

Agent Selection Education



TEAM USA ATHLETES' COMMISSION

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Do I Need An Agent?

Why: The main reason why athletes need an agent to represent them is to assist them with key aspects of their careers. The main focus will be ensuring you get the type of contract and fair market value that you are entitled to based on your athletic abilities. Sports agents are buffers between you and the entities you are negotiating with.

What Ways An Agent Can Be Beneficial:

1. Support System.

- i. **Assistance.** Agents make themselves available to clients for a host of needs. Agents make themselves available to answer athlete questions, concerns, or requests and should be there to help you, provide advice, take action, and make things happen. This is not always for profit and might have to do with things related to the Ted Stevens Act or other legislation.
- ii. **Advice & Mentorship.** Athletes are often scrutinized regarding their on- and off-the-field activities. Agents are a source of preparation and support when navigating this high-pressure landscape.

2. Business Acumen.

- i. **Industry Expertise.** Good agents stay on top of industry news and trends. This expertise helps them make the best, most informed decisions possible.
- ii. **Networking.** Often athletes do not know where to start when it comes to promoting themselves. Agents have many industry connections to assist in this respect.
- iii. **Media.** Agents assist in helping athletes in developing the right image on social media platforms and through the press. This is so important as an athlete's social media is now a tool for monetizing endorsement deals.
- iv. **Athlete Finances.** Agents can assist athletes in the basics of financial planning, including budgets, tax planning (most agents will stay away from tax/financial planning and suggest that athletes get an accountant or tax professional) or decisions like how to buy a car or a house.

3. Negotiating Contracts.

- i. A key role of an agent is to assist their client is getting what is in their best interest. They are there to advise athletes when it comes to bad contracts, negotiate better compensation, and include protection provisions for injuries, pregnancy clauses, or salary increase options. Or trying to ask for better language that is commercially reasonable and to keep an athlete in compliance with the NGB, USOPC, USOPP, IOC, and/or IOC policy.
- ii. Agents should have the skill set to understand the full scope of an athlete's goals to help them perfect a contract, both now and for the future in a commercially reasonable manner.
- iii. **Finances.** Agents should have knowledge regarding investments, business management, financial management, and risk management. This helps them make long-term contract decisions.

4. Preparing Athletes for Their Second Career.

- i. Agents should help athletes develop a skill set that sets the stage for a smooth transition into life after sports.

How To Pick An Agent:

Considerations & Questions To Ask A Potential Agent:

1. Location.

- i. Is geographic location important to you? Do you want your agent to be where you spend the offseason?

NOTE: With today's technology, physical location becomes less important to some athletes.

HOW TO ASK:

- "Can you provide the name of your firm and where you are regionally located?"

2. Experience.

- i. The agent's experience is important to understand. While not always critical, it is generally good practice to identify an agent with a strong background in representing athletes in your sport.
- ii. You should try to ensure that your agent has experience in building and managing athletes' personal brands.
- iii. If you will be working with others within the agent's firm, you want to know their experience as well (see Point #4 below).
- iv. Are you comfortable with an agent who has not represented an Olympic or Paralympic athlete before? It is good practice to identify an agent familiar with the unique landscape of Team USA and international competition.
- v. Are you comfortable with an agent who represents only athletes from your sport?
- vi. These questions can be a good measure of an agent's negotiating experience, and it will also reveal an agent's past history with athletes from your sport.

HOW TO ASK:

- "How long have you been an agent?"
- "How long have your current staff been in place?"
- "How many Olympic/Paralympic contracts have you negotiated? How many in my sport?"
- "What Olympic/Paralympic cycles have you worked, what was your role, did you do any deals with sponsors in the IOC Top or Team USA family?"
- "What have been some of your most notable deals?"
- "Have you been on-site at a Games or Trials before?"
- "What is your perspective and thoughts on the Ted Stevens Act and/or the Equal Pay for Team USA Act of 2022.?"
- "What do you know about USADA, the Team USA Athletes' Commission, and other stakeholders?"

- 3. Alignment of Vision/Goals.** Are you and your agent on the same page as it pertains to the objectives of your relationship? The athlete and agent relationship should be a partnership that can benefit both sides.
- i. You should make sure that you and your agent share the same vision for your growth and success.
 - ii. You should be unafraid to tell your agent what is most important to you.

