



**The Worldwide
Leader in Sports**

Negotiating Affiliate Contracts at ESPN

West Point Negotiation Project

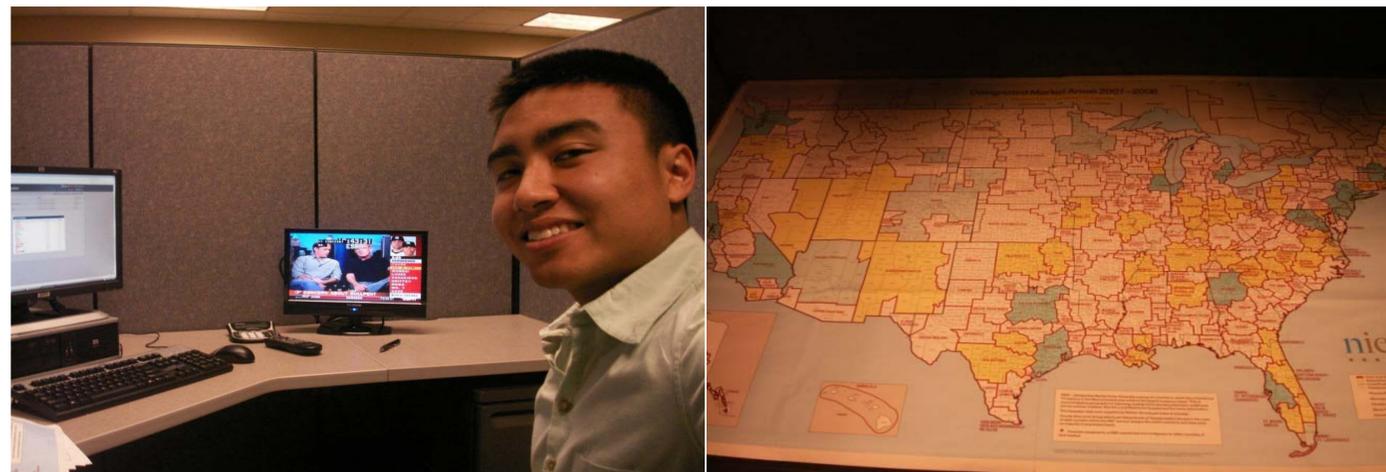
CDT Jev Valles and CDT James Oswald
The United States Military Academy, West Point, NY

**Together We
Triumph**



What Exactly Did I Do at ESPN?

My role within the Affiliate Sales and Marketing Department as well as part of the West Point Negotiation Project, was to prepare a research deck that compiled a list of what ESPN offers to its affiliates. This adds to the legitimacy of the negotiation and also gives affiliates more options to choose from. I also got to sit in on many of the ongoing negotiations and witness my co-workers in action, as well as meet with higher-level executives to discuss what the negotiation is like at the corporate executive level.



Jev Valles: Just a cubicle but it comes with aTV! We know our products best.

Designated Market Area Map used daily to determine Comcast subscribers

What I've Taken Away

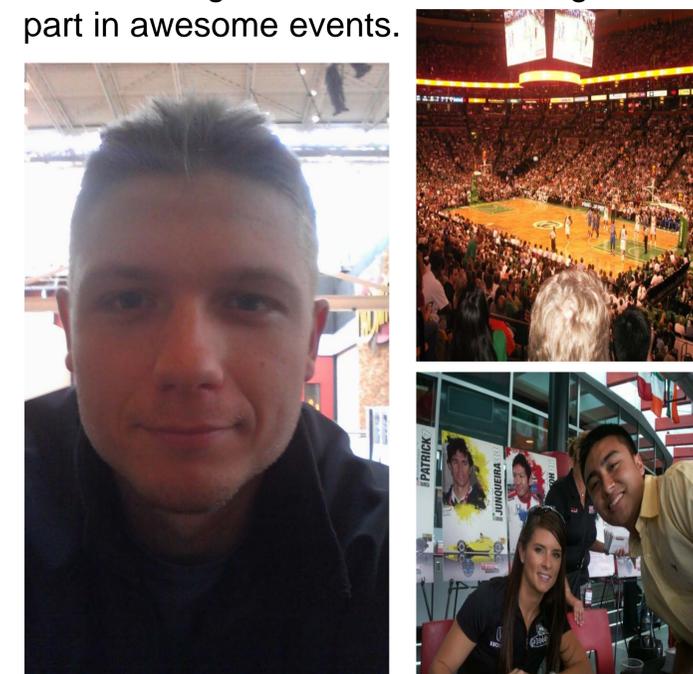
Legitimacy and Relationship were the most important elements employed in closing deals. I sat in on a negotiation with a smaller affiliate and spoke with people from every level of the negotiation all the way up to national accounts, and their biggest point was that the relationship with the affiliate is very important in maintaining long-lasting success. ESPN negotiates hard and expects high prices, but once the commitment has been reached, they are one of the best business partners to have.



ESPN Main Campus, Bristol, CT.

Cool Experiences

ESPN was definitely not all work. It was one of the most fun and interesting times of my life. I made good friends there and got to take part in awesome events.



(Left) James Oswald at the ESPN Cafeteria.

(Right) NBA Finals in Boston

(Top Right) 2nd Anniversary of Sports Nation! On the Campus Lawn

(Bottom Right) Jev Valles with Danica Patrick

What are Affiliate Contracts?

Affiliate contracts are contracts signed between those who want their content distributed to the world and those that distribute it. In this case, the Disney/ESPN Family negotiate with cable and satellite companies such as Time Warner Cable, Comcast, and Cablevision as to how much Disney/ESPN will charge the companies for each subscriber to their content such as the channels ABC, ESPNNews, or the Disney Channel. It is very delicate because these contracts generally span for 10-20 years and involve hundreds of millions of dollars and increased viewership, which in turn affect ad sales. Affiliate sales grosses more money than any other division of Disney/ESPN, even ad sales.