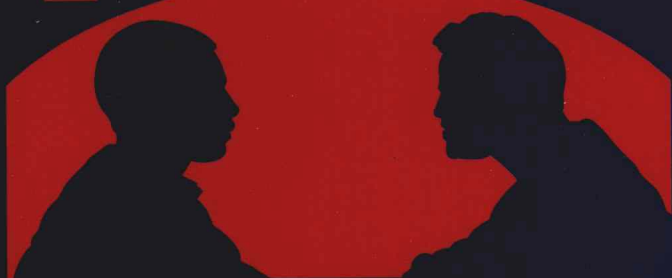


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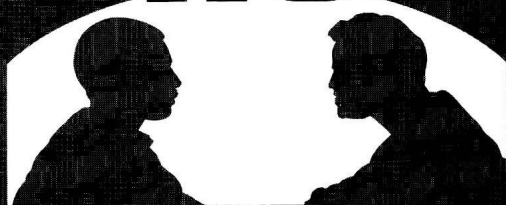


A TOP SPORTS NEGOTIATOR'S
LESSONS FOR MAKING DEALS,
BUILDING RELATIONSHIPS,
AND GETTING WHAT YOU WANT

KENNETH L. SHROPSHIRE

DIRECTOR, WHARTON SPORTS BUSINESS INITIATIVE

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KENNETH L. SHROPSHIRE

**Mc
Graw
Hill**

New York Chicago San Francisco Lisbon London

Madrid Mexico City Milan New Delhi San Juan

Seoul Singapore Sydney Toronto

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1 2 3 4 5 6 7 8 9 0 DOC/DOC 0 1 0 9 8

ISBN 978-0-07-154831-1

MHID 0-07-154831-9

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Library of Congress Cataloging-in-Publication Data

Shropshire, Kenneth L.

Negotiate like the pros / by Kenneth L. Shropshire.

p. cm.

Includes bibliographical references and index.

ISBN-13: 978-0-07-154831-1 (alk. paper)

ISBN-10: 0-07-154831-9 (alk. paper)

1. Negotiation in business. 2. Negotiations. I. Title.

HD58.6.S574 2009

658.4'052—dc22

2008036865

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The Business of Sports

The Business of Sports Agents

Being Sugar Ray: America's Greatest Boxer and First Celebrity Athlete

*For my favorite athletes, Theresa, Sam, and Diane.
Also in memory of Brandon Walker,
who left us all much too soon.*

ACKNOWLEDGMENTS

There are many people to thank for their assistance and support on this book. Those whom I formally interviewed are cited in the notes. Their time is valuable, and I appreciate the amount that they were able to give to me. I have also gained insight from the many people with whom I've discussed this topic over the years and from those whom I observed along the way. Those people are too numerous to name here, but among them are my fellow board members on the Sports Lawyers Association, a group that, in my opinion, includes some of the finest negotiators in the world.

Projects such as this book never come to completion for me without a strong core of student researchers. Over the course of writing, those people have included Colleen Baker, Amanda Bensol, Jon Gantman, Ryan Mallory, Cory Moelis, Stephon Murray, Calvin Otis, Matty Tellem, and Alex Valner.

Thanks to my Wharton Sports Business Initiative colleagues Charles Grantham, Scott Rosner, and Mori

Taheripour for assistance with various parts of the manuscript. Thanks also to the Legal Studies and Business Ethics research fund, which provided some of the seed funding to get this project underway. Thanks to Ashley Fox for helpful insights on some of the football-related deals.

At McGraw-Hill, I particularly want to thank Leah Spiro and Colin Kelly, the first true believers in the book, as well as others who did the work that results in a finished product, including Janice Race, Morgan Ertel, Kenya Henderson, and Gaya Vinay. Thanks also to my colleague Jerry Wind, who was key in prompting me to write the proposal for this book in the first place.

Thanks to Stanford Business School professor Margaret Neale for being kind enough several years ago to allow me to take an executive negotiation course with her and alongside some amazing businesspeople. I went to Stanford to increase my understanding of how to teach my negotiation course, and I could not have had better guidance by example. Her thoughts and her work, especially *Negotiating Rationally*, have surely made their way into this book. I mention my colleague Richard Shell in a few key places in this book. He was extremely generous when I first began to work in the area of negotiating and has continued to be so throughout.

Finally, thanks to all of the students, whether executives, high schoolers, athletes, or others who have attended my courses over the years. Often I have learned much more from you than you realize. To all of those who helped me with this project, I give you credit for all that is positive, and I of course take responsibility for any shortcomings.

