

**Role Play**

**The Football Transfer:**

Role of the Agent

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General Information (Available to All Parties)

There are four parties in this negotiation:

1. The Footballer – David Sosa
2. The Footballer’s Agent – Jeremy Manuel
3. The CEO of the Greenpark football club – Anna Smith
4. The Coach of the Greenpark football club – Adam Knight

This negotiation concerns the future of David Sosa, a 26 year old Spanish football player. David has been playing for the last nine years as a midfielder and for the last two years as the team captain for Greenpark, the most prestigious football club in England. The club’s historic training grounds and stadium is located in the north of the country, five kilometers from the city of Manchester. Although historically a top-ranked team, the club has not won any major trophies for the last two years, causing discontentment among the players and fans.

David joined Greenpark at the age of 17 and made it big in the sport relatively early. He was promoted from the junior team to the first team by legendary Coach Adam Knight at the age of 19 with the support of CEO Anna Smith. Now at the age of 26 David is the star player at the club and widely regarded as one of the top players in the world. He came in fourth in the FIFA Ballon d'Or, considered the most prestigious individual award in world football, even though he had a serious knee injury that kept him out of action for nearly four months. During that time Smith and Knight paid regular visits to his home to check in on him, reflecting their close personal relationship with David.

Garcia FC, the biggest club in Spain, has approached David’s celebrity agent Jeremy Manuel, asking whether the player would be willing to move to Spain for a fresh challenge. The offer to play as a midfielder for Garcia FC is an attractive one (including doubling David’s salary from £125,000 a week to £250,000 a week) and it is time to re-negotiate David’s contract with Greenpark. If an agreement is not reached in this negotiation, David will leave Greenpark for Garcia FC.

The Negotiation Process

This will be a team negotiation, with the player (David Sosa) and his agent (Jeremy Manuel) on one side, and Greenpark’s CEO (Anna Smith) and coach (Adam Knight) on the other side.

In addition to the general information above (which everyone has), please study your individual role materials carefully. *You may not show your role materials or disclose your specific point payoffs to any other participants in the negotiation, and that includes your other team member!*

Exhibit 1

Top 15 Footballers with Highest Salary in 2015-16 Season

|  |  |  |  |
| --- | --- | --- | --- |
| NO# | PLAYER | WEEKLY | YEARLY |
| 1 | Alex Martens (Gondor United) | £290k\* | £15.2m after tax |
| 2 | Nico Novak (Rivendell FC) | £276k\* | £14.7m after tax |
| 3 | Carter Smith (Lilliput FC) | £252k | £13.1m |
| 4 | Haruto Cheng (Narnia Athletic) | £251k | £12.9m |
| 5 | Youssef Maria (Hogsmeade FC) | £249k | £12.7m |
| 6 | Enrico Krishna (Hogsmeade FC) | £247k | £12.3m |
| 7 | Adamu Amir (Neverland United) | £243k | £12.1m |
| 8 | Henry Al-Hamad (Rivendell FC) | £239k | £11.9m |
| 9 | John Johanson (Shire United) | £237k | £11.8m |
| 10 | Louis Saqr (Rivendell FC) | £235k | £11.7m |
| 11 | Mohamed Mendoza (Gondor United) | £231k | £11.5m |
| 12 | Samir Novak (Lilliput FC) | £228k | £11.3m |
| 13 | Edwin Nwosu (Shire United) | £225k | £11.1m |
| 14 | Tariq Takahashi (Narnia Athletic) | £221k | £10.9m |
| 15 | Chibuzo Chikere (Camelot FC) | £186k | £9.7m |

\*Only Alex and Nico are paid “after tax” salaries, apart from them all players have normal before tax contracts. These salary numbers also include some performance clause bonuses and incentives and real salaries might be lower than what are quoted in the media.

Exhibit 2

Top Transfer Values in 2016

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. | Player | Club | Age | Ctr | Position | Value |
| 1 | Nico Novak | Rivendell | 28 | 2018 | Fw | £197m |
| 2 | Henry Al-Hamad | Rivendell | 23 | 2018 | Fw | £120m |
| 3 | Chibuzo Chikere | Camelot | 24 | 2020 | Am | £102m |
| 4 | Alex Martens | Gondor | 30 | 2018 | Fw | £89m |
| 5 | Hans Joost | Shire | 22 | 2020 | Fw | £71m |
| 6 | Rick Golding | Hogsmeade | 21 | 2020 | Fw | £70m |
| 7 | Hans Gris | Narnia | 24 | 2020 | Fw | £69m |
| 8 | Louis Saqr | Rivendell | 28 | 2019 | Fw | £67m |
| 9 | Enrico Krishna | Hogsmeade | 27 | 2019 | Fw | £64m |
| 10 | Araquem DeGol | Olympus | 27 | 2018 | Fw | £63m |

