



EXECUTIVE SEMINAR NEGOTIATION

Confidential Information for the Associate Dean

You are the Associate Dean and Development Director of the Business School at Maxwell University. The Business School includes undergraduate and MBA programs and houses Maxwell's small but prestigious business publication press. You took the position a year ago, after a twenty-year career in retail marketing. You are tasked with fostering alumni and business involvement in the school, with the goal of increasing contributions and facilitating innovative educational offerings in partnership with the business community.

One of your initiatives is Maxwell's "Executive Masters' Series," marketed to high-level managers. Participants can attend individual weekend programs (\$800 tuition), which begin on Friday evenings and continue through Sunday afternoons, or can combine the full six-weekend series (\$4,800) with research and writing projects under faculty supervision to earn a "Master's Certificate" at a tuition of slightly over \$10,000. The Executive Masters' Series is in its first year of operation, and three of the six programs have been completed. The first, "Entrepreneurship and Smart Risk Taking," was a smash hit because your faculty presenter was a dynamo. (The Maxwell Business Press was also pleased because it generated a significant surge in sales of the presenter's book.) The next two programs, however, "Financial Statements and Disclosure" and "Business Ethics and Corporate Governance," received less enthusiastic evaluations. Participants acknowledged the value of the content but grumbled at the presenters' somewhat dry lecture style.

It is extremely important for the success of the series that the next program be a hit. Until a few days ago, you were confident of that. You had lined up Jane Chandler, a leading author and consultant on marketing, as the presenter. A few days ago, however, you learned that Chandler has cancelled all her engagements to be at the side of her terminally ill spouse. You haven't slept much since then and have had no luck finding a substitute. If you can't find another at least semi-big name, you will have to go ahead with an assistant professor of marketing at Maxwell, who has agreed to step in but has never done a stand-alone two-day program before. His teaching evaluations aren't bad, but he is better rated in small seminars than in large lecture-type classes. You would just have to hope that he can pull it off in the Masters' Series setting.

In two days, you must send out a final email blast for the program. As of now you have fifty registrations at \$800 each. After subtracting \$100 per person for food and materials, your per-registrant yield is \$700. The 50 attendees to date THUS yield net revenue of \$35,000, from which you must pay fixed costs such as marketing expenses and speakers' fees. In past programs, targeted blasts sent out about two weeks before a program have brought in somewhere between 10 and 30 more participants. Since your fixed costs are covered by the current registrations, that volume of new registrations would yield anywhere from \$7,000 to more than \$20,000 in pure profit.

EXECUTIVE SEMINAR was originally written by Marjorie Corman Aaron (as Marketing Maybes) but has been adapted and taught with greater frequency by Dwight Golann, who is the author of this preparation outline.



This morning, on the brink of despair, you suddenly remembered talking at a party a few weeks ago with Professor Patrick Williams, a well-known British professor of marketing. You learned that he had relocated to the area after marrying an American. You remember Williams' "Mastery in Marketing" series from your own business school days more than twenty years ago. You made it a point to tell him that his book on retail marketing had been invaluable in your own business. While you have never heard Professor Williams speak to a large group, he was a very dynamic presence at the party—articulate, totally at ease, and with a special British flair. You know he used to be in great demand on the speakers' circuit in Europe. While younger executives might not be familiar with Williams' writings, you believe (or certainly hope) that your program's more senior target audience would recognize his name.

You immediately called Professor Williams, asking if he would be willing to teach the next Executive Masters' program. You apologized for the short notice but told Williams no special preparation would be required—his existing material was entirely suitable. He expressed interest but said that he had an agent who handled all his writing and bookings. You've set up a meeting with the agent.

In preparation for the meeting, you gave some thought to the fee issue and spoke with the Dean of your business school. Chandler's fee would have been \$10,000 plus travel expenses (not an issue for Williams) for the two days. Less well-known trainers charge \$2,500 - \$3,000 per training day, and the associate marketing professor you talked with would probably be happy with a flat \$2,500 for the two days. Moreover, you could deposit the professor's fee in his research account, which would make the Dean happy (funds deposited in research accounts can be used for discretionary professional travel, software, and other expenses the school might otherwise be asked to fund.) At the other end of the spectrum, you recently heard from a friend at a multinational corporation that for topics of special importance, his company will pay as much as \$25,000 for two days of high-level training from an international expert.

You agreed with the Dean that this next program *must* be excellent, as it comes in the wake of others which were lackluster. Another bust would be a body blow for the Executive Masters' series. More registrants would not only swell your profit margin, but also increase registrations for last two programs on the schedule. You and the Dean agreed that it makes no sense to be penny wise and pound foolish about this: you are authorized to pay \$15,000 to \$20,000, or even a little more, if necessary to reach a deal. Time is of the essence though: To have an impact, Williams' name and picture must be in the next email blast, set to go out in two days.

Prepare to negotiate with Professor Williams' agent.