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INTRODUCTION

HOW AND WHY TO USE THIS BOOK

*If you don't know where you're going,
you'll end up somewhere else.*

—Yogi Berra, baseball Hall of Famer

Do you want to be a better negotiator? Do you want to negotiate with the same success and confidence that you see among the professionals who handle the business of teams, leagues, athletes, and others in the sports pages and on ESPN on a daily basis? If you want to become stellar at deal making, building relationships, persuasion, and even leadership, this book is for you—sports fan or not.

I teach negotiations at the Wharton School of Business as well as to executives at locations around the world. I also negotiate for real. From Fortune 500 companies to sports leagues, agents, athletes, boxing promoters, team executives, and big- and little-city mayors, I've had a broad range of experiences with a variety of business deals. I tell you about some of them in this book.

This book provides an approach that challenges you to mentally analyze your own negotiating techniques, style, relationship-building strategies, and powers of persuasion and compare these with other people's. When you're done reading it, whether you're an executive or a student, an athlete or a sports fan, you will become a better negotiator. And with practice, you will be even better still. If you're in a sports business setting, great, but most readers will never apply any of this in the realm of sports at all. Most of you will use these negotiating principles in business as well as in your personal lives, just as I do. This book focuses on more than just deal making. It readjusts your focus to the importance of relationship building, even if there is not a traditional transaction in sight. There is an overriding philosophy that resonates among those who think about negotiating that says: if you have not groomed a relationship before you need it, it's probably too late.

Most people who will casually pick up this book will be just like I used to be. I thought either you could negotiate well or you couldn't, and that was the end of it. Certainly, I reasoned, negotiating could not be *taught*, as the advertisements declared in so many airline magazines over the years. I was convinced that you could not successfully copy the styles of these bargaining book and workshop-selling gurus.

Then, two decades ago, a colleague of mine at Wharton, Richard Shell, began teaching a course called Negotiation and Dispute Resolution. He suggested that I might give teaching it a try, but at the time it was not for me. And

then, a few years back—more as a change of pace from my regular sports-business teaching regimen than from any great epiphany—I decided to take a shot at teaching negotiations. I proceeded to immerse myself in negotiations literature and instruction. Frankly, I was amazed at what I found. I am now convinced that anyone can be taught to be a better negotiator.

I'm still consistent in my belief that you cannot be *taught* to dramatically *change* your negotiating style—to become someone else. As a matter of fact, I think an overhaul of your style could be one of the worst moves you could make. But you can be taught to *understand* your style and to be *better* at what you are comfortable doing. This is more a focus on a change of techniques and steps as opposed to hopeless attempts to reform your entire personality. You can be taught to use the skills that you have to become a better negotiator. You can learn how to focus those tools into a systematic style and method and to go beyond traditional deals by building relationships. What I am referring to is an organized approach to negotiating. The overall key to success is to first understand *you*. Then, gather as much information as possible about *your counterpart*. Finally, prepare a game plan and follow through with it, making relevant adjustments along the way.

In this book, I take you through the preparation and execution of that game plan. I do so by capturing various negotiations related to the business of sports. Many of the stories will be told through the voices of people actually

involved in the deals. The deals are one part of what we'll look at. We will also focus on the broader relationship lessons that come from sports and how to incorporate those into your relationship dealings with people. So I don't just look at deal makers and athletes but also at sports motivators who provoke the achievement of many amazing athletic feats. The winning techniques of people like legendary coaches John Wooden and Pat Summitt loom large in sports and can often be transferred to business as well as to your personal lives. There is much to be learned from coaches who have developed successful strategies to inspire men and women, sometimes with outsized egos, to do exactly what they want them to do.

I could have chosen a variety of stories to convey these messages. I carefully selected and synthesized the ones that deliver the lessons that will lead you to greater bargaining success. I incorporate figures from around the world, such as David Beckham, Yao Ming, Pelé, Danica Patrick, Daisuke Matsuzaka, Ronaldo, and Anna Kournikova, and sports, including cricket, the Olympics, rugby, golf, and tennis. I use stories involving sports agents, lawyers, and union and management officials as well.

I also discuss some of my own negotiations. Most of them did not find their way to the cover of major newspapers, but they provide vivid insights nonetheless. They had a meaningful impact on the way I negotiate, especially as I ponder them and reflect on how I can improve. I look back on my own experiences with this in mind, and you should too.

