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9B21C031

Negotiating A New Agreement (C): Mindy Fitzgerald—Owner of the Milwaukee bobcats[[1]](#footnote-2)

Justin Patterson and Professor Ann Frost wrote this exercise solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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Background

You are Mindy Fitzgerald, owner of the Milwaukee Bobcats and founder of the largest privately owned staffing and recruiting company in the United States. You bought the Bobcats in 2000 for US$300 million. Your team won the championship back in 2012, bringing additional television deals and increased revenue. However, that was eight years ago, and the Bobcats are now back to operating as a small-market team once again. This has caused you to prioritize the franchise tag, as you have had trouble in recent years persuading players to stay on your team once their contracts expired. With the franchise tag in place, you have been able to consistently keep your best player on the roster. Unlike John Jackson, another owner on the owner bargaining team, you have a very liberal outlook on social issues. For this reason, you also want to prioritize changes to the current drug testing procedures, as you want fewer restrictions on players’ ability to use cannabis to recover from injuries and the day-to-day issues that stem from playing football. You know that Jackson will be the main person to counter your stance on this, as he is extremely conservative and has made it clear through the media that he wants to ensure players are not able to use cannabis under any circumstance.

Key issues

Drug Testing

Since you have a very liberal outlook on life, you feel strongly that the current restrictions and punishments for cannabis use in player recovery and pain management are totally unwarranted. Clearly, social views toward cannabis use are evolving: the United States’ northern neighbour, Canada, legalized the use of recreational marijuana in 2018, and now 11 US states are following suit.[[2]](#footnote-3) Other professional sporting leagues, such as the National Hockey League (NHL), are liberalizing their policies. If the NHL tests a player and the test shows that he has “abnormally high levels” of tetrahydrocannabinol, the result is flagged, and the team doctors then recommend that the player enter a substance abuse and behavioural program. However, the league does not punish the player for the failed drug test; it is simply looking to identify players who have problems and need help.[[3]](#footnote-4) These changes provide more than enough support for your argument that football players deserve to be treated similarly to their NHL counterparts with regard to cannabis use.

Expansion of the Regular Season

This is an issue you are as concerned about, as your team is usually able to remain competitive throughout the season and therefore can sell out all of its home games. The main reason that owners would want to add two more regular-season games is to increase their teams’ revenues through the sale of additional television rights and two more games’ worth of ticket sales. Even though you would appreciate generating additional revenues through those two avenues, you see value in prioritizing other issues that mean more to you.

Commissioner Discipline

In your tenure as an owner, you have rarely had to deal with the commissioner in issues regarding player discipline, and the majority of the players on your team have faced no disciplinary issues. For these reasons, you would rather focus on more pressing issues. You are aware, however, that many people strongly feel that the commissioner should be removed from overseeing issues of player discipline, so you would be willing to make a concession here.[[4]](#footnote-5)

Fully Funded Rule

All owners will want to keep the existing fully funded rule in place because it allows them to deny players more guaranteed salaries. Since you are aware that a serious injury could occur at any time and on any play in a National Football League (NFL) game, you would like the fully funded rule to stay as is to avoid having to pay more guaranteed money to an injured player.[[5]](#footnote-6)

Franchise Tag

The franchise tag was established to give smaller-market teams the opportunity to retain their best players in the hope that these players would then sign long-term deals instead of fleeing to bigger-market teams. Since your team is considered to be a smaller-market team and, in recent years, you have had trouble getting players to stay after their contracts have ended, you would like to keep the franchise tag in place. Without it, you would have trouble keeping your team competitive each year, as you would instead likely lose your best players as they fled to bigger-market teams in search of more money.

Stadium Credits

This issue is not a main priority for you as you have not seen any problems with your current stadium. You do not believe that you will have to relocate or build a new stadium for many years, which is why you would be willing to leave the stadium credits where they are, at 3 per cent, or even make some concessions here.

Rookie Wage Scale

This is another issue where all owners agree: all will want to keep the rookie wage scale at its current level. Paying reduced salaries to rookie players allows NFL teams to pay reduced salaries to veteran players as well; teams are able to “underpay” both rookie and veteran players, which saves them money and allows them to pay more to all-star-calibre players.[[6]](#footnote-7)

summary

You really do not want to face another work stoppage in this round of contract negotiations because, if that were to occur, all owners would be without a revenue stream until a deal was reached. There would also be a risk of negative publicity if a deal was not made in a timely manner. However, as an owners’ representative, you know that you will have to be firm when needed but also make concessions throughout the negotiations. This means that you are willing, albeit not happily, to resort to a lockout if the players refuse to make concessions on the issues that matter the most to the owners.

The NFL Players Association and NFL owners will have their first meeting shortly to start negotiating the new collective bargaining agreement. You want the other owners’ representatives to see the importance of the issues you have prioritized, and you will try to influence their decisions prior to the meeting.

1. The individuals and teams named in this exercise are fictional and have been created solely for the purpose of this exercise; they are not affiliated with the National Football League in any way. [↑](#footnote-ref-2)
2. “Cannabis Laws and Regulations,” Government of Canada, January 23, 2020, accessed October 14, 2020, www.canada.ca/en/health-canada/services/drugs-medication/cannabis/laws-regulations.html [↑](#footnote-ref-3)
3. Emily Kaplan, “Is the NHL the Future of Marijuana in Pro Sports? Why It Could Be,” ESPN, March 7, 2019, accessed October 21, 2020, www.espn.com/nhl/story/\_/id/26046596/is-nhl-future-marijuana-pro-sports-why-be. [↑](#footnote-ref-4)
4. Mark Maske, “NFL Owners Willing to Cut Roger Goodell’s Disciplinary Power, Make Marijuana Concessions,” *Denver Post*, October 19, 2019, accessed October 21, 2020, www.denverpost.com/2019/10/19/nfl-owners-roger-goodell-marijuana/. [↑](#footnote-ref-5)
5. Dom Cosentino, “Why Only the NFL Doesn’t Guarantee Contracts,” Deadspin, January 1, 2017, accessed October 21, 2020, <https://deadspin.com/why-only-the-nfl-doesnt-guarantee-contracts-1797020799>. [↑](#footnote-ref-6)
6. Tyson Langland, “How Rookie Wage Scale Has Changed the Way NFL Teams Draft,” Bleacher Report, April 8, 2014, accessed October 15, 2020, https://bleacherreport.com/articles/2021239-how-rookie-wage-scale-has-changed-the-way-nfl-teams-draft. [↑](#footnote-ref-7)