

FOOTBALL AGENTS IN THE BIGGEST FIVE EUROPEAN FOOTBALL MARKETS

AN EMPIRICAL RESEARCH REPORT

FEBRUARY 2012

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Football agent portrayed by the Ivorian woodcarver Bienwélé Coulibaly

Executive summary

While intermediaries acting in the transfers of footballers have existed since almost the birth of the professional game, the profession of agent was not officially recognised until 1991 when FIFA established the first official licensing system. In November 2011, there were 6,082 licensed agents worldwide: 41% of them were domiciled within countries hosting the big five European leagues: England, Spain, Germany, Italy and France.

This research project firstly investigates shares in the representation market of players in the five major European championships. By presenting the results of a survey questionnaire, it analyses the socio-demographic profile of licensed football agents in the above mentioned countries, the business structure of their activity, the different kinds of services provided, and the way in which they are performed from a relational point of view (network approach).

The analysis of shares highlights that the big five league players' representation market is highly concentrated: half of the footballers are managed by 83 football agents or agencies. Our study reveals the existence of closed relational networks that clearly favors the concentration of players under the control of few agents. Footballers are not equally distributed between intermediaries. Conversely, dominant actors exist alongside dominated agents. One fifth of the agents having answered to our questionnaire manage the career of half of the players represented on the whole.

Despite the high concentration of players and the fierce competitiveness in the representation market, every year this profession attracts new aspirants who desire to become agents. For many of them their ambitions will be not fulfilled and they will formally remain licensed agents without being able to make a living from it. Difficulties faced often generate a sense of disillusionment. Only 41% of licensed agents among our respondents work full-time, whereas the remaining ones also operate in different business sectors, primarily law and finance.

Only 3.4% of our respondents are female, which confirms that until now the profession of agents is dominated by men. This percentage corresponds to that measured at the level of all licensed in the biggest five European football markets. The average age of agents in our sample is 42. Two

thirds of them are included in the age range from 31 to 50 years. On average, licensed agents have seven years of work experience in the transfer market. Interestingly, one quarter of them first operated without a regular license. This shows that licensed agents are clearly not the only intermediaries involved in the representation market for football players.

While agents are not required to possess any specific educational degree in order to pass the exam to gain a licence, they have a respectable educational level. Overall, 74% of respondents hold a university degree. In detail, 41% have a bachelor's degree, another 26% have reached master's level, and 7% hold higher qualifications at doctorate level. The high level of education is combined with good language skills.

Being key figures in the process of football globalisation, agents are required to speak foreign languages in order to operate in the transnational transfer market. Indeed, only 29% of our respondents do not speak any foreign language at intermediary level at least. English is the most popular foreign language spoken, followed by French and, to a much lesser extent, Spanish.

More than half of our respondents (54%) worked in the football industry before they entered the representation market as an agent. On the whole, 23% of licensed agents had a career in football as a player, roughly 13% scouted players, 7.5% worked as football manager and 5.5% were sporting directors. The high proportion of former professional footballers among licensed agents confirms that this profession is often seen by players as a possibility to re-orientate their career in capitalising on existing social networks.

In terms of the business structure through which agents operate, our survey questionnaire unveils that a slight majority of our respondents (51%) founded their own agency. Only half of the companies founded by agents have other shareholders than the founder themselves. Of these companies, nearly 70% have no more than two shareholders. In almost eight cases out of ten, the licensed agent is the main shareholder. The data shows how atomized the business structure through which agents operate is.

However, this does not prevent high level of concentration. From this perspective, the lightening of conditions to become an agent set up since 2001 by FIFA under the pressure of the European

Commission has clearly not reached the expected goal to enhance competitiveness in the representation market.

From our survey it also appears that licensed agents provide multiple services beyond that of private job placement. While negotiating is the most frequent service provided (98% of our respondents), almost two thirds of them also assist their clients with marketing and endorsement contracts and half offer legal counselling and dispute resolution. Surprisingly, only a minority of agents (46%) support their clients in personal care activities such as finding a house or flat, organize travel, helping family members, etc.

This result shows that the general view of agents “baby-sitting” their protégés does not correspond to the reality. The former are above all busy in spinning webs and brokering deals. This is confirmed by the findings on the frequency of tasks performed. The only activity that a majority of agents undertakes daily is networking for transfers (61.2%). About 40% of our respondents also scout players and update on relevant information on a daily basis. At the opposite end of the table, only 16.9% of them assist players with their current needs.

Interestingly, only 42% of the players represented by our respondents are senior professionals. This result clearly indicates that most of the agents are above all active in the search of young talents through whom making money in the future. While promising players can also take advantage from this situation, the pressure that intermediaries may exert on them is a controversial issue. The necessity for many agents to broker deals on a short-term basis to make a living from their profession is often detrimental to young players’ career prospects.

While competition from dominant actors and closed circles of trust often prevents newcomers to significantly increase their level of activity, collaboration between intermediaries is also a crucial aspect of the profession. Half of the respondents confirmed that they directly represent players on behalf of other colleagues. The main reasons to enter in such partnerships is to introduce a player client in a specific national market (80% of agents representing players on behalf of colleagues), and to a lesser extent, in a specific club (60%). This confirms the role of individual agents in the setting up of transnational networks which are at the basis of the globalisation of the football players’ labour and transfer market.

In order to develop their activity, licensed agents also work closely with other professionals in football. According to our survey, sporting directors are clearly indicated as the most important business partners when placing players, followed by football managers. Almost 40% of agents of our respondents have already represented at least one football manager since starting their career.

The great proportion of agents who manage the careers of both players and managers raises the question on conflicts of interest existing in the representation market. The importance of this problem is even greater considering that more than 70% of our respondents also assist clubs in buying, selling or scouting players. All these figures reflect the existence of intricate situations with a lot of vested interests calling for more transparency.

From this perspective, the decision of the English Premier League to disclose the figures on commission fees paid by clubs to agents is very beneficial. FIFA is also favourable to publishing remunerations made to intermediaries (Villiger 2011), which are now registered in the online platform developed for international transfers (Transfer Matching System).

Starting from the English Premier League data for 2010/11, relating them to the total amount of transfer fees and salaries paid for this season, and extrapolating the figures at European level thanks to the UEFA's benchmarking report data, we can estimate that the yearly football intermediaries' turnover in UEFA member national associations is around 400 million €, exactly twice as much as that estimated for all sports agents in the EU in 2008 by a study launched by the European Commission.

Table of contents

Introduction	7
Research object and methodology.....	10
Part I: Concentration and key actors in the representation market for big five league players	15
Section 1.1 – Football intermediaries’ turnover in Europe	15
Section 1.2 – Concentration in the big five league representation market.....	16
Section 1.3 – Dominant agents.....	26
Part II - Demographic profile of licensed agents.....	37
Section 2.1: Demographic analysis of licensed agents.....	37
Section 2.2: Work experience analysis of licensed agents	44
Part III - Licensed agents’ business structure and services provided.....	50
Section 3.1: Football agencies’ business structure analysis	50
Section 3.2: Licensed agents’ services	56
Part IV - Licensed agents’ work activity and networks.....	65
Section 4.1 - Licensed agents’ level of activity	65
Section 4.2 - Licensed Agents’ networks within the Football Industry	70
Conclusion.....	75
Bibliography.....	79

Introduction

As highlighted by the relational approach of the football players' transfer market (Poli, 2010a, 2010c), global migration flows are enhanced by the activity of agents. Since the birth of professional football, intermediaries have created transnational networks in order to provide the best conditions for players' mobility. Progressively, they have become key figures in the football industry.

Helped by the legal reforms in the regulation of the players' labour market -notably the Bosman ruling in 1995 that significantly enhanced their bargaining power- as well as by the financial growth of top clubs' revenues, agents have been capable of fully exploiting their new and more favourable position in the transfer market. The latter generates billions of euros every year.

Since the 2011 winter transfer window, through the implementation of the Transfer Matching System (TMS), FIFA has started collecting the first official data set on players' international transfers. In the first nine months of 2011, 7,854 players' international transfers have been recorded for a total amount of \$1.734bn (TMS, 2011). While this sum only concerns club to club deals, extra money is almost paid to intermediaries who broker the transfers on behalf on selling clubs, buying ones or individual footballers.

Nowadays, many football agents are well-known due to media portraits, usually related to transfer deals and rumours, but also sometimes to fraudulent practices. Subsequently, there is a common stereotyped image of football agents that does not take into consideration all the inner aspects related to this profession. A general lack of transparency regarding the mechanisms behind deals concluded and actors involved in the transfer market also reinforce an incomplete image of football intermediaries.

Several research studies have focused on agents, looking at theoretical and legislative aspects of this profession. For instance, Holt et al. (2006) provide a description of the activity of football agents through game theory. By the way, they insist on the key problem of conflicts of interest. Siekmann et al. (2007) illustrate the different legal frameworks concerning the activity of sports agents in several states worldwide. In 2009, a research project commissioned by the European

Commission examined the role of sports agents in the European Union. This study provides a description of the legal, social and economic contexts in which agents operate (KEA et al., 2009).

Based on a detailed analysis of market shares in the five major championships as well as on a survey questionnaire sent out to all the licensed professionals in these countries, our study adds original data to this research field. This report is structured around four research questions:

- **Who are the key actors in the representation market for big five league players?**

While the number of agents is constantly increasing, that of footballers under contract with clubs in the five major European leagues is stable. Using the CIES Football Observatory's database on agents with clients in the big five, the goal is to identify dominant actors among intermediaries and to measure the level of concentration in the representation market for top footballers. In this part we also do an estimate of the annual turnover for football intermediaries in Europe (Part I).

- **What is the socio-demographic profile of licensed agents?**

The aim here is to acquire a better understanding of the socio-demographic characteristics of licensed agents. By using data from our questionnaire, we first analyse generic demographic aspects such as gender, age, and educational background. Then, we concentrate on agents' previous working experience to better delineate their profile in connection with the football industry (Part II).

- **What are the business structures of their activity and services provided?**

This part describes the way in which football agents structure their business. Firstly, we analyse whether licensed agents have founded their own agency and are supported by shareholders; and how their business activity is organized in terms of employees. Secondly, apart from job placement, we illustrate which kind of services individual agents provide to their clients, the location of their offices, and whether they represent athletes from other disciplines and/or entertainers (Part III).

- **What are their levels of activity and work networks?**

The focus is on investigating the level of agents' activity. For the majority of them, this profession is often occasional and sporadic and their involvement is limited to certain transfer market segments. Hence, the intention was to acquire information on how long they work weekly; how they organize the weekly activities; whether they collaborate with other colleagues; and how relevant their contacts are with other professionals related to the football industry (Part IV).

The report is based on a research project that lasted from October 2010 to December 2011. It was mainly financed by the João Havelange scholarship with the support of the CIES Football Observatory. While we are conscious that the data and information collected might not be exhaustive in some cases, we are convinced that all results presented are reliable and that this pioneering empirical research adds new insights to the knowledge of licensed football agents. We hope that this work will be useful for football governing bodies and, from an academic perspective, that it will help the development of the incipient research field on sports globalisation, transfer market and intermediaries.

Research object and methodology

For the purposes of this study, we only considered licensed agents. While we are conscious that unlicensed intermediaries are also active in the footballers' representation and transfer market, this choice is justified by the fact that it has permitted us to easily identify and delimitate a population sample. Insofar as we stick to licensed agents, we can refer to the definition of this actor provided by FIFA in its players' agents' regulations: *"a natural person who, for a fee, introduces players to clubs with a view to negotiating or renegotiating an employment contract or introduces two clubs to one another with a view to concluding a transfer agreement"* (FIFA, 2008: 4):

The analysis was carried out on the countries in which the profession of licensed agents is most developed in numerical and financial terms: Germany, England, France, Spain and Italy. These countries host the most renowned football leagues of the world, with the highest amount of revenue (€8.4bn) and wage costs (€5.5bn) (Deloitte, 2011). Furthermore, the highest percentage of player transfer turnover is directly connected to these markets (UEFA, 2011). As a consequence, it is not surprising that many of the most relevant and influential agents are domiciled in these countries and operate in the big five league market.

With regard to our survey, the sample was drawn from the list of licensed football agents who have been certified by their national associations. The list was kindly provided by FIFA and it included the personal contacts of 5,787 licensed agents worldwide. More specifically, 2,405 licensed agents are domiciled in the big five league countries, which account for approximately 41% of the entire agents' population.

Consistent with the FIFA list, the population sample is divided in the following proportions per country:

- 730 official licensed agents in Italy (30% of the research sample);
- 581 official licensed agents in Spain (24% of the research sample);
- 458 official licensed agents in England (19% of the research sample);
- 355 official licensed agents in Germany (16% of the research sample);
- 285 official licensed agents in France (11% of the research sample).

The questionnaire conceived was fully anonymous. It was structured in three main sections with a total of 45 questions:

- Section I comprises 15 questions aimed at gathering personal information on licensed agents for the socio-demographic analyses;
- Section II includes 11 questions which concentrate on how licensed agents structure and organise their business activity;
- Section III contains 19 questions which focus on how licensed agents work in terms of the level of their activity and networks used.

The questionnaire survey was prepared, launched and collected along three sequential phases:

Phase I: the questionnaire was drafted according to the research questions;

To prepare the questionnaire version, we used the software package *Qualtrics* which was essential to draw the outline; to set up the on-line format; and to carry out the re-launches. Furthermore, this software enabled us to create a proper web-link from the CIES Football Observatory website in order to gather all the answered questionnaires and to check the response rate. The questionnaire was written in the following languages: English, French, Spanish, Italian and German. The draft questionnaire was sent to seven licensed agents for a pilot test and promptly revised in relation to their feedbacks. This process was also central to

assess how long the completion of the questionnaire required since this factor could easily affect the rate of survey response. Finally, a unique structure was validated for the five languages.

Phase II: the questionnaire was launched by sending a paper letter by mail to every licensed agent;

In each envelope, we included the questionnaire in paper form; a cover letter which briefly explained the purpose of the research project, invited the agent to fill in the questionnaire and indicated how to take part in the survey; and a coded, postage-paid, self-addressed return envelope. We mailed 2,367 envelopes on 7 March 2011 and a total of 98 envelopes were undelivered. Recipients were requested to complete the questionnaire and return it to the CIES Football Observatory office in Switzerland with a first deadline on 1 April 2011. While firstly contacted per mail, we have since the beginning given to licensed agents the alternative choice of filling in the on-line questionnaire through a web-link mentioned in the letter. Forty Italian licensed agents were excluded as their mail addresses were those of the FIGC, the Italian Football Federation.

Phase III: the questionnaire was re-launched twice by sending an e-mail to every licensed agent.

The re-launches of the questionnaire were made by contacting the licensed agents by e-mail in two different periods. Since some licensed agents did not provide their e-mail addresses to FIFA, in total 1,979 e-mails were sent and 272 of them bounced back. The first and second re-launches by e-mail were respectively sent on 2 April 2011 and 16 April 2011. The recipients were invited to answer as soon as possible by 15 April 2011 and 30 April 2011 correspondingly for the first and the second re-launches. In both re-launches, the 40 Italian licensed agents previously excluded were included in the sample. All the returned questionnaires were collected and grouped per country. All the answers were codified and recorded electronically for the analysis.

To raise the rate of response in the first launch, after having completed the questionnaire, every agent could ask for a free copy of the Demographic Study of Football Players 2011 edited by the CIES Football Observatory. In total, 54 copies were requested. Moreover, for the second re-launch by e-mail, every licensed agent had the possibility of downloading the Global Player Migration Report 2011, also edited by the CIES Football Observatory. Overall, 15 electronic

copies of this report were provided to agents. Both these offers were only available by sending an e-mail of request mentioning a specific code.

