

# The Inherent Failures of Long-Term Contracts – and How to Fix Them

Two authors writing for *Harvard Business Review* present a case for companies adopting so-called relational contracts.

In a recorded discussion, Oliver Hart, Nobel-winning Harvard economist, and Kate Vitasek, faculty at the University of Tennessee, argue that many business contracts are imperfect, no matter how bulletproof you try to make them.

Their research shows that creating a general playbook built around principles like fairness and reciprocity offers greater benefits to both businesses.

**Read the article.**