



ON FURTHER REVIEW, IT'S A DEAL

Business and law students learn how the pros do it

By Maria Iacobo

Forget “Bend it Like Beckham.” Instead, endorse it like Beckham.

Nine years ago, British soccer star David Beckham signed a \$160 million contract to wear Adidas clothing and shoes for the rest of his life. In addition, Beckham, now 38, is paid to promote Adidas and receives a percentage of their profits.

To law and business school students, the takeaway is not that they should have focused on a professional soccer career, but rather how they as legal practitioners might put together savvy partnerships for future clients.

Now, a new course — The Business and Legal Components of the Sports Sponsorship Deal — taught jointly by the USC’s Gould School of Law and Marshall School of Business

professors, allows students in both schools to learn what their counterparts need to create successful and profitable relationships. While the skill sets each profession brings are different, a lawyer needs to understand the business considerations of an agreement and a businessperson needs to understand and be able to work with the legal considerations within a contract.

“If you don’t actively hear from the other disciplines, you’re going to be compromised in business,” says David Carter, an associate professor at USC Marshall, and a national authority on sports business and strategic marketing. “You have to know what [the other side is] thinking, what their overall business decision-making process is and the legal challenges throughout.”

FIELD NOTES

Included in the six-week class last fall were private meetings with four high-ranking executives behind sports sponsorships in Los Angeles. Class enrollment was capped at 14 students; it was a sell-out.

“It’s valuable for the students to get insight into an industry where not everything is always public,” says Vered Yakovee ’02, an adjunct law professor with an extensive client list of sports organizations. “And, they’re hearing from people who probably are speaking more freely than they would in public.”

Case in point: The students met John Keenan, senior vice president and general counsel for AEG, the world’s largest privately-held sports and entertainment company. Sitting in AEG’s conference room for a two-hour discussion, Keenan was pressed as to whether or not AEG would ever sell one of its sports franchises, including the 2012 Stanley Cup champion Los Angeles Kings. Rather than demur, Keenan’s cool response was that “anything is for sale for a price.”

from left: Sam Katz '14, Eric Perlmutter-Gumbiner '13, Troy Skinner '13, Casey Schwab '13, Lecturer Vered Yakovee '02, Elliot Rozenberg '13



above, left: USC Gould and Marshall students, along with USC Marshall Prof. David Carter, center, attend a class session at Angels Stadium. David Cohen, former general counsel for the Angels, sits at right.

above, right: Gerard Olson '14 and MBA students K.J. Ho '13 and Michael Colangelo '13

Five days later, the Anschutz Corporation announced that AEG and its holdings were up for sale. “This is the only class I’ve had that’s given us that one-on-one experience where we can ask them anything in such a small intimate setting,” says Sasha Gilger ’13, who took the class as she explores whether or not to pursue a legal career in entertainment. “It’s really interesting to hear the perspective of the people who are working and dealing with these issues on a daily basis.”

THE BUSINESS OF SPORTS LAW

Prof. Carter and Yakovee designed the course to provide these personal experiences so their students would develop an appreciation for each other’s roles.

“After teaching the students the process through the eyes of one deal, they can take a lot of those skills and transfer them to any deal they’re working on,” Yakovee says. “With most deals you want to make the other party happy as well because you’re starting a relationship at the outset of that contract. You don’t have to beat them up on every single point in order to best serve your own client.”

Access to the guest speakers was one of the class’s highlights mentioned repeatedly by students.

Samuel Katz ’14, a transfer law student, reflected on his visit to the Los Angeles Lakers training facility and meeting with Jim Perzik ’62, Lakers general counsel. “[Perzik] came to [my previous school] and spoke to about 300 of us and I had to wait in a line of 50 people just to look at his ring. [In this class] I was able to ask him about 30 questions when we met with him.”

“Jim is just a fountain of wisdom,” Yakovee says. “He broke down about 20 contract terms and told them what he would do with each. These students are in a room with a man who has been Dr. Buss’s attorney for 44 years, learning how he views negotiating various contract terms. I learned something. I don’t know where you’re going to get a better tutorial on negotiating a contract than that.”

Students also learned what a day in the life is like for these high-profile individuals. David Cohen, then-general counsel for the Los Angeles Angels of Anaheim, noted that he practices in litigation, insurance law and collective bargaining in addition to supporting the marketing department’s needs.

As an “in-house” attorney, he said the way he manages his day is very important.

“Time is of value,” Cohen said. “If you can find ways to cut the time to do things, you’ll be more productive.”

Before releasing the students into the stadium to watch the Angels take on the Texas Rangers in a tight division race game, Cohen suggested the students look around the ballpark to identify the myriad of sponsorship opportunities his organization takes advantage of. Businesses need to grow, and that means finding new ways, new things and new places to sell, he said.

“The class was really unique, and having faculty members and students from both schools made it a much better experience,” says Eric Perlmutter-Gumbiner ’13, who is earning a joint J.D./MBA degree. “It was really cool to hear both sides and have them work off of each other.”

Their hosts matched students’ enthusiasm about the experience.

“The folks I know in the sports industry welcome the chance to talk to students,” Carter says. “I think they were particularly engaged and interested this time around because it was a very unique opportunity. It wasn’t just coming to USC and talking to my MBA students. It was what happens at the cross section of business and law. I think that for each of them, that was the first time they’d had that discussion and they welcomed it.”

POWER PLAY

Hearing the perspectives of some of the top dealmakers in the sports industry provided the tools for the students to develop and participate in their own mock negotiations, which stood in for their final exam.

This was Casey Schwab’s first class with MBA students. To effectively develop his mock negotiation, Schwab ’13 said, it was valuable to have heard the business side of a sponsorship deal.

“The actual numbers and financial breakdown was interesting because in law school, all we discuss are the legal aspects and what’s binding and not binding,” Schwab said. “It was interesting to hear that, for example, even if something is binding there may not be enough financial incentive to [include something] in a contract.”

Cohen told the students that lawyers are in place to support the business needs and it is the business or sales departments that decide how to expand the business, he said.

“Law is a profession, but when it comes down to the nitty-gritty, I’m a service provider,” Cohen said.

For Carter, who has been teaching business for 18 years, watching his students interact with each other and the speakers provided him with an awareness of how valuable the class had been.

“It was interesting to me that that lack of appreciation went both ways,” Carter says. “The business students didn’t fully comprehend the intricacies of what the legal community goes through, and certainly the law students didn’t understand fully how the business people enter into the negotiations. To hear each side talk about how that creates frustrations and opportunities was a learning experience for me.”