Cross-checking the e-mails that bounced back with the letters returned by post, in total 81 licensed agents were not contacted for the survey either by post or by e-mail. As a result, the final survey sample is composed of 2,324 licensed agents who were contacted on at least one occasion. The final response rate to the survey was 11.5% (269 returned questionnaires). While in 11 cases the questionnaire was only partially answered, the vast majority of responses were of a high quality. In total, there were 196 responses by letter, while 73 licensed agents preferred to answer using the on-line questionnaire survey format.

In detail, the number of responses by licensed agents domiciled per country was as follows:

- 94 responses from Italy (12.8% of the research sample);
- 58 responses from Spain (9.9% of the research sample);
- 31 responses from England (6.7% of the research sample);
- 52 responses from Germany (14.6% of the research sample);
- 34 responses from France (11.9% of the research sample).

In comparison with the response rate obtained in a similar research project such as the Study on Sports Agents commissioned by the European Commission –30 answers out of 1221 individual agents contacted (2.46%)– (KEA et al., 2009), we can be extremely satisfied with this result. Nevertheless, due to the relatively small response sample, we refrained from sophisticated statistical analysis and preferred to develop a descriptive one.

It is important to remark that the EFAA, European Football Agents Associations, and the football agents' associations of the individual countries within the big five leagues were directly contacted in order to have their official support for promoting our survey. Although at the beginning they were enthusiastic and interested in our initiative and were keen to collaborate, they eventually declined to offer support.

Beside the survey, by cross-checking several online sources, we monitored football agents representing big five league players. In order to validate the empirical evidence, this mapping procedure was carried out twice in two distinct periods just after the transfer market windows of the football season: the semester after the summer transfer window, and the semester after the winter one. Additionally, where it was possible, we recorded all players' transfer fees from several reliable media sources. This work is carried out on a daily basis by the CIES Football Observatory.

Part I: Concentration and key actors in the representation market for big five league players

In this part we analyse the representation market for players under contract with clubs in the five major European championships. We first measure the level of concentration in different market segments, and then we provide more information on individual agents and agencies that have appeared as being the most influential ones. First of all, it is also important to assess the annual economic turnover of agents in UEFA member associations.

Section 1.1 – Football intermediaries’ turnover in Europe

Measuring the turnover of football intermediaries is a difficult task. Indeed, it is usual that agents’ fees are never fully disclosed. Sometimes these payments might also follow illegal practices. Apart from the Football League in England, to our knowledge, the English Premier League is the only championship to disclose the commission paid by clubs to agents. The total amount was around £67m in 2009/10 (BBC, 2010) and £72m in 2010/11 (BBC, 2011).

Our own estimation starts from this official figure for the 2010/11 season, that of the personnel expenditure in the English Premier League for the same provided by UEFA’s Benchmarking Report (2012), and that of the total amount of transfer fees paid by English Premier League clubs in 2010/11 collected by the CIES Football Observatory by crosschecking several media sources. It then appears that commissions paid to agent account for about 3.5% of the total money spent in salaries and transfer fees.

By applying the same ratio to all other top division leagues in UEFA member national associations, we can estimate that the yearly football intermediaries’ turnover in Europe is around 400 million €. This figure is even probably quite conservative insofar as revenues generated by brokering deals in lower European leagues for which data on salaries and transfer fees are missing are not included in the projection. However, it is twice greater than that estimated for all sports agents in the EU in 2008 by a study launched by the European Commission (KEA et al., 2009) In detail, according to our estimate, the transfer and

representation market for the big five European leagues represent almost 70% of the total football intermediaries' turnover in Europe.

Estimate of football intermediaries' turnover in UEFA member national associations, per country (season 2010/11, millions €)

Country	Commissions	% cumulated
England	86.2	22.4
Italy	57.9	37.5
Spain	45.9	49.4
Germany	37.7	59.2
France	35.7	68.5
Russia	22.1	74.3
Turkey	15.0	78.2
Netherlands	10.7	81.0
Portugal	10.3	83.6
Ukraine	9.4	86.1

In our survey questionnaire, respondents were asked to estimate the progression in their earnings from 2010 to 2011. Roughly 60% of them have asserted thinking that their turnover would increase, whereas only 14% had negative expectations. The remaining 26% forecasted the same level of turnover in 2011 as in 2010. Despite the high level of competitiveness in the industry, this finding shows that agents are mainly confident about the future of their activity. This probably reflects the great amount of money at stake.

Section 1.2 – Concentration in the big five league representation market

To measure the level of concentration in the big five league player representation market, we needed to collect the information on main agent for every footballer and, when necessary, also the name of the sub or second agent. From a statistical point of view, agents that work for the same agency were grouped under the name of a single entity. Apart from licensed agents, we also included lawyers, players' relatives and unlicensed intermediaries.

The data collected refers to players present in the big five in the second half of the 2010/11 season. By crosschecking a plurality of sources, we managed to ascertain the intermediary for 76.9% of the players: 57.3% in France, where transparency is by far not optimal, 70.6% in England, 79.1% in Spain, 86.1% in Italy and 91.7% in Germany.

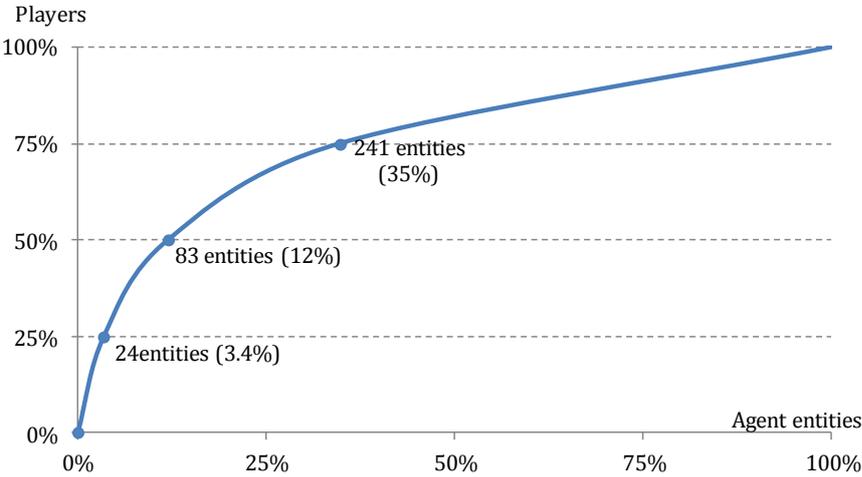
The level of players' concentration per individual agent or agency is firstly analysed on the whole, then by league, and finally according to different market segments determined on the basis of players' characteristics such as their origin and level of the club they play for.

Overall concentration

In total, 694 individual agents or companies represented the 1,945 players under contract with clubs of the big five leagues during the second semester of the 2010/11 season for whom we were able to collect the relevant information (about three quarter of all footballers). The analysis of the distribution of players per agent clearly shows that the representation market of top level league footballers is concentrated in the hands of few intermediaries.

Indeed, half of the players are clients of 83 individual agents or agencies (12% of those manage the career of at least one footballer in the big five), and one quarter of footballers are represented by only 24 of them. From the perspective of market concentration, it is useful to remember that there are more than 2'400 licensed agents domiciled in the countries hosting the five major European championships.

Percentage of individual agents or agencies (entities) with clients in the big five according to the percentage of players represented (season 2010/11)



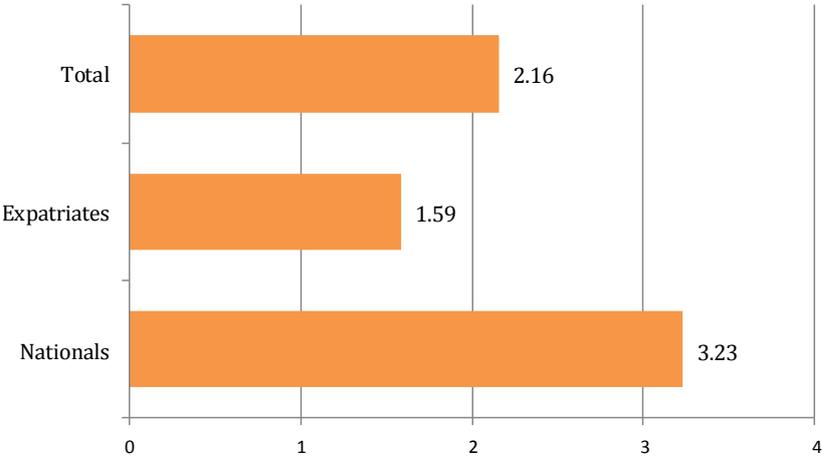
Our analysis shows the existence of strong entry barriers for whoever aspires to work in the representation market of top league footballers. Although it is relatively easy to obtain the license to officially operate, the existence of established agents dominating the market is undoubtedly until now an important hurdle for newcomers.

From this perspective, the attempt of increasing the competition in the representation market by facilitating the obtainment of a license preconized by the European Commission and put into practice by FIFA with the coming into force of the new agents' regulations in 2001 has clearly not been allowed to reach the desired goal. Insofar clubs and players rely and trust on few agents, despite regulation changes the representation business is not as open and accessible to all intermediaries as the relative facility to get a license would suggest.

Concentration according to origin

On average, every agent or company with at least one client in the big five leagues represents 2.16 players. This rate is much lower for expatriates than for nationals. According to the CIES Football Observatory definition (Poli, Ravenel, Besson 2011), expatriates are footballers playing outside of the country in which they grew up and from which they departed following recruitment by a foreign club.

Average number of big five league players per individual agent or agency, according to origin



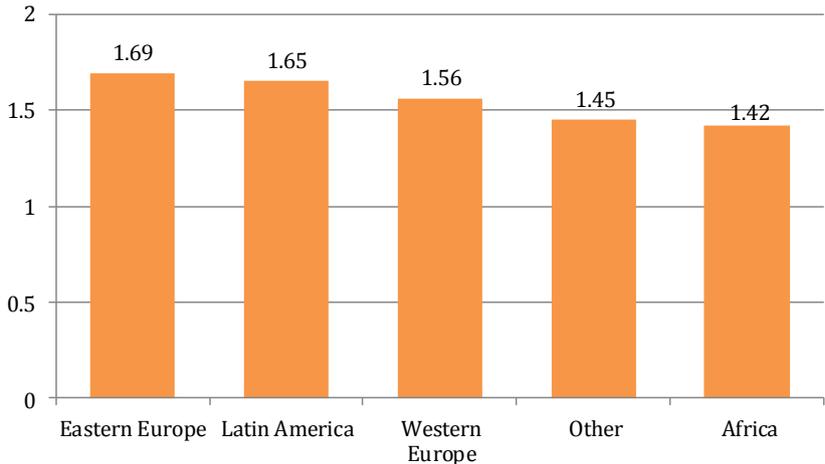
These discrepancies highlight that despite globalisation the representation market is still clearly segmented according to country. The higher concentration for national players in the big five leagues shows that well established local agents hold dominant positions within the territory where they are domiciled and from where the vast majority of cases originate. As a consequence, it is extremely difficult for foreign agents to enter new markets with the intention of representing national players.

On the contrary, it often happens that expatriate players change their representatives in favour of local agents who can provide better transfer and contract opportunities within that national market, above all when the latter is particularly lucrative as for big five leagues. In 2008, for example, Cesc Fabregas split with his long-term agent Joseba Díaz in favour of the lawyer Darren Dein, the son of the former Arsenal vice-chairman David Dein.

To protect their interests, and by the way often also those of their protégés, foreign agents establish formal agreements with local agents to penetrate the national markets where the latter operate. For example, Pablo Betancourt, one of the most prominent agents in Uruguay, closely collaborates with the Italian agent Vincenzo D'Ippolito. The latter represents all Betancourt's players in Italy. Such a partnership allows them to take advantage of their respective dominant position in two countries on the offer (Uruguay) and demand (Italy) side. Such a strategic agreement permits them to enhance their bargaining power vis-à-vis clubs and players and protect them against possible competitors among other intermediaries.

While always lower than for national players, the average number of expatriate players per agent varies according to origin. The highest levels of players' concentration per agent are for expatriate players from Eastern Europe (1.69) and Latin America (1.65).

Average number of big five league players per individual agent or agency, according to league (expatriates only)



With regard to Eastern Europe, for example, eight out of the 13 Romanian players in the big five leagues are clients of the agency Becali Sport, founded by the brothers Ioan and Victor Becali.

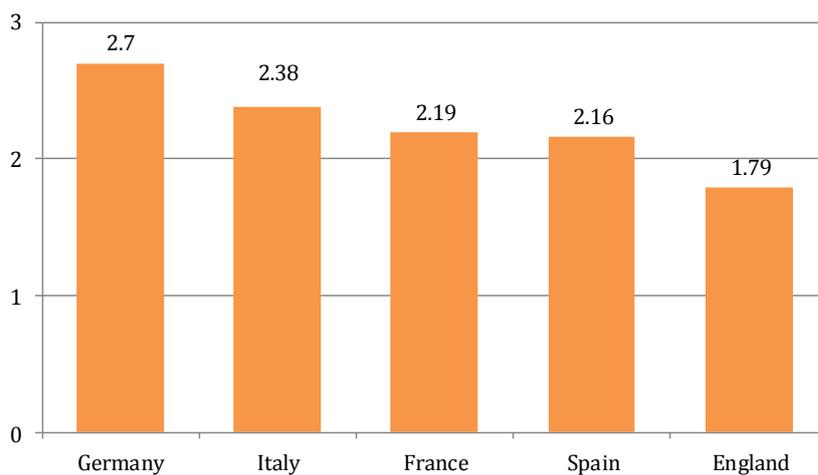
Similarly, concerning South America, 16 out of 37 Uruguayan players are represented by the same agent, Paco Casal, while the career of a dozen of them is managed by Pablo Betancourt.

The lowest concentration rate was measured for African players (1.42 footballers per agent). Although the total number of licensed agents in Africa increased to 567 in 2011¹, until now there are no very influential local agencies, a very different situation to that observed in the most exporting Latin American countries such as Brazil, Argentina and Uruguay.

Concentration per league

The highest level of player concentration per individual agent or company is to be found in Germany. The opposite holds true for the English Premier League. The figure for French Ligue 1 may be slightly biased because of the higher rate of missing data.

Average number of big five league players per individual agent or agency, according to league



The high level of concentration measured in Germany reflects the dominant position in this market held by local intermediaries such as Volker Struth, Thomas Kroth, Jürgen Werner or Roger Wittmann. Moreover, some agents there are strongly linked to specific ethnic groups. For example, many German players with Turkish, Iranian and Bosnian origins are represented by the agent Ramadani Fali, while many footballers with Greek origins are clients of Paul Koutsoliakos.

¹ According to FIFA's licensed agent list, this number corresponds to roughly 10% of the entire population of agents.

Some German agencies are also at the heart of the import of players from specific countries. For example, Pro Profil has built a strong transfer network with Japan. Their representatives work on behalf of the more and more numerous Japan players under contract with Bundesliga teams. The agency Stars & Friends has also built transnational networks and owns offices in Austria, Slovakia and the Czech Republic, representing many players from these Mittel-European countries. It has also developed official partnerships with top foreign agencies such as Sport Invest in Slovakia and Servicios Deportivos IDUB in the Basque region.

At the opposite end of the table, the English representation is the most fragmented. This is probably related to the fact that the Premier League is the wealthiest of the world (Deloitte, 2011) and English clubs have the means to attract the best players worldwide. As a consequence, England has the highest percentage of expatriate players (56.7%) in the big five (Poli, Ravenel, Besson 2011). This favours the presence of foreign agents and contributes to a greater diversification in the composition of the representation market. A greater control and more transparency on transfer deals may also be part of the explanation, even though misconducts are also occurring in this country (Bower, 2003).

Concentration per club level

Players' concentration per agent can also be analysed according to club level. Following the procedure conceived by the CIES Football Observatory (Poli, Ravenel, Besson 2011), the level of each club has been calculated by combining the percentage of points won in European club competitions by the representatives of a country for the last five seasons, and the number of points per match obtained by teams in their respective championships during the reference season. Subsequently, as shown below, clubs are divided in four categories.

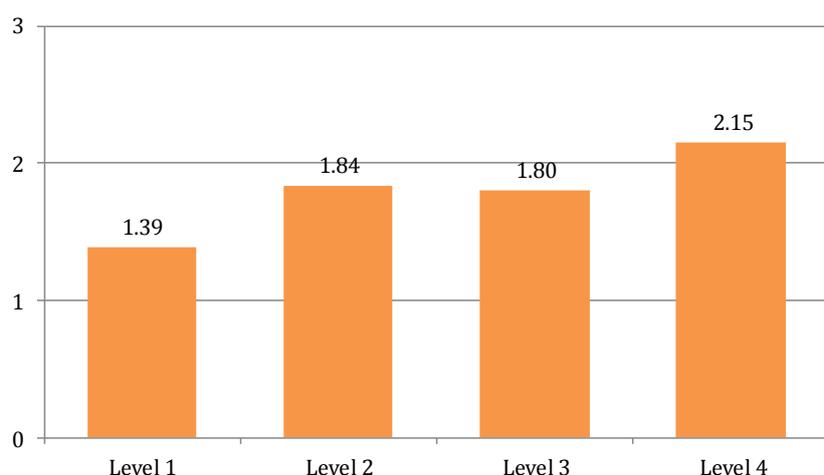
Big five league club category according to sporting level (season 2010/11)

	Clubs
Level 1	Barcelona, Real Madrid, Manchester United, Borussia Dortmund, Chelsea, Manchester City, Arsenal, AC Milan
Level 2	Valencia, Bayer Leverkusen, Tottenham, Bayern Munich, Inter, OSC Lille, Villareal, Everton, Liverpool, Napoli, Hannover, Atletico Madrid, Sevilla, FSV Mainz, Olympique Marseille, SS Lazio, Udinese, Athletic Bilbao, Fulham, AS Roma, Olympique Lyon, Aston Villa, Juventus
Level 3	Newcastle, Sunderland, West Bromwich Albion, Paris Saint Germain, Sporting Gijon, Bolton, Nürnberg, Stoke City, Osasuna, Racing Santander, Espanyol, Fiorentina, Palermo, Kaiserslautern, Hamburg, Blackburn Rovers, Sochaux, Stade Rennais, Levante, Malaga, Deportivo La Coruna, Real Zaragoza, Hoffenheim, Birmingham City, FC Genoa, Getafe, Mallorca
Level 4	FC Köln, SC Freiburg, Werder Bremen, Auxerre, Real Sociedad, Valenciennes, VfB Stuttgart, Chievo Verona, FC Parma, Blackpool FC, Wolverhampton Wanderers, St-Etienne, FC Lorient, Bologna, Catania, Schalke 04, Wolfsburg, Toulouse, Cagliari Calcio, AS Monaco, Nancy, Montpellier, OGC Nice, Caen, Stade Brestois, Cesena, West Ham, Borussia Mönchengladbach, Lecce, Hercules, Frankfurt, Sampdoria, Almeria, RC Lens, Brescia, St. Pauli, AS Bari, Arles-Avignon

As shown in the following figure, higher the level of clubs, lower the average number of players per individual agent or agency. This finding reflects a lower concentration in the representation market for players in the very top big five league teams than for footballers under contract with the least performing ones. Insofar as top clubs heavily invest in the players' scouting, they probably do not need to rely as much on agents as middle or bottom ranked clubs.

Their financial means also allows them to recruit the best performing footballers irrespectively of the intermediaries managing their career. Moreover, evidence suggests that top teams have a lower tendency to depend on agents to find a manager than least performing ones.

Average number of big five league players per individual agent or agency, according to club level



Concentration per club

In order to measure the concentration in the representation market at club level, we used the Gini Index, also called the index of concentration. It is a measure of distributional inequalities such as market share: higher its value, higher the level of concentration. A score of 100 indicates total inequality where only one person corners all the market shares

Only clubs for which we were able to collect the information on agents for at least 15 players are included in our analysis. In total, this was the case for 86 clubs out of 98.

Highest concentrations of players per agent, per club

Rank - Club	Gini Index	Players/Agents
1. Athletic Club Bilbao (ESP)	42.4	2.10
2. Real Sociedad (ESP)	35	1.67
3. Valenciennes FC (FRA)	31.1	1.67
4. Sporting Gijon (ESP)	30.3	1.58
5. Stade Brestois (FRA)	29.6	1.67
6. FC St. Pauli (GER)	28.6	1.57
7. FC Kaiserslautern (GER)	28.3	1.56
8. UD Almeira (ESP)	26.7	1.46
9. AS St-Etienne (FRA)	25	1.45
10. CA Osasuna (ESP)	23.3	1.67
11. Paris St-Germain (FRA)	23	1.36
12. Palermo US (ITA)	22.9	1.40
13. SV Werder Bremen (GER)	22.6	1.47
14. AS Roma (ITA)	22.5	1.41
Eintracht Frankfurt (GER)	22.5	1.41
16. Milan AC (ITA)	22.1	1.36

17.	FC Sochaux (FRA)	21.9	1.33
18.	Sampdoria UC (ITA)	21.6	1.38
19.	Calcio Catania (ITA)	21.5	1.32
20.	FC Köln (GER)	21.4	1.30

The first two clubs of the top 20 ranking are Basque: Athletic Bilbao and Real Sociedad. This is related to the fact that teams mainly or exclusively employ Basque players. This reinforces the power of a few influential local intermediaries. For example, the Basque football agency Servicios Deportivos IDUB represents many players in both clubs.

The main representatives of the company, Iñaki Ibanez, Peio Uralde and Vicente Biurrun, were former professional players who played for several Basque clubs during their careers (Deportivo Alaves, Real Sociedad, Athletic Bilbao, Eibar and Sestao). They were able to take advantage of that situation to build strong relational networks which allowed them to acquire a dominant position in the local transfer and representation market.

With the exception of English clubs, there are five teams of the four other major European leagues in the the top 20 ranking. This finding demonstrates that the Premier League mirrors the level of players' concentration per agent. The English club with the highest concentration, Fulham FC, is only ranked 27th, while the Premier League 2010/11 champion, Manchester United, is placed 41st.

The first Ligue 1 club is Valenciennes FC, ranked third. The company SVF Foot Consulting alone represents five players in this team. One of the agents involved in the company, Fabrice Picot, is a former professional player who concluded his career in Valenciennes. This probably gave him a competitive advantage to place his clients in this club or to recruit new ones among squad members.

The first Italian club in the ranking, Palermo US, is 12th. The four Slovenian players in this clubs are all represented by the agent Amir Ruznic, while the agents Marcelo Simonian, Alessandro Moggi, and Francesco Caliandro have two players each as clients. Amongst the top 20 clubs, the sole league winner is the Italian Serie A champion AC Milan (16th). This is due to the high number of first team squad members represented by powerful agents such as Mino Raiola (four), Andrea D'Amico (four), Tullio Tinti (three) and Oscar Damiani (three).

The high concentration of players per agent in some clubs is subject to different kinds of interpretations. On one hand, hiring many players represented by a same agent or agency can be interpreted as a club strategy to enhance loyalty both from agents themselves and their protégés. On the other hand, this situation can reflect the existence of closed circle of trusts hiding conflicts of interests and financial misconducts.

Lowest concentrations of players per agent, per club

Rank – Lowest Concentration	Gini Index	Players/Agents	
1.	Blackburn Rovers (ENG)	0	1
.	Hercules CF (ESP)	0	1
.	Malaga CF (ESP)	0	1
.	Villareal CF (ESP)	0	1
5.	West Ham United (ENG)	4.2	1.05
6.	AS Bari (ITA)	4.3	1.05
7.	FC Genoa 1893 (ITA)	4.7	1.05
8.	Bolton Wanderers (ENG)	6.2	1.07
.	OSC Lille (FRA)	6.2	1.07
10.	FC Barcelona (ESP)	7.9	1.10
11.	Birmingham City (ENG)	8.2	1.10
12.	Manchester City (ENG)	8.5	1.11
13.	Liverpool FC (ENG)	9.3	1.12
.	Olympique Lyonnais (FRA)	9.3	1.12
.	Wigan Athletic (ENG)	9.3	1.12
16.	Sunderland FC (ENG)	9.7	1.13
17.	SS Lazio (ITA)	10.4	1.14
18.	Racing Santander (ESP)	10.7	1.14
.	RCD Mallorca (ESP)	10.7	1.14
20.	VfL Wolfsburg (GER)	11.1	1.15

Eight clubs out of 20 with the lowest player concentration per individual agent or agency are part of the English Premier League. This finding confirms the higher fragmentation of the representation market in England. The 2010/11 Ligue 1 champion OSC Lille, is the first French team (8th). Frédéric Guerra is the sole agent representing more than one player in the club.

The 2010/11 winner of the Spanish championship is also at the top of this ranking. No single agent represents more than two players in the team. The concentration is much higher for Barcelona's major rival Real Madrid (42nd). The Portuguese agent Jorge Mendes represents four players (Cristiano Ronaldo, Pepe, Angel Di Maria and Ricardo Carvalho) as well as manager José Mourinho.

Moreover, Mendes supported the Iranian agent Reza Fazeli to transfer to Real Madrid Mesut Özil in 2010 as well as Nuri Sahin and Hamit Altintop during the 2011 summer transfer window.

With the signing of Fabio Coentrão, another client of Mendes, the concentration in the Spanish club has further increased for 2011/12. This reflects the increasingly dominant position that manager's José Mourinho has achieved to acquire within the club, which also resulted in the departure of former sporting directors Jorge Valdano.

Section 1.3 – Dominant agents

Our findings clearly indicate that the representation market for top league players is largely controlled by a limited number of individual agents and agencies. This section presents an analysis on agents holding a dominant position in big five league representation market, whether in terms of the number of players managed or according to the total amount of fees generated by their protégés since the start of their professional career.

These analyses combined offer an exhaustive overview of the most influential agents in top European championships, both from a numerical and a financial perspective. By starting from players to measure agents' power, the main limitation is that we could not include in our analysis agents who mainly act on clubs' behalf as transfer intermediaries to broker deals. Unfortunately, there is an even greater lack of transparency on this aspect that prevented us from going further in this topic.

Agents representing the most players

During the second semester of the 2010/11, the 20 individual agents or agencies with the most clients among big five league players managed the career of 446 of them (22.6% of the representation market). In total, 30 agencies were representing 11 players at least.

Individual agents or agencies representing the most players in the big five (season 2010/11)

Rank - Agent entities		Players
1.	Groupe USM (FRA)	31
2.	Sports Total (GER)	29
3.	Mondial Promotion (FRA)	28
4.	Pastorello & Partners (ITA)	27
5.	Bahia International (ESP)	25
.	IMG (USA)	25
.	Servicios Deportivos IDUB (ESP)	25
8.	SVF Foot Consulting (FRA)	22
.	Wasserman Media Group (USA)	22
10.	First Artist ² (UK)	21
	Manuel Garcia Quilon (ESP)	21
.	Promoesport (ESP)	21
.	Stars & Friends (GER)	21
14.	Branchini Associati (ITA)	20
15.	Pro Profil (GER)	19
16.	Tecnosport Immagine (ITA)	18
.	Rogon Sport Management (GER)	18
18.	T21 Plus Sportmanagement (GER)	17
19.	Paco Casal (URU)	16
20.	Jörg Neubauer (GER)	15

Amongst the agencies representing the most players in the big five leagues, three are French. The first agency, Groupe USM, was founded by the French agent Christophe Mongai. With 15 associates, the agency operates on an international level. It is a full-service company which also provides consultancies to its clients. Apart from the French market, Groupe USM successfully operates in Spain, England and Italy, representing players such as Frédéric Kanouté, Carlos Marchena, Alexander Song, Bakary Sagna, Mario Yepes and Mauro Cetto. The agency also created a tennis division, USM Tennis, in a joint venture with the Absolute Sport Management Company founded by the licensed ATP agent Jean-Philippe Bernard.

Another important French agency is Mondial Promotion, a company run by Pierre Frélot, the former financial and administrative director of PSG. In 2004, he merged his company, XL Sport, with Mondial Promotion by acquiring the total shares owned by the former journalist and agent Pape Diouf. The latter decided to carry out a new career in football since he was appointed as

² With the inclusion of players now represented by Law Sport. In 2009, Claudio Vigorelli, one of the main agents working for First Artist, left the English company after ten years of collaboration. Recently, he founded Law Sport that works on the behalf of players such as Samuel Eto'o, Dejan Stanković, Davide Santon and Emiliano Viviano.

president of Olympique Marseille from October 2004 until June 2009. Nowadays, Frélot represents famous international players such as Didier Drogba and Florent Malouda.

The third French agency at the top of the table is SVF Foot Consulting, a company founded by Frank Behalssen working together with former French player Fabrice Picot and Cameroonian agent Maxime Nana. The agency mostly works within the French market, where it represents national players such as Anthony Réveillère, Sammy Traoré and Zoumana Camara, as well as Cameroonian ones such as Nicolas N’Koulou, Vicent Aboubakar and Benjamin Moukandjo.

German agents are the most represented in the top 20 ranking. This finding reflects the high level of concentration in the German representation market. The German agent with the most clients in the big five is Volker Struth, placed second. His company, Sports Total, mainly operates in the German market and is highly organised and structured around 11 employees. Players such as Mario Götze, Eren Derdiyok and Toni Kroos are the main clients.

Another very influential German agency is Stars & Friends. It was founded in early 2005 by the fusion between the Austrian Star Factory and the German Strunz & Friends. The company is strongly connected with the Mittel-European markets and has offices in Austria, Germany, Slovakia and Czech Republic. Until recently, the main player clients were Martin Skertel, Simon Rolfes and David Rozenhal. However in early 2011, Lars Baumgarten, former CEO of the German branch, left the company, founding the agency Baumgarten Sports & More, which will probably reduce the scope of the Stars & Friends activity in the years to come.

Another important German agent is the former professional player Thomas Kroth, who manages the company PRO Profil. Apart from representing the German players Manuel Neuer, Marcus Russ and the Austrian national team player Julian Baumgartlinger, since 2003 Kroth has been the indisputable monopolist of Japanese players transferred to Germany. His Japanese client list includes the current Bundesliga players Shinji Kawaga, Atsuto Huchida, Makoto Hasebe and Tomoaki Makino.

The agents Roger Wittmann and Wolfgang Fariah, former German national goalkeeper, are listed 16th. They represent not only German but also Brazilian players. Their company, Rogon Sport Management, has offices in Switzerland and Brazil and also operates in Eastern Europe, Turkey

and Italy. The main players represented are Kevin Kurany (now at Dinamo Moskva), Kevin Prince Boateng, Tim Wiese, Marcel Schmelzer, Luis Gustavo and Rafinha.

The last German agent in the top 20 ranking is Jörg Neubauer. In 2010, he transferred his clients Sarmir Khedira to Real Madrid and Jerome Boateng to Manchester City for an estimated volume of €101m, including transfer fees and five-year player contracts. Moreover, in the same year, he worked as club intermediary on behalf of Schalke 04 in the transfers of Raúl Gonzáles Blanco and Christoph Metzelder from Real Madrid.

The first Italian agency in the ranking is Pastorello & Partners, a company founded by Federico Pastorello, the son of the former Parma and Genoa technical director Giambattista Pastorello. Since the 1990s, he has been the first Italian agent to gain an international recognition with the transfers of Gianfranco Zola, Carlo Cudicini and Tino Asprilla in the English Premier League. Apart from representing players such as Giuseppe Rossi, Patrice Evra, Park Ji-Sung, Samir Handanovic and Morgan De Sanctis, the company frequently works as club intermediary all over the European markets. For example, he brokered the transfers of Diego Milito from Real Saragozza to Genoa, Stephan Lichtsteiner from Lazio to Juventus, Pablo Carrizo from River Plate to Lazio and Yuto Nagatomo from Cesena to Inter.

Giovanni Branchini, another prominent Italian agent and boxing promoter, is at the top of the listth with his company Branchini Associati. He started his career as an agent with his father, Umberto Branchini, working on behalf of boxers. Together with his business partner and top agent Carlo Pallavicino, Branchini manages the career of top players such as Sébastien Frey, Clarence Seedorf, Riccardo Montolivo, Simone Pepe and Andrea Poli. As club intermediary, he was involved in the transfer of Cristiano Ronaldo from Sporting Lisbon on behalf of Manchester United. For Inter Milan, he brokered the transfers of Ronaldo Luís Nazário de Lima when he arrived from Barcelona and moved to Real Madrid. He also advised the manager Fabio Capello when he was appointed by the English FA. Branchini has also invested in the political field having been for many years the president of the European Football Agents Association (EFAA).

Another Italian agent among the 20 intermediaries with the most clients in the big five is the former player Tullio Tinti. With his business partner Tiberio Cavalleri, he manages the company

Tecnosport Immagine. The latter mainly operates in the representation of players. It has a strong reputation in the recruitment of young promising players especially in two of the best Italian youth academies – Atalanta and Brescia Calcio. The rich portfolio of player clients also includes Marco Borriello, Giancarlo Pazzini, Andrea Pirlo, Luca Toni and Alessandro Matri.

The Spanish agent with the most clients in the big five leagues is José Antonio Martín Otín, former radio commentator and writer, who manages the marketing agency Bahia International. Founded in 1997, the company is part of Atlantic Production, linked to the Spanish television network Antenna 3. It currently employs five licensed agents. Its client list includes the Spanish national team players Fernando Torres, Jesus Navas, Pedro and the Spanish Under-21 European Champions Javi Martínez, Álvaro Domínguez, Dani Parejo and César Azpilicueta. Apart from the Spanish market, Bahia International is strongly linked to Scottish and English clubs.

As previously mentioned, the company Servicios Deportivos IDUB has conquered a niche market share assisting several Basque players. Since the 1990s, the main agent Iñaki Ibanez has also gained an international reputation working on the behalf of Arteta, Xabi Alonso, Arbeloa, Garrido and Mikel Alonso when they moved to play in the Premier League.

The lawyer Manuel Garcia Quilon is another influential Spanish agent. Apart from top Spanish players such as Pepe Reina, Carlos Marchena and José Callejon, he also manages the career of four important coaches: Rafa Benitez, Quique Sanchez Florez, Gregorio Manzano and Juan Carlos Mandia. This for sure gives him a competitive advantage when it comes to attract or place players.

The American group IMG is also at the top the ranking. It is represented in European football by the French agent Bruno Satin and the Spanish agent Fernando Segui. Although since its foundation the company has mainly operated in tennis, golf and the major American team sports, the football division is constantly expanding. Subsidiaries were opened in Spain and Argentina. The main clients are Sergi Agüero, Gerrard Piqué, Maxi Lopez, Maxi Rodriguez and Momo Sissoko.

The other American agency in the top 20 ranking is Wasserman Media Group ranked eighth. Since November 2006, the group has been working for the market of football representation

thorough the acquisition of the leading English agency SFX. Wasserman also operates in several other sports such as cycling, golf, American football, basketball and motor racing. However, the core of its football business is the English and North American markets. The WMG model is to employ 15 licensed agents and then utilise them to help each other, with bonuses worked annually across the whole business rather than individual deals. The agency client portfolio includes English national team players such as Steven Gerrard, Jack Wilshere, Joleon Lescott, Stuart Downing and Darren Bent.

The only English agency at the top of the table is First Artist Sport founded by John Smith in 1986. After the acquisitions of several sport and entertainment agencies, in 2011 the company faced a radical reorganisation with the departure of important business partners such as the agents Claudio Vigorelli and Vincenzo Morabito. Henceforth, John Smith with over 20 years of experience has returned to focus solely on the business of football representation. Recently, he has been involved in the transfer of Emmanuel Adebayor from Manchester City to Tottenham Hotspurs whose manager Harry Redknapp is also a First Artist's client.

The Uruguayan agent Paco Casal is the only South American in the top 20 ranking. Since the 1980s, he has represented the best Uruguayan players, Ruben Sosa, Pato Aguilera, Enzo Francescoli and Alvaro Recoba and several others, when they moved abroad. Some of his former players such as Carlos Delgado and Daniel Fonseca operate as agents for his company Grupo Casal. Except for the Cameroonian Pierre Webó, Casal mainly works on the behalf of Uruguayan players such as Diego Godin, Maxi Pereira, Fernando Muslera and Joaquín Boghossian. The dominant position in the Uruguayan football is also given by the ownership of the broadcasting corporation Tenfield which holds the commercial rights to broadcast Uruguayan football and basketball.

Individual agents or agencies with the most clients in the English Premier League

Agent entity		Main agent	Players	% cumulated
1.	Wasserman Media Group	Simon Bayliff	22	5.8%
2.	Key Sports Management	Colin Gordon	15	9.9%
3.	Stellar Group	Jonathan Barnett	14	13.6%
4.	Base Soccer	Franck Trimboli	13	17.1%
5.	SEM Group	Jerome Anderson	7	19%

Individual agents or agencies with the most clients in the Spanish Primera Liga

Agent entity		Main agent	Players	% cumulated
1.	Servicios Deportivos IDUB	Iñaki Ibanez	23	5.2%
2.	Bahia International	José Antonio Martín	22	10.9%
3.	Manuel Garcia Quilon	Manuel Garcia Quilon	20	15.8%
4.	Promoesport	José Rodriguez Baster	20	20.6%
5.	IMG	Fernando Segui	17	24.8%

Individual agents or agencies with the most clients in the French Ligue 1

Agent entity		Main agent	Players	% cumulated
1.	Groupe USM	Christophe Mongai	26	9.4%
2.	Mondial Promotion	Pierre Frélot	21	17%
3.	SVF Foot Consulting	Frank Belhassen	21	24.6%
4.	Frédéric Guerra	Frédéric Guerra	9	27.8%
5.	Gilino Sport Corporate	Karim Aklil	8	30.7%

Individual agents or agencies with the most clients in the German Erste Bundesliga

Agent entity		Main agent	Players	% cumulated
1.	Sports Total	Volker Struth	29	6.5%
2.	Pro Profil	Thomas Kroth	20	11.1%
3.	Stars & Friends	Jürgen Werner	19	15.4%
4.	T21 Plus Sportmanagement	Jürgen Milewski	17	19.3%
5.	Rogon Sport Management	Roger Wittmann	15	22.7%

Individual agents or agencies with the most clients in the Italian Serie A

Agent entity		Main agent	Players	% cumulated
1.	Pastorello & Partners	Andrea Pastorello	22	4.6%
2.	Branchini Associati	Giovanni Branchini	20	8.8%
3.	Tecnosport Immagine	Tullio Tinti	19	12.8%
4.	Pasqualin D'Amico Partners	Andrea D'Amico	15	16%
5.	Beppe Bozzo	Beppe Bozzo	14	19%

By comparing these tables with the general ranking, it clearly appears that agents have the majority of their clients within their country of domicile. Their respective national markets

remain predominant for their business turnover. This evidence is less robust for French agents, insofar as their players are the most likely to emigrate to the other four leagues of the big five. During the season 2010/11 there were 108 French expatriates in the other four major European championships, distributed as follows: 51 in Premier League; 23 in Serie A; 19 in La Liga; and 15 in Bundesliga (Poli, Ravenel, Besson 2011). Conversely, there were no expatriate English players in the big five leagues. Missing data on French representation market may also explain this result.

Total transfer fees generated by players currently represented per agent

In the table below, agents are ranked according to the total amount of transfer fees generated over their career by players currently represented. The players currently represented by the top 20 agencies generated €2.24bn in transfer fees. Interestingly, 54 agencies cover almost half of this market value. It is a further indicator confirming how the bargaining power is in the hands of few agents and companies.

Individual agents or companies whose current clients generated the highest fees over their career

Rank - Football Agencies		Transfer fees generated (millions €)
1.	Gestifute (POR)	369.8
2.	Wasserman Media Group (USA)	347.5
3.	Fernando Hidalgo (ARG)	209.7
4.	Giuseppe Bozzo (ITA)	207.5
5.	Tecnosport Immagine (ITA)	206
6.	Maguire Tax & Legal (NED)	192.3
7.	Alain Migliaccio (FRA)	155.7
8.	Pastorello & Partners (ITA)	149.3
9.	MJF Publicidade e Promoções (BRA)	142.9
10.	Bahia International (ESP)	142.2
11.	Mondial Promotion (FRA)	131.1
12.	Claude Anelka (FRA)	128.8
13.	First Artist ³ (UK)	112.4
14.	PDP (ITA)	111.7
15.	New Era Global Sports (UK)	111.5
16.	Assist (ITA)	108
17.	Branchini Associati (ITA)	107
18.	SP International (NED)	106
19.	IMG (USA)	99.9
20.	Stellar Group (UK)	98.8

³ Including players now represented by Law Sport

From a financial perspective, the leading agency is the Portuguese Gestifute, run by Jorge Mendes, whose big five league clients generated €369.85m in transfer fees over their career. The client list includes Real Madrid's manager, José Mourinho, and top players such as Cristiano Ronaldo, Nani, Anderson, Pepe, Ricardo Carvalho, Raul Meireles and Miguel Veloso. In 2011 summer transfer window, he represented Radamel Falcao and Fábio Coentrão, when they respectively moved from Porto to Atlético Madrid for €40 million and from Benfica to Real Madrid for €30 million. In 2008, Gestifute signed a global partnership agreement with CAA Sports, a division of the leading entertainment and sport agency CAA. Mendes and his associates also work as club intermediary and directly invest in the acquisition of player transfer rights.

In second position with €347.5m is the American Wasserman Media Group. Since 2006, the group has been working for the market of football representation thorough the acquisition of the leading English agency SFX and the American company SportsNet. According to Poli's taxonomy (2010b), Wasserman Media Group can be defined as a global generalist agency given that it represent 800 athletes in 20 sports all over the world. In 2011, the agency assisted its clients Stewart Downing and Jordan Henderson in the transfer to Liverpool respectively from Tottenham and Sunderland for £18m and £16m.

In third position is the first Argentinean agent, Fernando Hidalgo, with €209.2m. Together with Gustavo Mascardi and Jorge Cyterszpiller, he has been one of the top agents in Argentina since the 1980s. He was the former agent of Sebastian Veron and Claudio Lopez, and currently manages the career of other top Argentineans players in the big five leagues such as the Burdisso brothers, Diego Milito, Lisandro Lopez and Hernan Crespo. His partnership with Pini Zahavi in HAZ Sports, a Buenos Aires based company, included Carlos Tevez's transfer from Boca Junior to Corinthians. Hidalgo was also involved in the transfer of Gonzalo Higuain to Real Madrid from River Player. HAZ Sports is also active in third-party ownership.

The first Italian agent in terms of transfer fees generated by the current players is the lawyer Giuseppe Bozzo. His career started when he assisted his current client Antonio Cassano, at the age of 19, in the transfer to AS Roma for €30m in 2001. Since then, Bozzo has progressively become one of the most influential Italian agents. He mainly operates in the Italian market and represents or has represented international players such as Alberto Gilardino, David Pizarro,

Claudio Zàrate and several others. He also works on the behalf of Claudio Ranieri, the manager of Internazionale FC.

Another prominent agent is the Dutchman Mino Raiola (€192.3m). Through his company Maguire Tax & Legal, he works on behalf of Zlatan Ibrahimovic, Mario Balotelli and Maxwell. Since the beginning of his career, Raiola has been an active intermediary for several Dutch clubs and their players for the foreign markets. Last year, he brokered the transfer of Robinho from Manchester City to Milan AC. During this summer transfer windows, he also assisted the Dutch manager Martin Jol, appointed as Fulham FC manager, who then signed the players Patim Kasami and Zdenek Grygera, both Raiola's clients.

Alain Migliaccio is the most important French agent from a financial perspective. After having managed the entire career of Zinédine Zidane, nowadays he represents some French international players such as Samir Nasri, Jérémy Ménez and Frank Ribéry. So far, his current players have generated a total amount of €155.7m in transfer fees. Migliaccio works in partnership with the other top agent and former Olympique Marseille director Jean-Pierre Bernès. In 2011 summer transfer window, they transferred Samir Nasri from Arsenal to Manchester City for €28m and Jérémy Ménez and Blaise Matuidi to Paris-Saint Germain for a total of €16m.

The first top Brazilian agency is MJF Publicidade e Promoções, managed by the former player and top agent Wagner Ribeiro. The company was founded by Juan Figer who, at the age of 86, still operates as an agent for the company. After having managed the transfers of renowned top international players such as Maradona, Dunga, Careca, Sócrates, Denilson, Zé Roberto, Müller, Klinsmann and Gullit, nowadays Figer's clients are Robinho, Julio Baptista, Diego Lugano, Breno and, outside the big five leagues, Hulk, Lucas and Neymar. The agency also works actively in the acquisition of player economic rights, such as those of Hulk and Thiago Ribeiro. Moreover, Juan Figer invested in two Uruguayan clubs, Rentistas and Central Español, in order to have a better control on the transfer of the numerous players that he represents.

No German company is at the top of this table. Since the early 1990s, clubs in the German Bundesliga have been reluctant to spend lots of money in transfer fees. Conversely, they tend to

sign and develop young talents. This is reflected by the increasing percentage of minutes played by players under 21 years of age in the Bundesliga (Poli, Ravenel, Besson 2011). The German agency with the highest amount of transfer fees generated by their current players during their career (€76.7m) is only ranked 29th.

Part II - Demographic profile of licensed agents

This part presents the analysis of the socio-demographic data collected through the questionnaire survey. It is structured in two sections:

- Section 2.1: Demographic analysis of licensed agents

The licensed agents that completed the questionnaire were asked for demographic information: gender, age, foreign languages spoken, and level of education. This allows the drawing of a general profile. Some respondents filled in the questionnaire but left a few demographic items blank. For this reason, the rate of responses varies according to the question analysed.

- Section 2.2: Work experience analysis of licensed agents

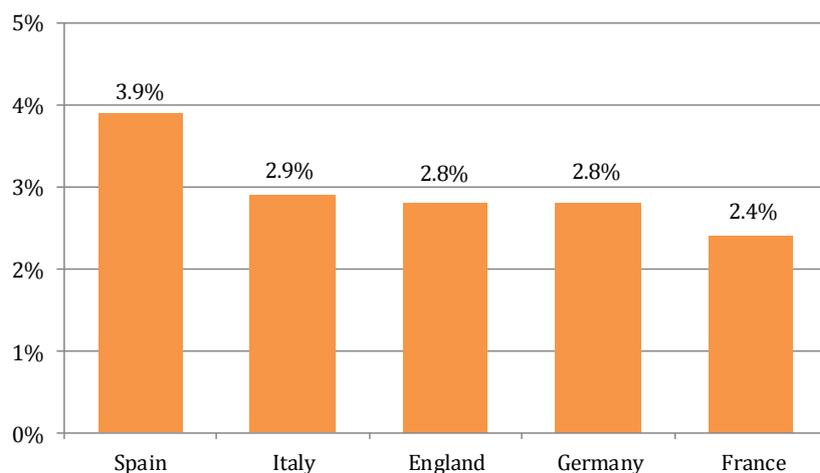
The activity of licensed agents requires the setting up of transfer networks which are crucial for the scouting, recruitment and placement of players. This aspect is often interconnected with the agent's working experience before the obtainment of the license. Survey questions thus focused on indentifying whether agents had past working experience in football, which could have facilitated their decision to pursue this career. Moreover, before getting licensed, some agents could have started operating as unlicensed agents in order to verify how feasible this profession was.

Section 2.1: Demographic analysis of licensed agents

Gender

The vast majority of licensed agents are male. According to FIFA's official list, there are only 82 female agents out of a total of 2,405 agents (3.4%) living in the countries hosting the five major European football leagues: 18 in England, 17 in Spain, 7 in France, 10 in Germany, and 30 in Italy. In some cases, players' wives act on behalf of their husbands during contract negotiations. For example, Dani Güiza's wife, Nuria Bermúdez, acts on his behalf. In 2006, she also became a licensed agent. Nevertheless, the business of athlete representation is still a male dominated profession.

Percentage of female agents, per country



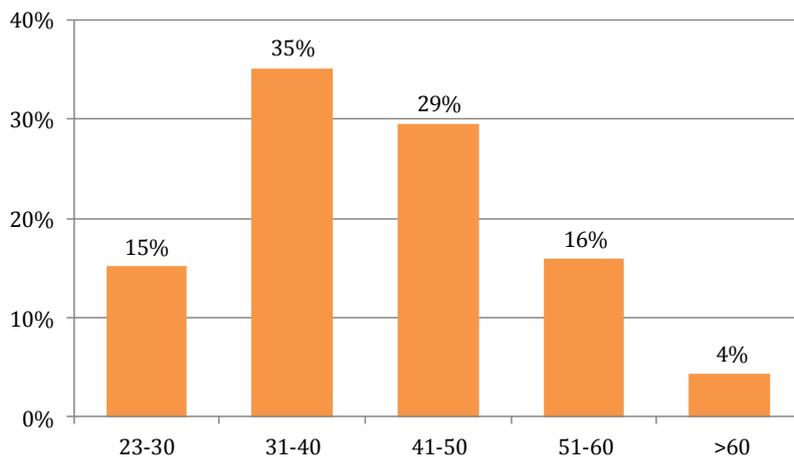
In total, nine female agents filled in the questionnaire (3.4% of the answers received). On average, female agents are 41 years old, one year younger than their male colleagues. In our sample, the youngest agent is a female aged 23. Concerning their working experience as licensed agents, like their male colleagues, female agents have been working for seven years on average. In terms of clients, while male agents have an average portfolio of almost 13 players as clients, female agents represent approximately only eight footballers from a minimum of two to a maximum of 25. This suggests that female agents are not only a minority, but that they are also less influential than their male colleagues.

Stories of sexism against female football agents are often reported by the media. Female agents are still dealing with the age-old perception that the football industry is mainly for men. Prejudices against the image of female agents tend to create stereotypes that cause people to question women's motives in a male dominated business. Rachel Anderson, who represented some English Premier League players (Julian Dicks, Don Hutchinson, and Didier Zokora), was the first woman to obtain the license issued by FIFA in 1991. In 1998, she sued the English Professional Association after having been banned from the Annual PFA's awards dinner for two years in a row (BBC, 1999). The PFA awards dinner had been a men-only evening since its inception in 1974. At the end, Rachel Anderson won the case in front of the Central London County Court which convicted the PFA with a fine of £200,000.

Age

The average age of licensed agents who took part in our survey is roughly 42 years. The range of the age distribution starts from a minimum age of 23 to a maximum of 79 years. Generally speaking, almost two thirds of the agents are between 31 and 50 years old.

Percentage of agents, per age category



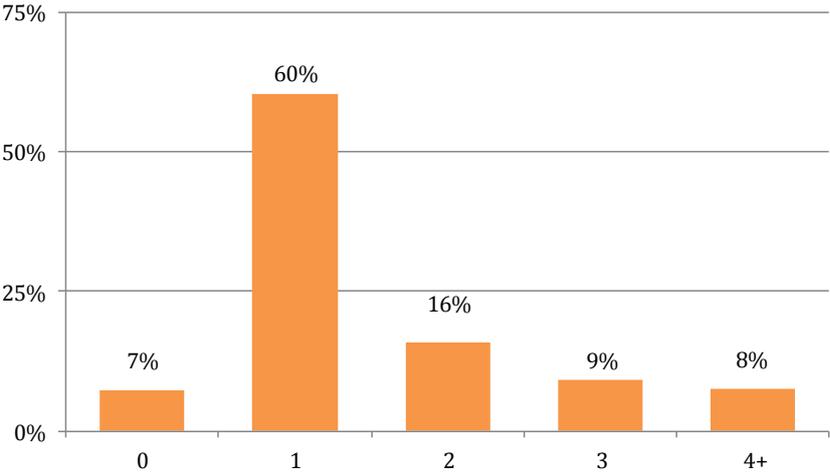
Regarding the agents' age according to their country of domicile, there is no significant difference between the countries. In England, on average, intermediaries are the oldest with 44 years. In France, Germany and Italy, agents are on average aged 41, one year younger than their colleagues in Spain. No significant correlation was found between agents' age and the number of clients they represent.

Internationality

Agents need to create networks within the country of residence and abroad if possible. The experience of having lived abroad and speaking foreign languages can have an impact on the agent's career. For example, Silvano Martina, a well-known Italian agent representing Gianluigi Buffon, also works on behalf of some Serbian players such as Nemanja Vidić, Bosko Janković, and Milan Milanović. He was also the representative of the Slovenian Tim Matavž and the Bosnian Edin Dzeko for the Italian market. His links and connections with all these players are due to the fact that he was born in Sarajevo, where he lived at the time of the former Federation of Yugoslavia before migrating to Italy.

The questionnaire asked in how many foreign countries licensed agents had lived for at least six months. According to our analysis, a bit less than two thirds of the respondents spent six months abroad at least and another third lived in two countries or more. Only a small minority of agents (7%) have never lived abroad so far, which confirms the extraordinary internationality of this population.

Percentage of agents who lived abroad for 6 months at least, per number of foreign countries



The analysis according to the country of domicile of agents reveals that French and English agents tend to have lived abroad much more than their German and Spanish colleagues. From this perspective, Italian agents have the least level of internationality. The correlation between the number of clients directly represented by individual agents and the number of foreign countries they have lived in abroad did not provide any significant result.

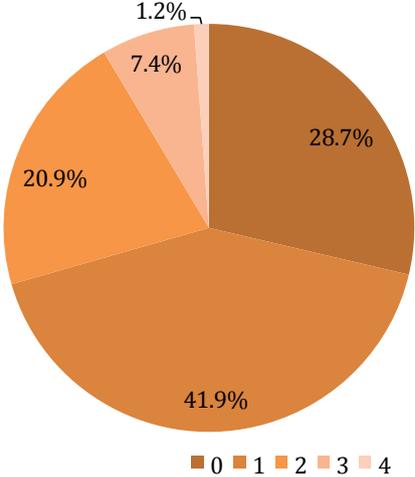
Spoken languages

Cultural factors remain an important issue for the profession of football agents. Perhaps the most important one is the knowledge of foreign languages in order to develop transnational networks. For example, Paulo Saravia Coelho is one of the few lawyers in Germany who speaks Portuguese. His career as an agent has been highly favoured by his linguistic skills.

In the survey, respondents had to evaluate their spoken level of the most common languages for their profession. Six main languages were considered relevant to the profession of licensed agent within the big five leagues: English, French, German, Italian, Spanish and Portuguese.

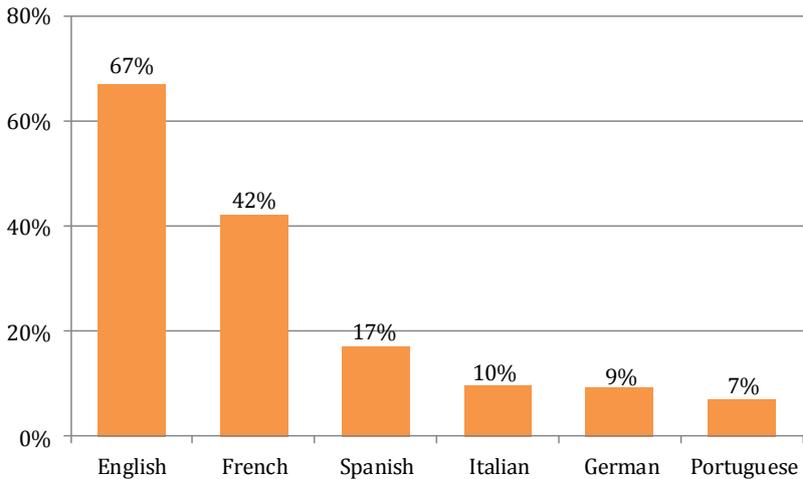
Hence, for each of these languages, respondents could self-assess their spoken level through a Likert scale ranked from “not spoken at all” (1) to “mother tongue/fluent” (5).

Distribution of agents according to the number of foreign languages spoken at intermediary level at least



While 28.7% of our respondents only speak their native language, 42% speak one foreign language at intermediary level at least. Moreover, 21% and 7.5% speak respectively two and three foreign languages amongst those considered. A tiny minority (1%) can speak four foreign languages. The fact that more than 70% of agents having taken part in our survey speak at least one foreign language confirms how linguistic skills are important for this profession. A good example is Mino Raiola, who speaks seven languages. This probably helped him at the beginning of his career when he signed an agreement with the Dutch professional player union to become the main representatives of Dutch players abroad.

Percentage of agents per foreign language spoken at intermediary level at least

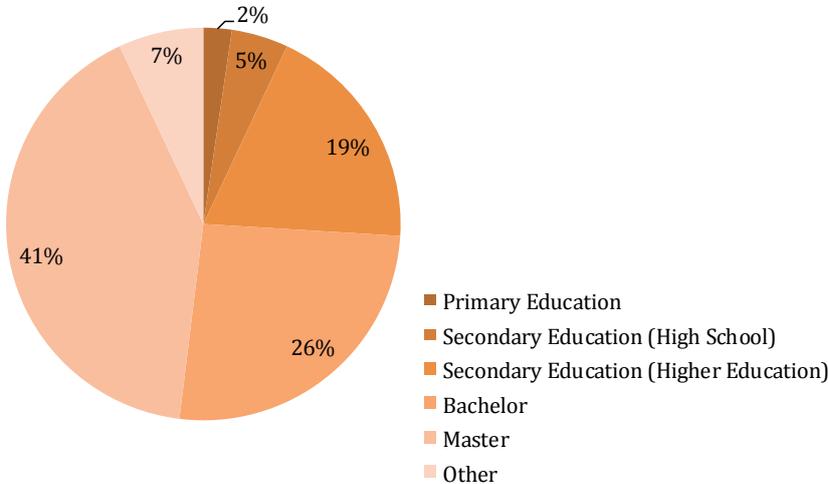


Further analysis confirms that English is by far the most common foreign language spoken, followed by French. In Italy, agents speak equally French and Spanish as second foreign languages after English. For English agents, French language is largely the most spoken foreign language, followed by Italian and Spanish. In France and Germany, after English, agents speak Spanish as a second foreign language. Finally, Portuguese is the most spoken foreign language for Spanish agents after English and French.

Education

In order to allow for comparing different national educational structures, the level of education was ranked according to the ISCED⁴ education framework.

Percentage of agents according to level of education

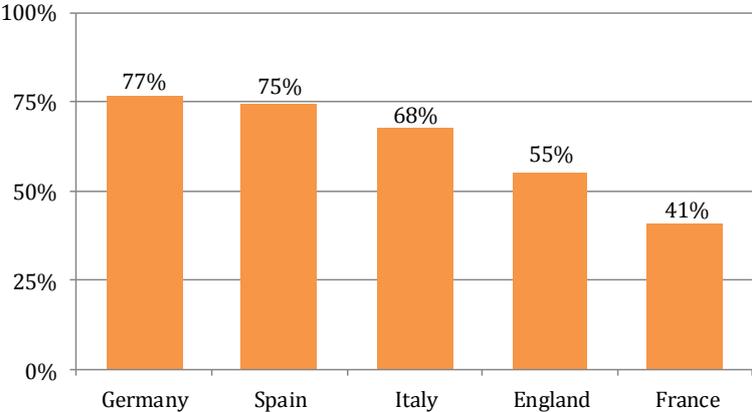


⁴ ISCED: International Standard Classification of Education.

Although the profession of agent only requires the obtainment of a license without having any specific degree, our survey shows that we deal with a highly educated population. On the whole, more than two thirds of licensed agents hold a bachelor degree. Another 7% obtained even higher qualifications. We can then posit that this profession is increasingly requiring a good level of education and attracts people with a good educational background.

The international dimension of transfer markets implies that agents must be able to develop an understanding of different legal and fiscal systems per country. Relevant examples are the frequent inclusion of pay-performance incentive clauses in player contracts, the issue of players' image rights and the payment of players' revenue tax, which all demand agents multiple skills and abilities. However, due to the contractual complexities, the consultancies from external professionals are also increasingly becoming crucial in order to protect the interests of their clients in the best way.

Percentage of agents with at least a bachelor degree per country of domicile



In Germany and Spain three quarters of licensed agents among our respondents have a bachelor degree at least. In Italy, two thirds of the respondents also attained this level of education, which can be partially related to the greater proportion of lawyers among the survey population. Interestingly, these percentages are much lower in England and in France. Nevertheless, this result may be biased by the lower answer rates in these two countries. The older age of respondents in England may also partially explain this outcome.

Section 2.2: Work experience analysis of licensed agents

Work experience as an agent

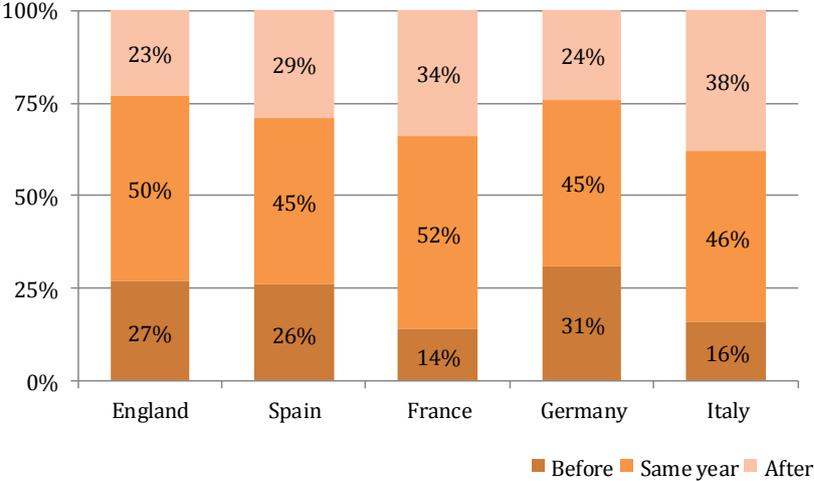
The profession of football agents is characterised by uncertainty, above all in the start-up phase. Careers are built on the formation and the consolidation of transnational networks which require investing time and financial resources. Thus, it is possible to assume that many intermediaries start working as unlicensed agents in collaboration with established professionals in order to understand the dynamics of the football transfer market and to build their own networks within it before passing an exam to get a license to officially operate. To verify this hypothesis, two questions were included in the questionnaire:

- *In which year did you become a licensed agent?*
- *In which year did you start working as an intermediary in the football transfer market?*

These questions allow calculating the percentage of licensed agents who were already active in the football representation business before getting their license. On the whole, 23% of respondents followed this career path. This percentage is higher than the big five league countries average in Germany, England and Spain, while it is significantly lower in Italy and France.

Surprisingly, an even greater proportion of licensed agents waited some time to operate in the representation market after the obtainment of the licence. A possible interpretation is that many aspiring agents decide to pass the exam without having a clear business plan on how concretely they can proceed to make a living from this new activity. As a consequence, our survey shows that for only about one agent out of two the obtainment of the licence coincides with the start of the activity.

Percentage of licensed agents according to the moment in which they started to operate compared to the year in which they obtained the license, per country of domicile



Contrary to our hypothesis, nearly three quarters of the respondents decided and finally achieved to get an agent license without having previously directly experienced what it was like to work in the representation business. This evidence might partially explain why numerous agents got disillusioned and actually do not practise the profession anymore (Part III). It is likely that the majority of them do not realize how it is crucial to have multiple contacts and trust relationships inside the industry to be fully able to operate. Indeed, as shown illustrated quantitatively in Part I, the representative market is largely controlled by few dominant actors both individual and collective ones.

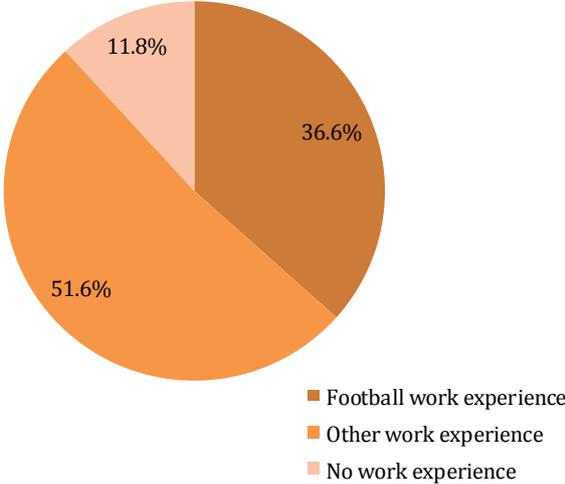
The uncertainty surrounding the ability of newcomers to establish themselves in this business explains why about one quarter of licensed agents among our respondents waited some time to pass the exam to be officially recognised. Conversely, this uncertainty may also explain why so many others prefer to keep working as unlicensed agents for a long time – often on behalf of licensed colleagues – before eventually trying to go their own way by passing the exam.

Previous work experience

The analysis of previous work experience is very important to understand the professional background of our respondents. We firstly evaluated whether our respondents had already worked in the sport industry before to enter the player representation business. According to our survey, this was the case for slightly more than one third of the respondents (36.6%). About

half of the respondents operated –and may still operate– in other business sectors, while nearly 12% had no working experience before to work starting as an agent.

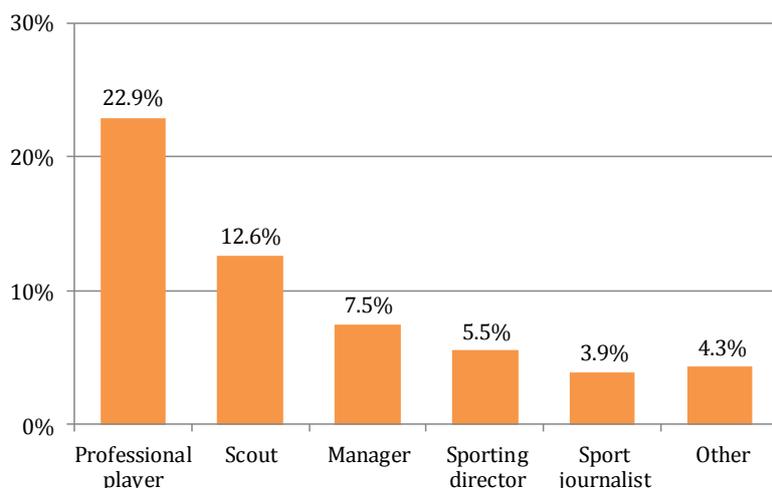
Percentage of agents according to previous work experience



By country of domicile, the highest percentage of agents who had work experience in football is in Italy (50%). This figure is 42% in Spain, 38% in Germany and only about 25% in France and England. These differences partially reflect the discrepancies in the percentage of former professional footballers among licensed agents according to country (see next graph). Again, these figures are to be taken cautiously due to the lower rates of response in the two latter countries.

Previous work experience in football can be seen as an advantage for the prospects of agents' careers. It could have provided agents with a better comprehension of the mechanisms behind the transfer market and the relational networks necessary to practise their profession. From this perspective, it is also interesting to know the type of experience respondents have had in the football industry before starting their career as an agent (professional players, managers, technical directors, scouts, journalists, etc.).

Percentage of agents with previous work experience in football, per type of job



The relatively high proportion of former professional football players among our respondents (23%) shows that the profession of agent is often seen as a good possibility for career transition. Indeed, former players hold the competitive advantage to be able to rely on former teammates, sporting directors and managers met during their career to start their business, capitalising on existing mutual respect and trust. Among them, only a small minority played at international level in their national A-team. Former top players apparently have a lower interest in becoming agents, probably because they have various alternatives for their post-career activities.

Interestingly, roughly 13% of the respondents scouted players before they started working as a licensed agent. This experience appears to be a good pathway to carry out the profession of intermediary in football, since it allows developing crucial abilities to evaluate players' skills, recognise clubs' needs and building networks with various actors involved in the transfer and representation market. Historically, the first football agents were scouts who touted players on behalf of clubs.

A minority of our respondents also had experience as football managers (7.5%) and sporting directors (5.5%). To give an example, between October 1991 and March 1992, the former Danish international Søren Lerby worked as a manager for Bayern Munich. He became a licensed agent only in 1993, when he founded the Essel Sport Management's company. He currently looks after the career of international players such as Wesley Sneijder, Thomas Vermaelen and Danijel Pranjić. Another interesting case is that of John Kay, who worked for several years as

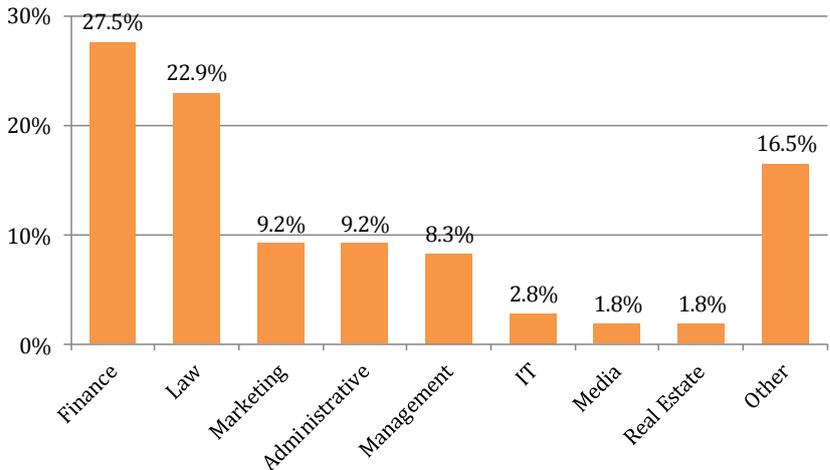
Peterborough United football director. In 2006, he opened the company Emerging Sport Talents and started operating as a FA licensed agent. He set up a vast network of scouts covering all the leagues in the UK.

According to our survey, nearly 4% of our respondents worked as sports journalists before they became agents. This profession also permits contact with many key actors in the transfer market and representation business. The agent Pini Zahavi, for example, concluded his first deal in 1979 while he was still a journalist: the transfer of the defender Avi Cohen from Maccabi Tel Aviv to Liverpool for £200,000. In France, Pape Diouf left the profession of journalist to become an influential football agent assisting, among other players, Roger Boli, Joseph-Antoine Bell, Marcel Desailly, Bernard Lama, William Gallas and Didier Drogba. He finally left the profession of agent to become Olympique de Marseille's general manager and then president.

Nearly 4.3% of our respondents also had a professional career in football as a referee, club board member, chairman, team manager, etc. It is not rare to find professionals who have covered different positions within clubs and associations. Among current prominent licensed agents, Federico Bonetto is a good illustration. From 1973 to 1980, he worked for Torino Calcio as club secretary, team manager, PR manager and technical director. Then, he covered the position of technical director for Perugia Calcio, Pescara, Bologna, and Torino again. In 2001, he got an agent license to join the prestigious agency IFA Bonetto founded by his uncle, Giuseppe Bonetto, himself former general director of Torino and Napoli during the 70s and 80s.

Concerning previous non-football related work experience, half of our respondents worked –and may sometimes still work– in the financial and legal sectors. The evidence confirms that many agents are professionals with a good level of expertise. The ability of providing financial and legal guidance through contracts, taxes, budgeting, investments and insurance represents a solid base for future agents. Moreover, these professionals are used to operating as problem solvers in business sectors which constantly require the interrelation with multiple clients. This aspect can give certain sensitivity to understanding clients' needs. This can be an advantage for assisting clients such as athletes or sportspersons, some of whom at the start of their career are largely unaware of the legal and financial stakes related to their profession.

Percentage of agents with previous non-football work experience, per sector of experience



Marketing is also a business sector in which agents have often gained previous work experience by undertaking a range of activities from sponsorship to endorsement. Their knowledge of market products, brands and marketing campaigns can be very useful to market players’ image, thus providing extra income to their clients. Other frequent non-football related but for sure useful work experiences of licensed agents are in the areas of management and administration. The great proportion of respondents in the category “other” illustrates that the profession of agents also attracts people with many different professional backgrounds.

Part III - Licensed agents' business structure and services provided

This part presents an in-depth analysis of the way in which agents structure their business and the services they provide. Two sections can be distinguished:

- Section 3.1: Football agencies' business structure analysis

Next to the individual figure of the single agent, the complexity and the international dimension of the transfer markets has favoured the collaboration and aggregation of agencies through the formation of companies in the representation industry. We present results taken from our survey on the way in which agents operate, whether they have created their own company and, if so, the shareholders' structure. Additionally, we describe agencies in terms of employees and collaborators.

- Section 3.2: Licensed agents' services

The increasing professionalization of football has meant that players are bound to have an agent helping with working contracts and other issues related to their activity (sponsors, media, charity, etc.). This situation is even more evident as soon as players start being successful. In relation to this aspect, individual football agents and, even more so, agencies, provide different services and accordingly have different business sizes. In this section, we look at which tasks are performed by agents and at which scale. Moreover, we quantify the number of players represented by licensed agents and whether they work on behalf of athletes from other disciplines and/or entertainers.

Section 3.1: Football agencies' business structure analysis

FIFA Players' Agents Regulations Article 3 establishes that football agents' activity may be only accomplished by natural persons (FIFA, 2008). Nevertheless, in many countries this does not prevent licensed agents from organising their activity in the form of a company. Since 2010, this is no longer the case in France and the coming into force of the law n.2010-626 (Code du Sport, 2011). The new regulations on sport agents approved by the French government forbid them to organise their activity in the form of a company. This decision was principally taken for fiscal

reasons in order to be always able to identify the player's representative, who otherwise could hide his identity behind the company.

Generally speaking, agents can be categorised as follows: self-employed agents with their own company as juridical person; self-employed agents without company as natural persons; and agents employed by a company. In this section, we focus on agents who have founded their own company.

Companies set up by licensed agents

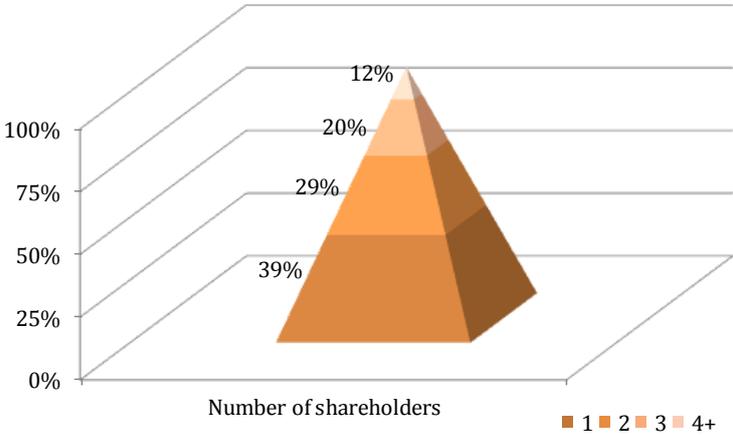
According to the results, half of the licensed agents (51%) founded their own agency. The percentages are similar among four countries: Spain 60%; Germany 59%; England and France 58%. With only 36% of respondents having founded their own company, Italy represents an exception. This is related to the major reform on agents' regulations that was implemented with the support of the Antitrust Authority. The new legal framework aims at avoiding any sort of market concentration after the "Calciopoli" scandal. In that case, the football agency GEA World had a direct influence on the transfer market with relatives of sporting directors, football managers, club chairmen and owners, directly involved in the company.

As a result, in 2008, new requirements in Article 4 were posed to agents to establish their own activities as business companies (FIGC, 2011a). It is specified that licensed agents can operate through their companies only if they are authorized by their player clients when they sign the official mandate. Agents have to be the main shareholders of their companies and the number of shareholders acting as licensed agents in the company is limited to a maximum of three. Moreover, it is forbidden for agents' companies to sell their shares to any football agencies, and vice versa, in order to avoid conflicts of interests. Finally, the legal representative of the company has to be a licensed agent.

Regarding the structure of agents' companies, half of them have other shareholders apart from the agent. Agencies often regroup a number of partners who can support the core business, bringing further expertise in order to differentiate the services provided to clients, or to reach new markets and business sectors. This is the case when individual agents found their own

companies involving lawyers, marketing managers, PR and financial consultants. On the whole, 68% have no more than two shareholders.

Percentage of football agencies according to the number of shareholders



As noted by Poli (2010b), the market of player representation is characterized by different types of agency according to the services provided, their geographical reach (from global to regional) and the typologies of players they represented (top players, young talents, etc.). While consolidations have occurred in the last two decades, our survey shows the vast majority of agencies are still organized through simple structures. Few football agencies have floated on the stock market. In 2001, three English football agencies – Premier Management, First Artists and Proactive – were listed on the stock exchange market, but this appeared to be an unsuccessful strategy considering the poor trend of their respective shares.

Nearly 55% of the agencies have one licensed agent as shareholder at least. In England, Proactive, a former leading company, drew particular attention when it saw the direct involvement of managers and players who became shareholders. This case was seen as a clear conflict of interest and led to the reform of FA regulations on football agents in 2007 and 2009.

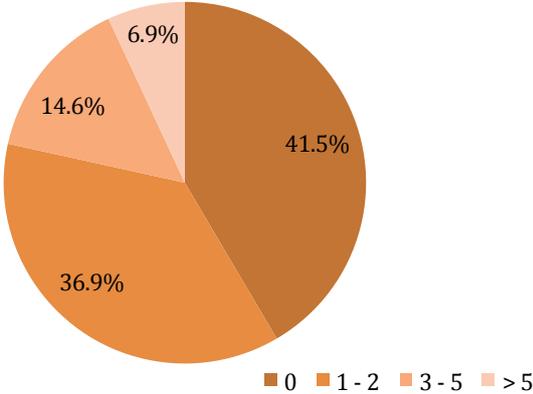
In almost eight cases out of ten, the licensed agent is the main shareholder. As mentioned by several authors (Shropshire and Davis, 2003; Roderick, 2006; Poli, 2010b), the basic manner of doing business in this sector is always based on trust and face-to-face interaction. For this reason, the centrality and the relevance of the individual agent is still crucial in the

representation market for football players, which is reflected in the way the majority of agencies are structured from a business perspective.

Employees in agents' companies

The business structure of agents' companies might require the presence of full-time employees who provide assistance to football players. In our survey, we asked respondents who had founded their own agencies to indicate the number of their paid employees.

Percentage of football agencies per number of employees



Slightly more than 40% of the companies founded by our respondents do not have paid employees. A similar percentage of firms only have one or two employees (36.9%). This evidence supports previous findings and confirms the atomised structure of the football representation market. Paradoxically, the great concentration in this business sector goes hand in hand with a structure organised around a plurality of individual agents with only a small number of regular assistants or collaborators.

Due to the high level of competition, the majority of agents' companies adopt flexible and informal structures, which easily allow them to adapt to the dynamics of a transfer market based on changing relational networks. Conversely, only the biggest agencies holding dominant market positions can afford complex and stable business structures. Both organisations have advantages and disadvantages.

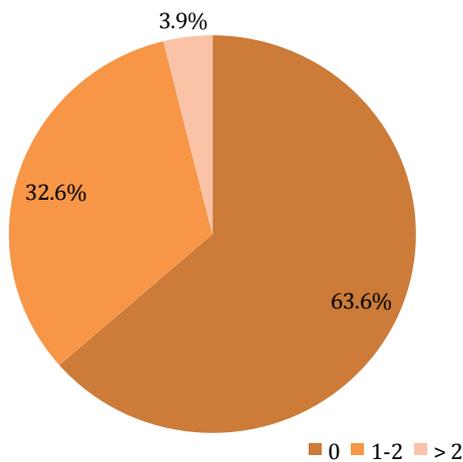
According to the leading Base Soccer's agent Frank Trimboli (2011), international agencies with many employees can profit from their fixed locations in many countries worldwide⁵ to enhance the level of credibility in their client's eyes and their operation on the ground. Frequent face-to-face interactions with local clubs and players help to generate a relationship of trust. Another key advantage for international agencies is that by employing people with complementary skills and working with players and clubs from all over the world they have progressively acquired the necessary experience to efficiently managing plenty of different situations.

According to Trimboli, individual agents have also some competitive advantages. The most prominent agents have in their turn an extensive range of personal contacts and strong working relationships based on trust. Individual agents have a greater flexibility to decide which project to focus on. This allows them *"dedicate full concentration to one or two deals without the distraction of deciding upon larger company policy"* (Trimboli, 2011). Moreover, while working individually, they still have the possibility to join forces with a larger agency on a case by case basis, something that an intermediary working for an international company is not able to do.

We also asked our respondents how many licensed football agents worked as employees in their business structure. It appears that almost two thirds of the football agencies do not hire other licensed agents (see next graph). While it is possible that the sample of our respondents does not equally represent the most and least influential agents on the market, this result appears to be consistent with the reality observed.

⁵ England, Italy, Spain, USA, Brazil, Uruguay, Belgium and Greece in Base Soccer's case

Percentage of agencies per number of licensed agents employed



On average, there are two licensed agents for every three paid employees. Commonly, the status and the rights of licensed agents' employees or collaborators are not specifically defined and regulated. In theoretical terms, they are only allowed to carry out administrative tasks. As noted by Article 3 of FIFA Players' Agents Regulations, *"a player's agent may organise his occupation as a business as long as his employees' work is restricted to administrative duties"* and that *"only the players' agent himself is entitled to represent and promote the interests of players and/or clubs in connection with other players and/or clubs"* (FIFA, 2008).

In practice, it appears that some licensed agents make use of their employees to carry out a variety of tasks within the competence of licensed agents, such as scouting players or negotiating some transfer deals. In 2011, for example, the Italian Football Federation, FIGC, suspended the agent Andrea D'Amico for two months and fined him €20,000 (FIGC, 2011b). It was proved that his brother and collaborator Alessandro D'Amico acted as an unlicensed agent on his behalf for some player transfers.

In some cases, agents seek the collaboration of trustworthy colleagues in order to avoid the regulations which forbid the dual representation of players. Peter Harrison, the former agent of Andy Carroll, freely admitted to having taken advantage of the inexperience of the former chairman of West Ham, Eggert Magnusson, in the transfer of Lucas Neill from Blackburn Rovers. In that occasion, he pocketed £900,000 in fee commission and explained: *"The best way is to get a "friendly agent" to act on behalf of the club – that way you can split the commission with someone you can trust. If, for example, the agent is based in Monaco, the club will pay his commission into an*

offshore account and he will pay the player's agent. It is all untraceable" (Ashton, 2011). According to information collected, these misconducts are not uncommon. They contribute to the bad reputation that agents have vis-à-vis the general opinion and other stakeholders in the football industry.

Section 3.2: Licensed agents' services

Typology of services provided

The activity of licensed agents is not restricted to private job placement. As mentioned before, their diversified previous work experience often allows them to offer multiple services. The latter are not only crucial to diversify the sources of income, but also to keep players loyal over the long term.

To investigate this issue, we invited the respondents to indicate which services or types of consultancy they offer to their clients. Hence, as listed by Masteralexis (2005), we selected seven key services, which are also commonly described by agents in their websites or brochures. They range from players' contract negotiation to marketing planning. Insofar as agents may ask for the support of external consultants in order to cover all these services and guarantee qualitative standards, the question unequivocally focused on tasks performed without external assistance.

Percentage of agents performing a specific task, per type of service provided

Services provided	%
Negotiating players' contracts	98%
Negotiating players' marketing and endorsement contracts	65%
Legal counselling and dispute resolution	51%
Career and post career planning	48%
Personal care	46%
Financial planning	38%
Marketing planning	31%

Apart from the most common service of negotiating player contracts, nearly two thirds of agents also assist player clients in their marketing and endorsement contracts. From a financial perspective, these have gained greater importance for all top players in recent years. Image rights have become a key factor to be negotiated between clubs and agents. For example, following Real Madrid's example, the Italian Serie A club SSC Napoli always includes the

acquisition of players' image rights in its contract deals. Last season, the club estimated to cash in €7m from the exploitation of this revenue source, which represented 7% of its turnover (Iaria, 2011).

In England, the FA standard contract for players implies for the player to give away most of his image rights. When Joey Barton played for Newcastle United, he signed a specific contract to sell the exploitation of his image rights to the club for £675,000 per year. According to the HMRC⁶, wealthy Premier League players often set up private businesses to receive incomes related to endorsements and the use of their image rights. This allows them corporate tax of 28% to be levied instead of the higher rate of income tax of 40%. While this procedure is legal, issues arise if clubs are suspected of using image rights as a way of tapping up players' salaries.

As previously mentioned, lawyers can also act as agents. Consequently, it is not surprising that half of the licensed agents offer legal counselling and dispute resolution. Nevertheless, some players prefer to involve sports lawyers, who do not usually act as agents but are considered more competent than "simple" intermediaries. In Germany, this principle is even inscribed in the norms. Indeed, legal advice may only be provided by legally authorised persons. Theoretically, unless they are lawyers, German agents are not allowed to negotiate the content of an employment contract with a club. Thus, their activity is supposed to be limited to the role of intermediaries. In practice, the law on legal advice (RBERG) is largely ignored by the parties concerned (KEA et al., 2009).

Some agents also invest time, money and effort in planning the career of their player clients while they are playing at youth academy level, in minor leagues, and abroad. Career planning also concerns the players' involvement in charitable events, campus and community club projects. Given the short duration of professional players' career, post-career planning requires agents to assist and prepare players for professional transition after they retire as a footballer. Slightly less than half of respondents stated that they provide this type of consultancy. The fierce competition for recruiting players and the instability of player-agent relationships can explain the relative low level of this figure.

⁶ HMRC: Her Majesty's Revenue and Customs, the UK Government office that is responsible for the collection of taxes and the payment of some forms of state support.

This finding suggests that both players and agents are above all occupied and worried on maximising business opportunities from a short-term perspective. This situation can prove to be detrimental to the career prospects of many young and talented players, who, with the active complicity of their agents, are eager to move abroad to a bigger club with when they are not yet ready for such experience.

Surprisingly, only a minority of agents offer personal care services, which involve tasks such as assisting players finding a house or flat, organise travel to their home country for expatriates, etc. These tasks are probably much more performed by the employer club, which is also responsible for providing medical and psychological assistance when needed. Only 46% of agents support their clients in these kinds of matters. This contrasts with the stereotyped idea that agents are always available for their players' present needs.

As noted by Roderick (2006), the player-agent relationship is also based on opportunistic behaviours in relation to player's status and current performance. Hence, it is not surprising to note that agents might contact their player clients randomly, and above all whenever there are favourable transfer opportunities. This was confirmed by the majority of African professional footballers playing with Swiss clubs interviewed in the context of a previous author's empirical research project (Poli, 2004).

Financial services such as banking and cash flow management, tax and investment planning and risk management are also sometimes provided to players. Nevertheless, these services can be complex issues for agents if they do not have the proper in-house competence and expertise. Consequently, only 38% of our respondents provide this kind of consultancy. It is likely that agents –and probably players themselves–prefer to subcontract this service to other professionals.

In the business of football representation, scandals of incompetence, fraud and breaches of fiduciary duties often derive from cases of financial mismanagement by agents. It can be the case that the level of dependency which develops between some players and their agents makes the former vulnerable to exploitation by the latter. For example, Ian Elliott, the former agent of England winger Stewart Downing, was charged for fraud (Collins, 2011). The player earned

almost half a million pounds by endorsing a sports wear brand from 2005 to 2008. The agent, who made the deal on the player's behalf, was accused of siphoning hundreds of thousands of pounds of Downing's money into his own failed business interests.

Only 31% of the agents who responded provide full marketing planning. According to Masteralexis (2005), agents representing team-sport athletes such as football players are less involved in providing this service since clubs tend to be more involved in their players' marketing campaign. Some football agent companies now work with firms specialised in this domain.

A good example is the Brazilian agency MJF Publicidade e Promoções, which signed a marketing partnership in 2011 with 9ine Sport & Entertainment. The latter is owned by the global media communication group WPP. With the involvement of the former Brazilian player Ronaldo, the company manages and plans the marketing of top young Brazilian footballers such as Lucas and Neymar. As already mentioned, a similar partnership was signed in 2010 by the Portuguese football agency Gestifute and the American group CAA.

On average, agents provide four out of seven services listed in our questionnaire. The lowest figure is in Italy, where agents offer only three services. This reflects the tendency of Italian agents to operate mainly as individual agents. On the contrary, English agents assist their clients with an average of 4.7 services, immediately followed by their German counterparts.

Apart from player services, the majority of agents also assist clubs. More than 70% of agents declared having already supported them in the intermediation for transferring footballers. Nearly two thirds help clubs scout professional players and half of the respondents search for youth players on their behalf. Finally, only less than a quarter of the respondents support teams in the organisation of events such as friendly matches and tours.

Percentage of agents according to the type of service provided to clubs

Services provided	%
Transferring players	71%
Scouting professional players	65%
Scouting youth players	50%
Organising events	23%

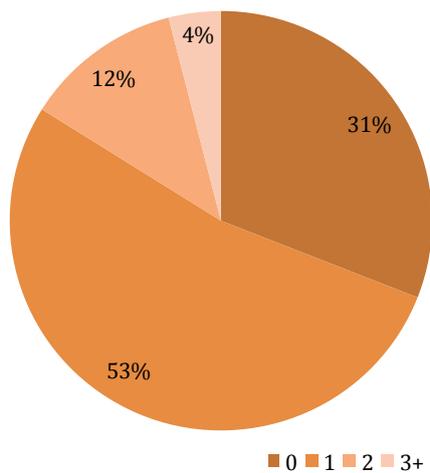
Transfer deals often involve a plurality of agents working on behalf of all parties concerned (buying club, selling club, player). This allows each party to start negotiations without compromising their chances to maximise profits, as well as sparing precious time. However, this also increases costs in terms of consultancy fees. Moreover, by relying on external parties to which they give away part of their decisional power, clubs and players face the risk to be abused. This is also why trust is a crucial asset in the player transfer and representation business.

Business size

From a business structure perspective, we can distinguish between three situations. Firstly, there are agents who have founded their own company. Secondly, there are agents who work as self-employed without having founded their own firm. Thirdly, there are agents who work as employees for a company. In this chapter we refer to all these situations by the term of agent entity. Insofar as our survey questionnaire was anonymous, we were not able to distinguish whether respondents worked for the same company, which implies a bias in our analysis. However, considering the atomised structure of the representation business, this is not a major problem.

In order to analyse the business size of agents' activity, a first indicator is the number of offices or branches that entities own. As previously shown, the representation market is characterised by a high level of players' concentration. The market is highly segmented, with a small group of dominant individual agents or agencies and a multitude of intermediaries who struggle to establish themselves. From this perspective, it is not surprising to note that almost one third of entities do not even have an office, while only 16% of them have two or more.

Percentage of agent entities according to the number of offices



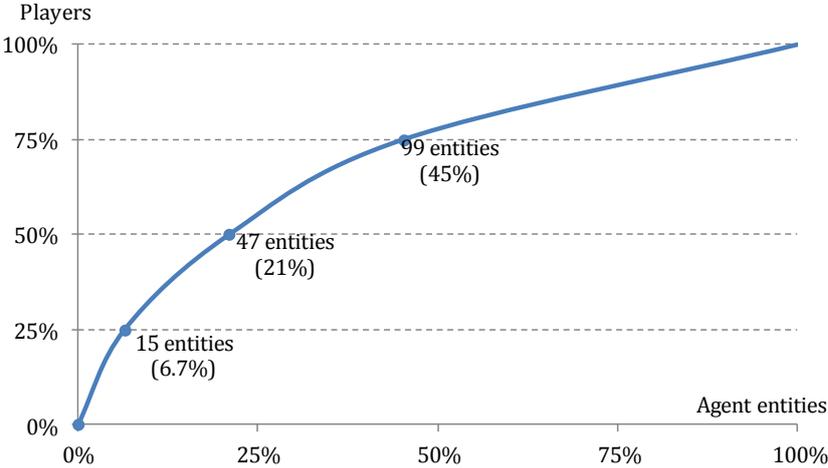
Concerning the office location, only 16% of the entities have representative offices abroad. Amongst them, four out of ten are located in other countries hosting the big five leagues. Another 21% are within the European borders in countries such as Sweden, Turkey, Greece, Bosnia, Croatia, Czech Republic and Switzerland. Nearly 27% of the offices are located in South America, the vast majority in Brazil, Argentina and Uruguay. Finally, about 7% of the foreign offices are in the United States, and the rest in the African continent.

Undoubtedly, an additional aspect to measure the business size of agent entities is the number of players represented. Firstly, we examine this aspect only looking at the agents' companies in order to show the players' concentration in the market. Then, since players are registered as clients of the single agents within the registry of the national associations, players' distribution is analysed according to the individual agent.

On average, agent entities among our respondents represent 16 footballers. As previously found out, player clients are not normally distributed within the market. According to our survey, 6.7% of the entities (15 out of 223 respondents) work on behalf of 25% of the players (792 out of 3,168 players represented on the whole), 21% of the former for 50% of the latter, and 45% for 75%. While slightly lower than the concentration measured for the big five league player representation market (Part I), these figures confirm the great discrepancies in terms of level of activity and influence between licensed agents.

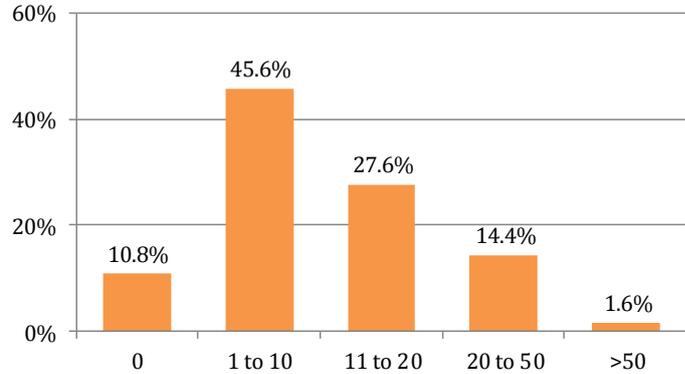
In the figure below, the level of players' concentration is even higher than the previous analysis illustrated in Part I. This is explained by the fact that, in this case, professional players are included from all the national divisions and not only the big five championships.

Percentage of individual agents or agencies (entities) per proportion of players directly represented by survey respondents



Respondents were also asked for the exact number of youth academy players and professional first team players they directly represent. Interestingly, 10.8% of individual agents do not have any players as clients at the moment of the survey. This confirms that many licensed agents did not achieve to make a living from this profession, get disillusioned and are probably no more active at all in the transfer market. At the opposite end of the table, two of our respondents directly represent up to 100 football players! Almost half of licensed agents who participated in our survey have from 1 to 10 players in their client portfolio.

Percentage of individual agents per number of players directly represented



The proportion of professional players on the total number of footballers represented is 42%. While 10% of the respondents represent only youth academy players, another 10% of the licensed agents exclusively focus on professional players. The vast majority is active both in youth football and senior football. However, the fact that 58% of the clients directly represented by our respondents are youth confirms that agents are above all interested in young talents whose upward career could allow them to further establish themselves as key actors in the transfer market. This implies that the pressure exerted by intermediaries on young players is probably great.

The English FA have worked with clubs to ensure youth academy players are not left vulnerable to illegal approaches by agents. Chelsea has taken a proactive role in educating their players about agents. The club do not let agents attend most academy matches. It is very common for agents to approach youth academy players through social media. As a consequence, for instance, Manchester United discourages its players from holding Facebook accounts.

Concerning sporting disciplines covered by our respondents, 90% of them only represent football players. This finding confirms the high degree of specialisation of agents in football and how difficult it is for them to operate in different sport markets. The alternative disciplines in which agents have clients are listed below, suprisingly with athletics at the top of the list. The figure concerning handball is mainly due to the German case, where it is a popular discipline. Futsal and basketball are quite popular in Spain, and some agents represent professional players of these sports. Finally, for rugby, French and English agents are attractive business markets. In Italy, all agents among our respondents exclusively operate in football.

Number of individual agents representing athletes in other sports, per discipline

Sport	Number
Athletics	7
Handball	4
Basketball	3
Futsal	2
Motor sport	2
Rugby	2
Tennis	2
Volleyball	1
Golf	1
Cricket	1
Boxing	1
Sailing	1

Representing an individual athlete differs significantly from working on behalf of a team-sport sportsperson. Individual athletes' earnings depend much more on consistent performance in key events and the ability to promote and market their image. Their agents are more involved in managing the individual player's career, much like the business managers hired by entertainers. Therefore, the management tasks include booking exhibitions and special competitions to supplement athletes' winning from regular tour/client events, as well as managing travel, lodging, and the athlete's personal life.

We also enquired whether individual agents represent entertainers such as musicians, models, actors, TV presenters and others. It appeared that only 7% of them work on behalf of artists in the entertainment business. This confirms that this business sector is still well separated from the football world. According to our market representation analysis, there are few relevant examples of agencies representing entertainers. The most renowned case is that of IMG, which has specifically created its fashion and entertainment divisions in different countries.

In the UK, James Grant Group manages the career of TV commentators, presenters, comedians and actors. In the Netherlands, SEG Group has a music branch in artist management, label services and music supervision. While a few other examples exist, they remain until now rare and this situation will probably persist in the years to come.

Part IV - Licensed agents' work activity and networks

This part focuses on the working activity of agents and their football network. It is composed of two sections:

- Section 4.1: Licensed agents' level of activity

The aim is to analyse how much time per week licensed agents dedicate to their activity. For this reason, we asked our respondents to indicate whether they work full-time, and more precisely, their average working hours as licensed agents. Furthermore, agents were asked to list tasks performed and the frequency according to which they are carried out. This allows for understanding how they organize their activity.

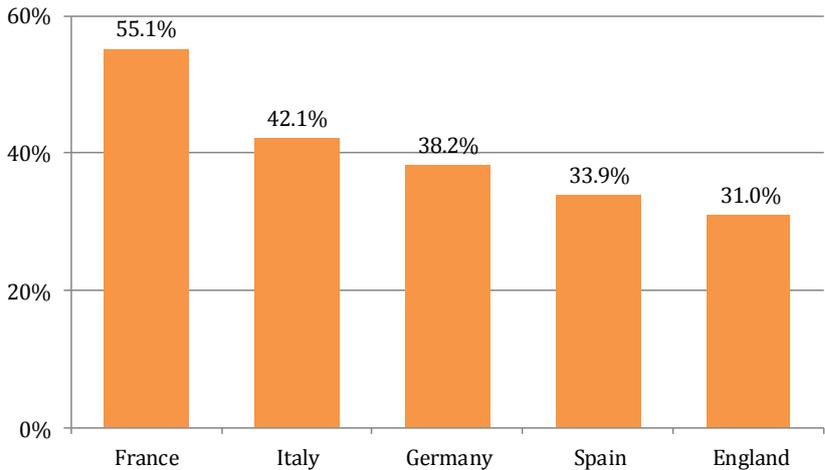
- Section 4.2: Licensed agents' networks within the football industry

The focus is on the networks on which football agents rely to operate in the representation business. Firstly, we examine how agents collaborate together, the kind of partnership and for which purposes they cooperate. Then, we analyse strategic links with other actors in the football industry with whom agents work in order to transfer players.

Section 4.1 - Licensed agents' level of activity

Surprisingly, only 41% of the respondents work full-time as licensed agents. This proportion is above 50% only in France, and it is less than one third in England. On average, full-time agents represent 16 players, six more than part-time ones.

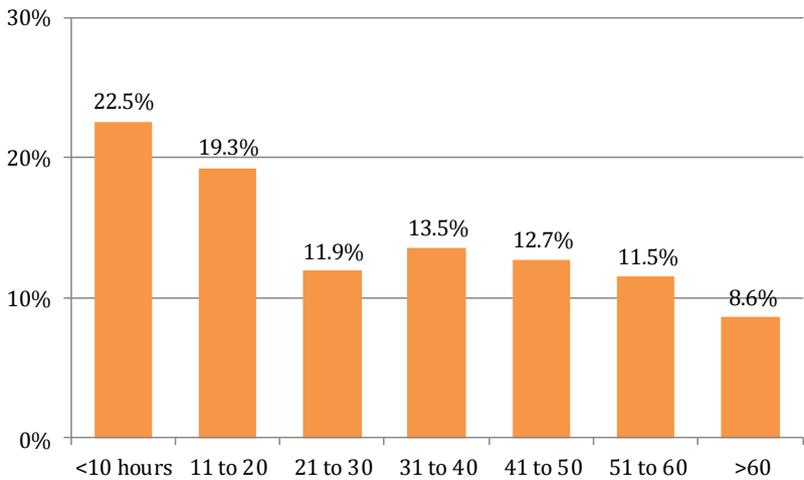
Percentage of agents working full-time per country



One question in our survey questionnaire asked respondents to assess the number of hours per week they usually dedicate to their activity as an intermediary. On average, a licensed agent works 34 hours per week, while the median is 30. The majority of our respondents (53.7%) report that they dedicate less than 30 hours per week to their activity as licensed agents. At the opposite end of the table, one fifth of the agents spend more than 50 working hours per week.

According to several comments received in the survey, several agents highlighted the difficulties they faced in operating in the football transfer market and mentioned how they easily got disillusioned with this profession. The result is that many agents remain formally licensed by their respective associations but in reality do not practise the profession.

Percentage of agents according to the weekly working hours dedicated to their activity



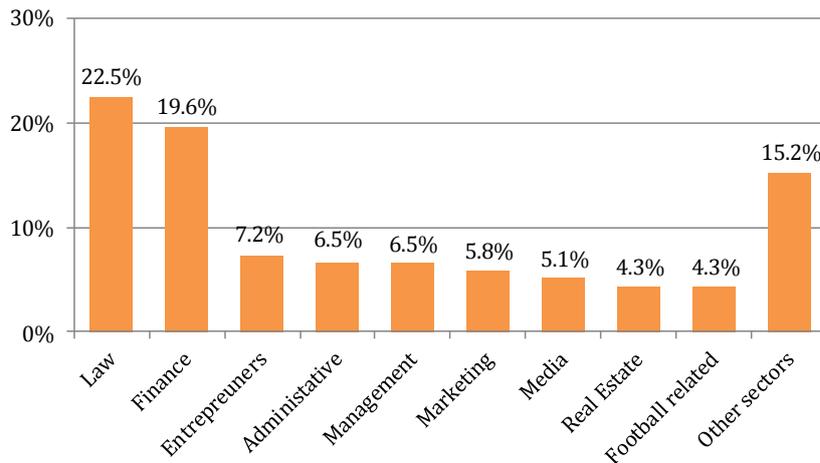
In line with our statistical analysis, there is a significant and positive correlation between the working hours and the number of player clients. If we group the hours in three twenty-hour bands, the trend of players represented on average by agents is ascendant as follows: nine players from 0 to 20 hours; 11 players from 21 to 40 hours; 18 players from 41 to 60 hours; and 22 players over 60 hours.

While the number of licensed agents in UEFA member countries increased from 1,211 in 2003 (Poli, 2010c) to 4,001 in 2011 and every year there are more and more aspirants who wish to carry out this profession, our survey reveals that this profession is often occasional and requires a long period of apprenticeship in order to gain experience and build proper relational networks within the football industry.

Part-time agents work in different business sectors such as law, finance, marketing, media and real estate. Comparing these results with the previous working experience (Part II), law and finance sectors maintain the same relevance in relation to a career as an agent. While some agents work for their own firms as entrepreneurs, others occupy positions within companies at managerial and administrative levels. It is interesting to highlight that 4.3% of the respondents work in football related jobs, such as football managers, technical directors, PR and club marketing managers.

This result confirms the issue of the existence of possible conflicts of interest insofar as all licensed agents are supposed to quit positions in clubs to act as intermediary in the player representation and transfer markets. According to the regulations, national associations should hold the licence whenever an agent is hired by clubs for any job position.

Percentage of agents among those working part-time per current type of working activity



According to FIFA regulations, lawyers can operate as licensed agents by request to their national association without taking the official license. Nevertheless, Article 2 of FIFA Players' Agents Regulations allows the national associations to derogate from any FIFA rules which collide with the state legislation in force on the territory of the association.

In 2007, in Italy, the union "Lawyers for Players" was founded. It groups all the Italian lawyers that represent football players. The specific aim of this union is to protect the image and promote the professionalism of lawyers who are specialised in football. With so many legal constraints involved in transfer and endorsement contracts, football agents without legal background often subcontract these tasks to specialists. A good example is provided by Onside Law. This firm advised on behalf of agents international players such as Matthew Upson, Patrick Vieira, Branislav Ivanović, and Teddy Sheringham on issues related to transfers, endorsements, image rights and working contracts.

As far as lawyers are concerned, EU regulations are not harmonised. Arguably, three different situations for lawyers are currently possible in Europe:

- The prohibition of practising the profession of football agent for incompatibility: in France, lawyers are prohibited from carrying out any kind of commercial activity and hence from acting as football agents.
- The requirement for a licence or authorisation in order to perform the profession of football agent; in England, according to the English FA regulations, any lawyer acting on

behalf of a club or a player must be registered in advance with the FA. On the contrary, solicitors are exempted from this disposition;

- Performing the profession of football agent without the requirement of any licence or authorisation; in Italy, all lawyers can act on the behalf of clubs or players as they are exempted from the requirement of any license issued by the national association.

While lawyers are in some ways well placed to be part of the representation business, detractors argue that those who also act as agents to broker deals on behalf of players or clubs do not know enough about football matters and are not able to provide the best services to their clients. Being conscious of this possible competitive disadvantage, some law firms have started partnering up with former professional players and managers who can provide the necessary football expertise.

For example, the former Premier League players John Hendrie, Brian Deane and Robbie Savage have worked as consultants to the Leeds law firm Blacks. More specific is the case of the former England national team player and 1995 Premier League champion Stuart Ripley, who retired in 2000 and became a specialist sports lawyer at Brabners Chaffe Street. This company offers consultancy to several clubs for their transfer deals such as those of Ashley Young, Phil Jones and David de Gea to Manchester United, and that of Sebastian Coates to Liverpool FC.

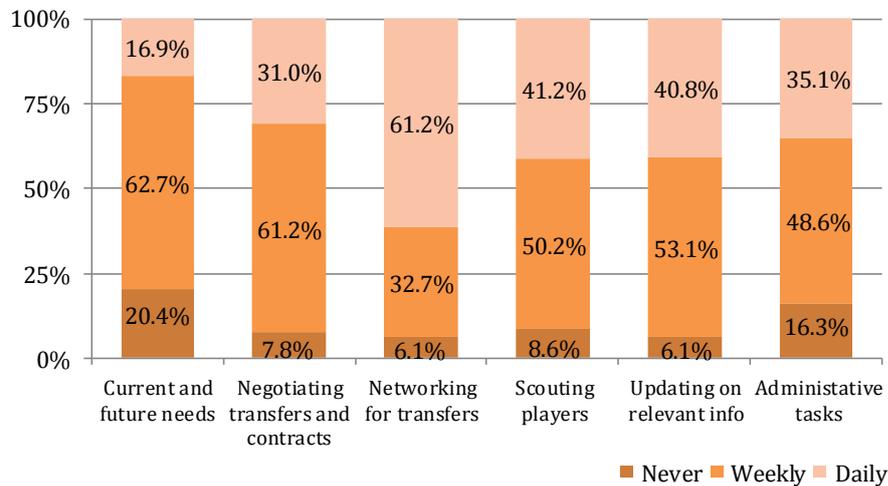
Frequency of tasks undertaken

Alongside the weekly hours spent on their activity as agents, it is also interesting to understand how these professionals organise their weekly activity. Hence, we selected the six following tasks asking agents how frequently they perform them on average:

- Assisting players with their current and future needs (housing, transportation, health, legal and tax advice, investments, etc.)
- Negotiating transfers or contract renewals
- Building up or consolidating networks of transfers
- Scouting players

- