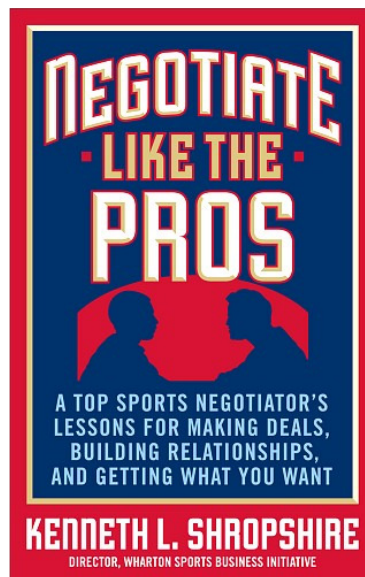


Negotiate Like the Pros

A Top Sports Negotiator's Lessons for Making Deals, Building Relationships, and Getting What You Want



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About Kenneth Shropshire



Kenneth L. Shropshire is the David W. Hauck Professor at the Wharton School of the University of Pennsylvania and the author of several award-

winning books such as "The Business of Sports", "The Sports Franchise Game", "Sports and the Law", and "Basketball Jones". His views have been presented in Wall Street Journal, Sports Illustrated, National Public Radio, and Nightline.

A Stanford and Columbia Law graduate, Shropshire is also the Director of the Wharton Sports Business Initiative, and serves as an arbitrator with clients including the National Football League Players Association and USA Track and Field. He previously worked in private law practice and as an executive with the LA Olympic Organizing Committee.

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■ The Big Idea

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 teams, leagues, athletes – the sort of people you see in the sports pages and on ESPN – on a daily basis?

Negotiate Like the Pros tells the stories behind some of the most notable, complex, and lucrative sports deals of all time. A world-class negotiator in his own right, Kenneth L. Shropshire uses those stories to explore powerful negotiating strategies, and teaches you how to use them to score big in any negotiation.

■ Why You Need This Book

In *Negotiate Like the Pros*, Shropshire tells the stories behind some of the most sensational sports deals of all time and extracts powerful lessons on the skills you need to master to become a top-notch dealmaker.

This book offers an approach that challenges you to mentally analyze your own negotiating techniques, style, relationship-building strategies, and powers of persuasion. If you want to become stellar at deal making, building relationships, persuasion, and even leadership, then this book is for you – whether you are a sports fan or not.

■ Prepare With Passion

Failing to prepare is preparing to fail.

~ Legendary coach John Wooden, winner of
10 National Collegiate Athletic Association
(NCAA) basketball championships

To begin, you'll have to focus 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.

To prepare, you must know beforehand what you absolutely must have, what it would be fair to have, and what would be great to have.

CULTURAL, GENDER, AND RACIAL DIFFERENCES

In any global negotiation, you must take the time to learn and understand the negotiating style of the culture of your negotiating partner. At the same time, you must not view any of the descriptions you find as absolute. Just as you wouldn't like to be stereotyped as an "American-style" negotiator, those in other cultures also do not want to be stereotyped. Be aware, but do not assume.

AGENDA SETTING

An important part of planning any detailed negotiation is to establish the road map to get from the beginning of the negotiation to the end result that you desire. Your

counterpart will of course want to establish an agenda that will drive the conversation in a direction most favorable to him or her.

CONTEMPLATING THE APPROACH

Another key piece of the preparation phase is determining if there are any steps you can take to move your position forward that will be viewed positively by the decision maker on the other side.

BEGIN WITH THE BASICS

According to successful coach John Wooden: "I believe there is nothing wrong with the other fellow being better than you are if you've prepared and are functioning in the way you've tried to prepare. That's all you can do." Preparation puts you in the best possible position to win, whatever winning might be in a given setting.

ESTABLISHING CREDIBILITY

Credibility is important on two levels: your personal credibility and the credibility of the information you bring to the table. Even your counterpart will respect you more if you are credible.

WORST-CASE SCENARIO

You must be prepared for negative circumstances as well as for positive ones. Your counterpart may know that single piece of information you thought he lacked. He may actually have another option that you did not foresee. Spend some time thinking about that worst-case scenario and how you will respond to it.

■ Stick with Your Style

*It's not how you play that matters – it's whether
you win; it's whether you're number one.*

~ George Allen, former Washington,
Redskins and Los Angeles Rams head coach

This chapter 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."

REVEL IN YOUR STYLE

The broad lesson that you should take from this chapter is that it is vital to know who you are and who your opponent is in terms of style and, maybe more importantly, not to try to be someone you are not. Discover your strengths and base your preparation strategy on them. Be honest with yourself about what kind of negotiator you are, what you're good at, and what you are not so good at.

It is easy to be yourself for the long haul; imitating another style is a formula for potential failure. Be yourself, and assert that style to the fullest.

SET THE ENVIRONMENT

As much as you can control it, you want the negotiation environment to be as favorable as possible to your style and your comfort level. Once you have a grasp of your style, you want to set the stage for the negotiation so that it is advantageous to you and detrimental to your counterpart.

"WIN" WITH YOUR STYLE

The epigraph by George Allen at the beginning of this chapter gives us some guidance as to how we should view ourselves and others: not by style, but by whether we understand and have confidence in our style and, in the end, whether we can accomplish our desired outcomes.

