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# Negotiation Space

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**Wednesday, February 7, 2007**

## [NBC and NFL Football Negotiation](#)

Most of us just watched the 2007 Super Bowl. Here's the background on interesting negotiation NBC had with the NFL. NBC negotiated the broadcast rights to NFL football.

It all started with NBC wanting to get their ratings up and deciding that NFL Football was the way to go. This is a great example of a Both-Win corporate negotiation. Sports Illustrated magazine covered it in an article last year.

In any competitive negotiation you must first protect your interests (what's the best deal for me). And at the same time look for opportunities to create an outcome that is good for both parties. The people at Harvard talk about Win-Win ----- Karrass calls this type of negotiation a Both-Win.

After being shut out of NFL broadcasts for nine years, NBC negotiated a six-year deal with the NFL for about \$600 million a year. NBC lags in the ratings game and hopes this NFL deal will help them gain ground on ABC and CBS.

### **What did NBC get with the deal?**

- Four hours of potential top 10 prime-time programming every week.
- Two Super Bowls (2009 and 2012) - talk about advertising \$\$\$\$.
- The annual Thursday-night opening game.
- Two wild-card games each season.
- A platform to promote NBC's prime-time lineup of shows.

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- And the right to choose the late-season games it will broadcast, so fans can see the most competitive games at the end of the season (a right the NFL would not provide before)

**Now, keep in mind that NBC is owned by GE.**

Here's what else was negotiated into the deal.

- GE Finance will play an increased role in the NFL loan pool financing program that helps NFL owners finance new stadium construction.
- GE's new Security Services Unit will promote and provide stadium security to NFL owners.
- Fans and players will have the advantage of on-site medical technology provided and promoted by GE Medical Products.
- And, it costs a lot to illuminate these football stadiums. GE is the leader in energy efficient lighting technology and manufactures a lot of light bulbs.

The investment firm of Goldman Sachs estimated that the value of these GE add-ons could be worth as much as \$500 million in profits to GE.

This was a great example of expanding a negotiation to come up with a creative deal involving much more than just broadcast rights.

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