

SALLY SWANSONG I*

Confidential Instructions for Sally's Agent

You have just become a partner in a firm that manages and acts as agent for celebrities. Sally Swansong is certainly not a major client, but you want to do a good job with this first assignment as a partner, especially since you have an interest in expanding your firm's opera practice. This is the first time you have handled Ms. Swansong's account.

You met Ms. Swansong yesterday. She is an older soprano who still has a good voice, especially for her age. During your discussions with her, you gathered the following information:

She has not had a prime role in more than two years, although she has had a number of secondary roles. Her popularity has been declining. Lyric Opera, with which Sally has sung many times over the years, has a production of *Manon Lescaut* scheduled to open in three weeks. When the names of all the performers in the opera except the title role were announced by the Lyric several weeks ago, Sally got in touch with the Artistic Director to ask if there was any possibility of that role being open. The title role is generally acknowledged to be a prize for a young soprano. However, Sally knows the part well and has sung it successfully many times. Yesterday Sally was informed by the Lyric that they might be interested in signing her for the Manon role. A meeting was scheduled for today at which you, as Sally's agent, will meet with the Lyric's Business Manager to discuss the situation.

The Lyric Opera is an established institution in a major metropolitan area. As with most opera companies, it is a non-profit entity that is financed by a combination of ticket sales, foundation and corporate grants, and income from a modest endowment. By and large, it usually breaks even over the course of the year, with fairly good attendance in its 2000-seat hall. Ticket prices range from \$18 to \$55. This production of *Manon Lescaut* is scheduled to run for six weeks, with three performances per week.

Sally desperately wants this role. It could signal a real comeback and would give her a good chance at an important role in a forthcoming television special on opera. The TV special would pay \$45,000 and would probably lead to many other singing engagements. Sally was overjoyed at hearing of Lyric's possible interest. Sally has told you that getting the part is what counts; the amount of compensation

*This case was created by Professor Norbert S. Jucker of DePaul University College of Law. It has been revised, expanded, and adapted for the use of the Harvard Negotiation Project by Mark N. Gordon and others. Copies are available at reasonable cost from the Case Clearinghouse, Program on Negotiation, Harvard Law School, Cambridge, MA 02138. Tel: (617) 495-1684. This case may not be reproduced, revised, or translated in whole or part by any means without written permission from the Director of the Case Clearinghouse. Please help preserve its usefulness by keeping it confidential. Proceeds from the distribution of Clearinghouse materials support the development of new and improved materials. Copyright (c) 1979, 1985, 1986 by Professor Norbert S. Jucker. All rights reserved. Used with permission.

is of secondary importance. She told you that, frankly, she would be willing to sing the part for nothing, except that for reasons of professional pride, reputation, and the potential impact on future engagements, the higher the price the better.

Sally's pay over the last two years for secondary roles in operas of this type has ranged from \$10,000 to \$18,000. Four years ago, when she was at the pinnacle of her career and the apex of her profession, she received \$22,000 for performing the title role in *Manon* at the Lyric. Since then, due to inflation and the increased popularity of opera, the amount paid to top opera singers has nearly doubled. Sally recognizes, however, that she is older now and cannot count on sold-out performances the way she could then.

Last year the inexperienced young soprano who sang the title role of *Manon* for the Lyric was said to have been paid over \$24,000. The last time Sally sang for the Lyric was over a year ago, in the secondary role in *Manon*, for which she received \$12,500, and got reasonably good reviews. Although it is difficult to generalize, performers in lead roles in operas of this type are usually paid at least twice the amount received by singers in secondary roles.

One of the Lyric's major concerns is likely to be what kind of attendance Sally's performances would generate. The Lyric is said to average around an 85% house over the course of a year, but many performances are sold out. On the other hand, a bad house can be financially devastating for the annual budget. That is one reason why you think Sally has been offered fewer roles recently. While her voice generally remains strong, she has had a few mediocre days now and then, which wasn't true four years ago. If Sally's performances generated a 50 or 60% house, this would almost surely be her last leading role. In fact, anything under 80% would probably lead to that result.

Prepare for your meeting with the Lyric's Business Manager.