■ Set Goals and Aim High

*I decided to set a \$4 million floor for each potential sponsor.
Establishing a floor, or a minimum, is a negotiating
concept that has always worked for me.*

~ Peter Ueberroth, the most successful leader of a modern Olympiad, writing about his negotiating goals for sponsors of the 1984 Olympic Games.

This chapter 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.

THE POWER OF GOALS

There is a psychology to getting successful negotiation results that is underused: visualizing the end result. The concept of visualization is valuable for everybody. You are more likely to accomplish goals if you actually have them and then picture them in your mind. You are certainly more likely to achieve success if you have goals than if you don't have them.

GOALS, TARGETS, AND WALK-AWAY POINTS

If in the course of the negotiation you can deliver your plea and it passes the chuckle test (that is, no one laughs out loud at the suggestion), that is probably your goal position.

You should also know your walk-away point. What is the minimum you will accept? You may have to delve into the negotiation a bit before you can put the numbers firmly in place, but your opening game plan should be as complete as possible. Be as firm as you can about your walk-away point as you enter the negotiation. The best way to determine your walk-away point is to focus on your options.

The target requires a high level of precision. Where do you think the deal should close? What is the number, quantity, price, or whatever the metric is that you think, given the full impact of all of the information available, will close the deal fairly? This is the target, the bull's-eye.

REFERENCE POINTS

Saying that you need to have a goal, target, and walk-away point is easy enough, but how should you establish goals? You do so with reference points, indicators that point you in the direction you want to go.

■ Seek Leverage

This is for Rudy.

~ What player after player said in the motion
Picture Rudy as they gave Notre Dame head
football coach Dan Devine their jerseys indicating
they would not play against Georgia Tech unless
their teammate Rudy was allowed to play.

This chapter 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.

LYING

When establishing leverage, honesty is essential. This dictum generally becomes an issue for people when they perceive that they don't have leverage and they begin to seek ways to create it. Anyone can have success with a single deceitful act – maybe even several successes. But once the word is out, once your credibility is damaged, it is nearly impossible to get it back.

Caution: In your preparation, develop your game plan regarding competing offers carefully. But, of course, if you lie and get away with it, you may have substantially improved your position, unless your lie is uncovered.

LEVERAGE VIA TIMING

There are two issues related to timing and leverage that are important. The first is that leverage is fleeting. Circumstances can change, and you can lose it. The other timing issue is how the parties view the future value of a deal. This is a fleeting concept too, but it comes up frequently in sports when the endorsement value of an unproven athlete needs to be determined.

LEVERAGE FROM CONSISTENCY

Leverage is often supported, too, by the element of consistency. People want the same standard applied to them that was applied to others. People want to be perceived as being reasonable and want to act consistently for that reason. This is especially the case where there is public information on similar previous deals.

■ Focus on Relationships and Interests

*I'm excited to go to a team that has a lot of drivers
I can learn from and who knows how to win.*

~ Danica Patrick on her 2006 move from Rahal
Letterman Racing to Andretti Green Racing

This chapter 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.

VALUING RELATIONSHIPS

If you want a relationship to last, it is important that your negotiating counterparts see that they are receiving some benefit and that you are not pounding them into the ground. The best negotiators incorporate a focus on relationships into their initial preparation as well as during the negotiation itself.

INTERESTS

Those most successful in courting relationships take the time and make the effort to understand the interests of their clients. In most deals, this means that you need to comprehend what there is in a relationship with a counterpart that is important beyond the dollars and cents of the deal.

ALIGNING INTERESTS

In creating your game plan, leave adequate time for thinking about relationships. The value of those relationships will be individual as well as cultural. If you are negotiating in another country, or with someone from a different country, be aware of the special issues that might be presented by virtue of this diversity. Closely coupled with relationships is the importance of understanding the interests of the other side and those associated with them. Often those interests, the real reasons why someone wants to get a deal done, are non-monetary. The two are intertwined, as you cannot always get to a party's interests unless you extend the effort to develop a relationship.

RELATIONSHIPS IMPACTING FUTURE NEGOTIATIONS

Fully contemplate the importance of current and future negotiations. Make sure, too, that you understand your counterpart's true interest in closing the deal. To be a successful negotiator, you must embrace the negotiating process and be fully engaged in seeking the best deal your circumstances allow.

■ Negotiate Like a Pro

*If we play our game as well as we can, we can
beat an opponent no matter what he does.
We let them adjust to us, rather than we to them.*

~ John Wooden

Winning certainly has a different meaning in every negotiation. Achieving that desired outcome is most likely to occur when we use all of the skills that we possess in a carefully prepared manner.

The magic of success really comes when you are able to practice with the same intensity that you use when you play, but are also able to play the game with the same relatively relaxed frame of mind that you have in practice. That is the challenge.

The important point is that you must be prepared. Do the “practice” phase as thoroughly as possible.

So where do we end up? With the lesson so many of us heard from our parents: do the best you can. You will know you are doing that when you combine all of the elements laid out in this book. Your bets get even better if your preparation is done at the highest level. You are not doing the best you can if you have not fully prepared.

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