You can be a better negotiator. The key to gaining value from this book is committing yourself to taking an introspective look and accepting the reality of what you find. My offensive line coach at Stanford University, Hudson Houck, in a rare moment of paying attention to a guy who was then a very undersized center, yelled at me once when I blew (yet another) play in football practice:

“Dammit, Shropshire, you’re not that big, not that fast, and not that strong. Hell, you’ve got to play smart.” The man had a point. His intended message was: use what you’ve got, because you can’t create something you don’t have . . . at least not overnight. If you at least harness that strong point, you can make yourself the best player you can be. Well, as was evidenced by my lack of playing time over four years, at the time I did not get it. His attempt at inspiring greater achievement out of me fell a little short. Hopefully, you will be more open-minded and receptive to the messages in this book.

So take this step forward toward more successful negotiations. Here is what the book delivers.

Chapter 1, “Prepare with Passion,” focuses on the most important element in any negotiation: preparation. You’ll understand both how to prepare and why taking the time to do so can be the most valuable transformation you can make in your negotiating life. That viewpoint dominates in sports, and it should be just as prevalent in business dealings. There are many coaching admonitions that dwell on the phrase “just do your job.” The unstated obvious

precursor to that point is that you have to know what that job is. You'll refer back to this chapter once you have a better grasp of the focused negotiation issues presented in the chapters that follow, and eventually you'll be able to thoroughly prepare with the assistance of the Negotiation Game Plan Worksheet provided in this chapter.

The next chapter, "Stick with *Your Style*," guides you through both understanding your most comfortable bargaining style as well as how to use it to your advantage rather than fretting about a style that does not come easily to you. In sports, we most often express this as "playing within yourself." As a part of your journey, I will refer you at that point in the book to the appendix containing the Bargaining Styles Assessment Tool, reprinted from Richard Shell's negotiation book called *Bargaining for Advantage*. At the appropriate time, the text will instruct you to take this 10-minute assessment to help you fully grasp your style.

The third chapter, "Set Goals and Aim High," relays the value of establishing goals and making them a regular part of your preparation process. It is not unusual for sports teams to begin a season aiming for an event or for the Olympics by setting goals for the number and types of medals they will win. It is clear that the higher your goals are and the more support you have for them, the more successful you are likely to be.

Chapter 4, "Seek Leverage," explores how lying and negotiating somehow seem to go hand in hand. It helps you push back against lying while focusing on the topic that

is lied about most: tales told to create leverage. In sports and non-sports negotiations, the most prevalent lie is about how interested potential bidders really are in your goods or services.

Chapter 5, “Focus on Relationships and Interests,” takes you beyond the monetary side of deals and focuses your attention on the other benefits that flow from them. For an athlete, such a side benefit may be a supportive relationship with the hometown crowd, as opposed to moving to a new city as a free agent for more money. In business, this benefit may be likened to a long-term relationship with a vendor or boss.

“Embrace the Bargaining Process,” the sixth chapter, guides you to the mental level of enjoyment that you should strive to achieve in negotiating. Practice in sports is often drudgery, and so too may be the preparation required for a negotiation. But when you actually are at bat or when the Sunday event actually comes around, that should be a time of sheer enjoyment. Ideally, the same should be true for preparation, as well as for the various other phases of the negotiation process.

At some point, almost all of us are on one end or the other of an employer-employee negotiation. Or we may be negotiating for someone else or hiring someone to negotiate for us, which also raises issues of negotiating with business partners. Chapter 7, “Handle Other People’s Business,” focuses on player-agent negotiations and relationships. You will better understand how to negotiate on behalf

of a company or an individual, as well as how to manage someone negotiating on your behalf. The chapter also provides some insights on negotiations that can help you to build relationships that work on both a personal and a business level.

Although it does not happen often, the one negotiation we should all be prepared for is the one that takes place in full view of the public. The public venue can be anywhere from a small company setting to the national stage. Most often negotiations within the public eye focus on your reputation or your company's. The sports business is full of this type of negotiation. In the eighth chapter, "Know Your Audience," I look at issues such as steroids in baseball, as well as the saga of Michael Vick and dog fighting. In your case, the audience may be smaller—maybe just your family, coworkers, or classmates.

Finally, the concluding chapter, "Negotiate Like a Pro," ties all of the elements together and assists you in doing just that.

"Smart wins" is a favorite saying of college basketball coach Bobby Knight. I've heard him shout those two words angrily to players in the midst of a game or practice. In essence, he's saying: "I'm not asking you to do anything more than the best you are capable of, and I know you know what that is." Increased success using the skills that you possess will come with greater understanding of what those skills are and how to use them. "Smart wins" puts you in the best position to win. That's what Hudson was trying to tell me.