HOW TO ASK:

- “Please describe your vision for my career growth”

- 4. Reputation / Industry Relationships.** How well-connected is the agent in the relevant industry?
- i. The stronger the agent’s network within the sports and entertainment industries (for example, prospective sponsors, media outlets, brands, etc.), the better the agent can serve the needs of the athlete.
 - ii. Depending on your sport, it may also be a good idea to determine whether the agent represents any of your direct competitors. While this may not be a dealbreaker, you want to ensure that your agent is not putting the needs of other clients ahead of yours

HOW TO ASK:

- “When identifying opportunities for your clients, what is your approach or methodology?”
- “Who else do you represent in my sport”

- 5. Complaints.** Have any complaints been filed against the agent?
- i. You need to know of any infractions and resulting discipline State Bar Associations, etc. If the answer is yes, it is up to you to decide if it is a deal breaker.

NOTE: This can be very subjective in the Olympic & Paralympic Movement because athletes are usually not under any state code for their sports, which exists for the professional sports leagues in the U.S. Currently there is no registration or reporting mechanism for agents in the Movement.

HOW TO ASK:

- “Have there been any grievances or complaints filed against you or any parties within your firm” (Yes or No). If yes, please explain.”

- 6. Who Will You Be Working With.** Some agencies have agents who specialize in contract negotiations but are less involved with the clients' daily lives. Personal interaction is left to your "lead" agent. There is no right or wrong answer, just get clear guidelines regarding the responsibilities of the team you decide to hire.
- i. The bottom line is that effective communication between you and your agent is essential for a successful partnership, and you should be confident that your agent will be accessible when you need them.

HOW TO ASK:

- "Who will be my lead contract negotiator(s)?"
- "Who will I be involved with day to day?"

- 7. How Many Clients Does this Agent Represent.** It's a personal choice if you want to be part of a big group with a huge industry presence or a small group where you won't get lost or blend of the two. Big usually means lots of relationships with brands and sponsors. Small can mean lots of personal attention. Figure out which combination best suits you. Successful agents often represent multiple athletes going into the Games and often represent athletes competing for the same sport. How many other athletes from your sport do you want your agent to represent? What's your magic number? 2 or 3 might be fine. Is 15 too many? The point here is to understand the agent's perspective on this topic.

HOW TO ASK:

- "What is the total number of clients you, or your firm, have/has that are active athletes?"
- "How many of those are Olympians or Paralympians?"
- "How many (insert sport) athletes do you represent/intend to sign heading into the next Games?"

- 8. Does the Agent have a successful track record.** Does the agent's track record match with their client's success? Ask about the athletes who didn't make it. Being an athlete is a short-term business and not everyone makes it. It is not the agent's fault if an athlete doesn't make the team, but you want to know how they deal with athletes in that situation. Make sure the agent is used to dealing with clients in your projected career trajectory.

HOW TO ASK:

- "Who were your or your firm's Olympians and Paralympians in the past quad?"

- 9. Fee Structure.** How, and how much, does the agent get paid? It is important to understand the fee structure. What percentage of your deals will your agent be entitled to? What happens if a deal comes to you without your agent's involvement?
- Do you pay the agent directly, or does the agent receive the funds, take the agent fee, and then pay you the rest?
 - Athletes should also be aware of how they get the funds once work is procured. Typically, a larger agency group will have the payment go to them first and then they

deduct their percentage and then send the athlete the rest. Then at the end of the tax year, the larger agency will send out a 1099 to the athlete. The athlete must understand this principle because if the payment goes directly to the athlete, then they need to pay their agent their commission in a commercially reasonable period after they receive their money, or whatever their representation agreement states.

NOTE: Marketing agent fees typically run from about 10-20% and agent fees: 1-5%. 5% of professional contracts in the WNBA, NWSL, and a permanent fee are being negotiated in the PWHL right now contemplated to be 3-5%. The NFL, NBA, MLB and NHL have fees that range from 2-5% depending on the size of the contract (lower % when it is a 10-50 million dollar type of deal).¹

HOW TO ASK:

- Please describe your fee structure.
- Do you get paid on every deal, regardless of your involvement level?

Other Factors to Consider:

- Interview several agents — there are many qualified agents out there
- Verify the clients represented by each agent
- Familiarize yourself with the relevant USOPC Commercial Guidelines and IOC/IPC guidelines
- A common mistake an athlete can make is they go with the agent offering the lowest fee. While you may be saving money in the short term, you need to also consider that you could be losing out on a substantial amount in the long term not partnering with an agent that is the best for you. Athletes need to make sure they are comfortable with the negotiating skills of the agent, not just the amount of money they charge.
- You also need to consider conflicts of interest. It would be good to know if the agent represents any NGBs or has other financial conflicts with any of the advertisers that they are trying to solicit with the brands and/or anyone at USOPP, USOPC, LA 28, SLC 34, IOC, IPC, etc.

¹ Team USA AC staff had conversations with a variety of agents and experts in the field, based on those conversation these estimates were made.