



Doing a Sports Deal? Get Personal

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When the National Football League adopted a liberal free agency rule in the early 1990s, allowing players to more easily jump to new teams for lucrative deals, no superstar was expected to earn more than future Hall of Famer Reggie White, an intimidating defensive lineman whose contract with the Philadelphia Eagles was expiring.

"Everybody said that free agency in football is not going to work because everybody will go to New York or Los Angeles, and nobody will go to Green Bay," said [Kenneth L. Shropshire](#), director of the [Wharton Sports Business Initiative](#) and author of a forthcoming book on negotiating and sports. "Reggie was the first big-name free agent and he had the power to go anywhere -- but he ended up going to Green Bay, the last place anybody thought he would go."

According to Shropshire, who shared his insights in a recent presentation titled, "Negotiate like the Pros: Negotiation Lessons from Sports for Business," the Packers were able to lure White to their remote Wisconsin outpost because of two things that meant more to the athlete than money. One was a church in nearby Milwaukee where White, also an ordained minister, was eager to preach, and the second was an act of faith that Green Bay was where he would finally get the Super Bowl ring that had eluded him in Philadelphia. (It was, in 1997.)

White's saga points to two critical elements of contract negotiations between sports teams and professional athletes: American sports deals are more often an art than a science, and intangibles such as relationships can sometimes trump the bottom line.

In addition to White's case, Shropshire cited other athletes-- such as former baseball superstars Cal Ripken, Jr. of the Baltimore Orioles and the late Minnesota Twins slugger Kirby Puckett -- who shunned free agency because they believed their long-term economic value would be enhanced if they stayed in the cities where they were popular.

Good Preparation Is Key

Other stars, he noted, made concessions like White did -- aimed at glory on the playing field rather than money or other factors. That list includes the Yankees' Alex Rodriguez, baseball's top shortstop, who was willing to move to third base and sign a contract with the Yankees because he thought it would get him to the World Series. (So far, it hasn't.) And more often than not, personal relationships are what get a deal done.

"In the end, it's all about relationships," said Shropshire, who knows about that from first-hand experience. In addition to his teaching role at Wharton, Shropshire has worked as an agent himself and handled other sports-business negotiations -- a career path that has meant dealing with sports luminaries like notorious boxing promoter Don King and 1984 Olympics organizer Peter Ueberroth.

Shropshire recounts the strategies he learned from those personal dealings -- as well as interviews with top sports agents such as Leigh Steinberg (said to be the model for Hollywood's "Jerry McGuire") and Michael Jordan rep David Falk. In his forthcoming book, tentatively titled, *Negotiate Like a Pro*, Shropshire offers lessons from the sports world -- especially the high-stakes deals that have become a key part of the American sports landscape -- for traditional businessmen or average readers looking to negotiate a house sale or a legal settlement.



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Shropshire, who played college football at Stanford, said he found as much inspiration from Super Bowl-winning coaches --such as the Packers' late Vince Lombardi, Tony Dungy of the Indianapolis Colts, and Bill Walsh, formerly of the San Francisco 49ers -- as from players' agents. Winning coaches and negotiators both see intense preparation as critical, he added.

For example, for Dungy, who won a championship with the Colts in 2007, "his whole theme is about the little things and the importance of preparing the little pieces. When you think about a negotiation ... you've always got to think about different responses and the possible options."

Shropshire said he learned the importance of good preparation first-hand in the early 1980s, when just a short time removed from law school he took a job with the Los Angeles Olympic Organizing Committee. There, he helped to organize the boxing competition and had a chance to work closely with Ueberroth, who was named *Time* magazine's Man of the Year for making the 1984 Games an economic and competitive success despite a boycott by the Soviet Union and its allies.

He recalled that Ueberroth was a fanatic about preparation who routinely gave difficult written quizzes to his underlings so they would be grounded in Olympic facts and history. Shropshire and some co-workers accompanied Ueberroth on a mission to Cuba seeking to dissuade Fidel Castro from joining his Soviet sponsors in the boycott. He said the Olympics chief knew achieving his main goal was unlikely, but he had a winning fall-back strategy -- to convince the Cuban dictator not to lobby African and Latin American nations to join the boycott -- so he wouldn't leave Havana empty-handed. That strategy made his negotiations a success, even though Cuba did join the boycott.

"He really did have a roadmap of, 'What am I going to ask for, how am I going to ask for it and in what order, and what can I consider a win,'" Shropshire said, adding that Ueberroth also excelled in what he considers another critical area of negotiating -- the use of leverage.

Before the 1984 Olympics, organizers had doled out numerous sponsorships but hadn't received much money for each one, because, according to Shropshire, their value was diffused. Ueberroth decided to instead award a limited number and set a high floor of \$4 million for each -- unheard of at the time -- with the goal of triggering bidding wars. He said the strategy was so successful that Coca-Cola was willing to pay \$12 million to be the sole soft-drink sponsor.

No Kelly Blue Book

Shropshire also related a memorable experience negotiating a fight deal with the controversial and flamboyant King, whose stable included the 1980s heavyweight champion Mike Tyson. Shropshire had taken on several boxing clients as an agent after the 1984 Games, including the American gold medalist in heavyweight boxing, Henry Tillman. Shropshire's star client was actually looking to leave the sport in 1990 when Tyson suffered his now-legendary defeat at the hands of unknown Buster Douglas, and so King -- seeking a new foe in a hurry for Tyson -- called Tillman and offered him a modest paycheck to get in the ring.

Shropshire said he didn't think Tillman should fight the ferocious Tyson. He said he wanted to tell Tillman, "You don't want to die, you don't want to do that." But the former Olympian convinced him to call King back and seek even more money. To Shropshire's surprise, King said, "I'm going to make you look good and I'm going to double the money," but only if the fighter would sign a faxed contract in 45 minutes. If not, he recalled, King said he would move on to the next boxer.

"I told him I would do what I can with him (King), but I have no leverage," Shropshire recalled. Tillman ultimately took the money and it was probably a good thing, because he lasted just two minutes and 47 seconds before Tyson knocked him out.

Shropshire acknowledged that -- compared to conventional business deals, where negotiators are often working from the hard numbers of a balance sheet -- the nature of sports allows much more room to provide compensation based on future potential.

He noted that exciting, but untested, young athletes like basketball star LeBron James, golf phenomenon Michelle Wie, and tennis pro and part-time model Anna Kournikova were able to win multi-million dollar endorsement deals because of their potential and charisma more than because of what they had

accomplished beforehand.

Top-ranked sports agent Phil de Picciotto told Shropshire that emotion is critical to that kind of deal, that "what you've got to do is listen to the other side and lock into the emotion of what they want to do -- why does Nike want LeBron or why do these golf equipment companies want Michelle." That open-ended nature is what makes sports negotiating so interesting to so many people -- the idea that, as Shropshire noted -- "there is no Kelly Blue Book."

Shropshire said that in the end, it still comes back to relationships. He spoke about how controversial football agent Drew Rosenhaus, in his handling of outspoken star receiver Terrell Owens, was willing to earn the undying hatred of Philadelphia fans and Eagles management to get Owens out of his contract and into a much more lucrative deal with the Dallas Cowboys, raising his client's salary in one year from \$4 million to \$10 million.

Rosenhaus "had a strategy all the way," Shropshire noted. His philosophy was that "The relationships I have are with the athlete, [that] I could care less about the public and I could care less about the teams. I want to make sure that athletes realize I can get the best deal for them.'

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