Exhibit 3

Top 10 Spending Clubs in 2015 Transfer Window

|  |  |  |
| --- | --- | --- |
| NO# | Club | Value spent |
| 1 | Hogsmeade FC | £140m |
| 2 | Lilliput FC | £98m |
| 3 | Narnia Athletic | £96m |
| 4 | Gondor United | £95m |
| 5 | Atlantis Rovers | £88m |
| 6 | El Dorado City | £80m |
| 7 | Rivendell FC | £77m |
| 8 | Avalon FC | £62m |
| 9 | Camelot FC | £61m |
| 10 | Olympus United | £59m |

Role of the Agent (Jeremy Manuel)

You are Jeremy Manuel, an agent for top European and Latin American footballers. You are known for your astute sense of business and your fame is the result of always getting the best deal for your clients. The media loves you for that and players line up because they know that you will get them the most money, always! Your reputation is only as good as your last deal and because these are public, you cannot afford to get a bad deal.

Besides, clubs are constantly trying to fool the poorly educated players and exploit them. So it is your job to fight as hard as possible for your clients and teach the clubs that they need to act differently. Sure, your players make lots of money, but they help the clubs make much, much more and their revenue potential has a very limited time window and thus it is your mission to ensure that they are well rewarded and worry-free for the value they generated by the time they retire.

David Sosa’s salary has been so low compared to his star status of the later years because you got him an unprecedented nine-year contract with Greenpark when he was just a young kid at one of the highest salaries for a player at that age. Although he already showed strong promise, he did not yet have the star power to command a figure among the top salaries in the world. Though Greenpark could have raised his salary halfway through the contract to recognize David’s great increase in value, they preferred to hide behind the contract to save millions every year at the expense of your client. Whenever you tried to bring the issue up and renegotiate David's salary, the club just sent you to talk to their lawyers. And while you fight really hard for your clients, your lawyers said that your chances of winning a lawsuit on David's salary would be dismal and you also feared the negative reputational and psychological spillover effect on David. So you just let go and waited until the end of the current contract to renegotiate it as well as you can. You are committed to not let them take advantage of your client like that again!

A huge opportunity is now on the table. You received a call from the Chairman of Garcia FC, expressing an interest in signing David. Garcia FC are offering to pay David £250,000 a week which is double his current below-market wage of £125,000 a week. You texted David to inform him of the great news. You are very excited to get this proposal for David for three reasons: 1) David is Spanish and will be thrilled to go back to Spain; 2) Garcia FC is a great team with a winning track record both in Spain and in Europe that could bring David back to winning trophies, and 3) you know that Greenpark needs him more than Garcia FC and will have to stop taking advantage of David and offer him something much better.

Normally a transfer to another club commands a higher premium, but the risk of poor adaptation can cancel out that advantage for the long term value of a young player. So, in David’s case, you want the best for him as you have done for the past nine years. You are indifferent if he stays at Greenpark or leaves for Garcia FC. But for David, a top-5 player in the world, to stay at Greenpark, the club needs to dramatically increase his wages to at least within the top 15 salaries in the world. If you cannot even get a top-15 salary for a player such as David, then your reputation as a good sports negotiator will be severely damaged and you may even lose some other high-profile clients.

You are now on your personal chartered plane from Seville to Manchester and note down your key goals for the negotiation:

1. You want Greenpark FC to pay David £300,000 a week, which would triple your agent’s fees at one stroke and make David the best paid player in the world. Besides, the media would splash your negotiation victory everywhere, increasing your reputation as THE sports agent. And while David is focused primarily on his performance and would likely be satisfied with Greenpark just matching the Garcia FC offer, he would certainly also enjoy a raise and the status that would come with it. Besides, Greenpark should not have a problem paying £300,000 a week, since renewing David will mean great savings as it would come without the need to pay a transfer fee to obtain a new star player to replace him. A transfer fee is paid by the club a player is joining to the old club to let him out of his previous contract.
2. You have been in the industry for decades and you know that David could be a great striker, probably better than as a midfielder. The Greenpark coach has always dismissed your suggestion of playing David as a striker. Since strikers have an average higher value and marketability, if you manage to secure this position for David, it would increase his potential future earnings and yours as well. You also know it would be best for David's career and only someone very stupid would pass on such an opportunity. You also know that David is used to playing as a midfielder and prefers that position. He might reluctantly switch positions to striker, but like most players will not want to play both positions at once because he thinks it may prevent him from developing his skills as a midfielder or striker fully. You know the change in playing position should be made now, while David is still young enough to reinvent himself.
3. David’s girlfriend Marina is a mediocre fashion designer who is constantly interfering in your management of his career. She has repeatedly referred to you as a “low-life” and “disgusting parasite.” David wants you to negotiate with Greenpark to talk to their apparel sponsor and get her a role in their London office. You would rather she did not get the London job, so that she will take a job offer in Milan and hopefully break up with him or at the very least not become a reason for David to stay even if Greenpark offers less than Garcia FC. Greenpark is unlikely to want to pressure their apparel sponsor in this way and you think she will be unable to get the London job anyways.
4. David really wants Greenpark to invest in buying more world-class players so they can get back to winning trophies. You prefer that the club does not invest in too much team-building, since hiring other expensive players will limit the team’s ability to give pay raises to David and therefore reduce your future fees as his agent. However, you are not stupid and you know that they probably need to hire some reinforcements to succeed, which is also good for David and yourself since a player from a winning team is worth more than if he were at a losing one. Thus, ideally they will buy solid players to reinforce the team to enhance the chances they will win the championship, but they should make a commitment to build the team around David as their star player. This commitment means that they will not hire any top players at a higher salary than David.
5. You also want to make sure that your relationship with David is solid during and after this negotiation. To lose him as a client would not only mean losing your percentage of David’s contract renewal or transfer, but also his future earnings, in addition to the negative impact on your professional reputation. However, if you see that you cannot get David a media-attractive deal, you may choose to quit as his agent so that you can distance yourself from the deal and not harm your reputation in the eyes of your other high-level clients. It is better to lose one good client than many! In the event that you choose to quit or are fired, the deal does not require your consent.
6. In the early days of your career, you allowed a few clients to join your negotiations and that inevitably resulted in bad or failed deals as your clients talked out of order and spoiled your strategies. Since then you learned your lesson and established a self-made policy of not bringing your players along to the negotiations. This has proven to be one of the most successful lessons you learned in your profession and it has paid off handsomely. Eventually, you have the primadonna client who insists to join the talks. If inevitable, you only agree if the client commits to let you lead the talks and he can only speak when directed by you. More importantly, you have full authority to close the deal or walk away, since you know what is or not possible and what is or not a good deal. David trusted you for his first negotiation with Greenpark and he got a historic deal. You expect that this time it will be no different. In any event, it is fundamental that David understands that he is the star player in the field, but you are the star agent in this negotiation. Otherwise, what if David claims that he was the one securing the deal and tries to renege on your commission after all your work is done?

You invited David to meet to prepare together before the negotiation with Greenpark’s CEO and coach.

Jeremy Manuel: Agent’s Point Payoff Structure

Below is your point system, which is not to be shown to anyone, including David. The total value to you from the **Garcia FC offer is 8 points**, so to make a deal you want at least 8 points from your negotiation with Greenpark summing your points from all of the issues below.

|  |  |  |
| --- | --- | --- |
| **NEGOTIATION ISSUE** | **OPTION** | **POINTS FOR YOU** |
|   |   |   |
| Weekly salary | £125,000 | -25 |
|   | £200,000 | -1 |
|   | £250,000 | 5 |
|   | £275,000 | 6 |
|   | £300,000 | 10 |
|  |  |  |
| Playing position | Plays as striker in all games | 5 |
|   | Plays 75% of games as striker and 25% as midfielder | 3 |
|   | Plays 50% of games as striker and 50% as midfielder | 2 |
|  | Plays 25% of games as striker and 75% as midfielder | 1 |
|   | Stays as midfielder 100% of the games | 0 |
|   |   |   |
| Club investment in new players | £100 million | -2 |
|   | £75 million | 0 |
|   | £50 million  | 1 |
|   |   |   |
| Marina gets London job | Yes | -2 |
|   | No | 2 |
|  |  |  |
| Relationship with David | Relationship terminated (quit or got fired) | -20 |
|   | Sign a deal with Greenpark and remain David’s agent | 2 |
|   |   |   |
| **TOTAL POINTS** |   |   |

**After you have finished the negotiation, calculate the total points that you have scored in the table above, based on the options you decided on in the final agreement with your counterparts. Add up your total points across all issues and provide this single number to your negotiation group’s CEO. The CEO will then complete the group’s outcome form and provide it to the course instructor.**

**If you failed to reach a deal, you receive 8 points based on the FC Garcia alternative as noted above, and this is the number you should provide the CEO. If you quit or were fired, your total points are -20 (minus 20) and this is the number you should provide the CEO.**