

**Role Play**

**The Football Transfer:**

Role of the CEO

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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 Greenpark CEO (Anna Smith)

You are Greenpark’s CEO, Anna Smith. You were shocked and angry to receive a call from Jeremy Manuel, the agent of your star player David Sosa, informing you that the player is considering a move away from Greenpark to join European rivals Garcia FC. Neither you nor team coach Adam Knight expected this from David, who has spent his entire career at Greenpark and showed no signs of dissatisfaction.

Jeremy Manuel has requested a meeting between himself, Greenpark coach Adam Knight, and yourself to negotiate the terms under which David is willing to stay at Greenpark. You note of some of the issues that are important to you in this negotiation.

1. You would like to keep your star player. David is 26, and reaching his career peak. He should be able to play at the top level for another seven years or more considering his strong work ethic in and out of the field. You have not won a major trophy for the last two years and keeping a player like David is important to the team’s brand and aspirations. At the same time, as a businessperson you ultimately want good value for money. Since David was brought in from the club’s junior team, his cost was practically zero. An opportunity to sell him for £65 million, the transfer fee Garcia FC is confidentially offering to pay Greenpark for David, would help you claim an excellent financial return. A transfer fee is paid by the club a player is joining (potentially Garcia FC) to the old club (your own Greenpark FC) to let him out of his previous contract. Although confidential, you can disclose the Garcia FC transfer fee to the team coach Adam Knight if you choose to.
2. Preventing David Sosa’s salary from ballooning out of control. Due to the English Premier League’s policies on the distribution of television revenues, you do not have the same budget for player salaries the top Spanish teams enjoy. David knows this full well, and should be more grateful for everything Greenpark has done for him! Luckily, you do not have to compete on the tax breaks given to foreign players in Spain, since David is Spanish and thus not entitled to that tax break. You have no doubt his low-life cretin of an agent will try to squeeze you for as much money as possible as he has done during the first negotiation nine years ago when he got David Sosa the best rookie salary and contract duration in the world. Jeremy Manuel has a reputation of being the most selfish and cut-throat player’s agent in the industry – not an easy feat to achieve and you know what to expect from him in this negotiation. While David Sosa is a great player and person in daily life, you wonder if he uses Jeremy to do his dirty work for him.
3. That said, keeping a player like David also means not having to pay the transfer fees to hire another player at his caliber, which would eat into your transfer budget. You are pretty confident that your coach is going to ask for more money to hire a new striker among other reinforcements for the team, something you agree has to be done, but fear Greenpark may not have the budget for this. As a result, you want David to be more flexible about the position that he plays in. David prefers to play midfield but the fans love him for his goals, and you want him in the striking position so that if you keep him you can not only maximize your investment in him, you can also save the transfer money on a new striker.
4. You are under pressure to bring forward a winning team after two seasons with no trophies whatsoever. You are already cleared with the board to spend a larger-than-usual £75 million over the summer to acquire new talent. If David wants to play for a team that can deliver trophies, you believe you can deliver. Spending beyond your current budget of £75 million would put a major strain on the team’s finances. Your performance as CEO is measured not only by winning games and trophies, but also by doing so while delivering a profit.
5. You happened to have come across David’s girlfriend Marina at a vernissage and, out of courtesy, agreed to look at her portfolio. You were surprised and delighted to see that Marina is a phenomenally talented fashion designer who would be the perfect person to help re-design the team’s apparel. It would take only a phone call to obtain her a position at your apparel sponsor’s London office. And while you do not like trading on favors, you truly believe that she will be an asset to the apparel company. Adding Marina to Greenpark’s extended family may be a cost-effective way to keep David in Manchester and greatly improve the club’s lackluster apparel designs which you are convinced hurt merchandising sales.
6. You have had enough of that disgusting parasite Jeremy Manuel! If you can convince David to fire Jeremy, you can finally avenge yourself for his years of dirty negotiation tricks. If David were to come to the meeting, you are willing to go as far as offering David a sweeter deal if he were to fire Jeremy, just to teach Jeremy a lesson and to prevent him from claiming any role in David’s potential successful contract renewal. Making Jeremy lose, have him not bother you anymore, and send a message to other sport agents in the market that they cannot behave like Jeremy with Greenpark is worth quite a bit to you. While Jeremy may seek revenge as you look for new players that he may represent in the transfer market, you need to show the market that no individual in football is bigger than its clubs. In the event that Jeremy is fired, the deal does not require his consent.

Before negotiating with Jeremy, you will first have a preparation meeting with Adam Knight. As the CEO and coach of Greenpark, respectively, you and Adam must **both** endorse the final agreement regarding David Sosa’s contract, otherwise no deal is possible. Although at most clubs the CEO alone has the final say regarding player contracts and transfer agreements, as a Greenpark legend and one of the top coaches in the world, Adam Knight’s arrangement with you and the club gives him the right to personally approve all such deals. In the past Knight has made calls you disagreed with that turned out to be the right thing to do for the team, and you have learned to trust his judgment.

Greenpark CEO’s Point Payoff Structure

Below is your point system, which is not to be shown to **anyone** (including the coach).

|  |  |  |
| --- | --- | --- |
| **NEGOTIATION ISSUE** |  **OPTION** | **POINTS FOR YOU** |
|   |   |   |
| Club choice | Stays at Greenpark | 6 |
|  | Moves to Garcia FC (your total points if there is no deal) | 2 |
|  |  |  |
| Weekly salary  | £125,000 | 1 |
|   | £200,000 | 0 |
|   | £250,000 | -1 |
|   | £275,000 | -2 |
|   | £300,000 | -3 |
|  |  |  |
| Playing position | Plays as striker in all games | 2 |
|   | Plays as striker 75% of the time, and midfielder 25% | 1 |
|   | Plays as striker 50% of the time, and midfielder 50% | 0 |
|  | Plays as striker 25% of the time, and midfielder 75% | -1 |
|   | Stays as midfielder 100% of the time | -2 |
|   |   |   |
| Club investment in new players | £100 million | -2 |
|   | £75 million | 0 |
|   | £50 million  | -1 |
|   |   |   |
| Getting David’s girlfriend a job in London  | Yes | 1 |
|   | No | 0 |
|  |  |  |
| Getting Jeremy Manuel fired | Yes | 4 |
|   | No | 0 |
|   |   |   |
| **GREENPARK CEO TOTAL POINTS** |   |   |

**After you have finished the negotiation, add up 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. If you failed to reach a deal, you receive 2 points based on David’s sale to FC Garcia as noted above. Then, please collect the individual total points of all four counterparts (CEO, Coach, Player, Agent), complete the outcome form on the next page, and provide this to the course instructor.**