everyone scored considerably above the minimum required, the tables were adjusted to make the role-play more challenging, with the president's role being the one whose scoring table suffered the greatest decrease. It is also important to note that in this test, two of the participants had knowledge of soccer and the other did not. During the exercise, the participant who did not have knowledge of soccer did not know what a release clause was, and because of this, a note was added to all the roles to clarify this.

After these changes, a second pilot test was conducted with other participants. This time, the president scored 28 points, the Coach 29, and the agent 25. Although the scores were more balanced and closer to the minimum required, a further adjustment to the scoring tables was made. Spelling errors were also corrected during the pilot tests.

Both tests met the expected time limits, with neither taking longer than 80 minutes.

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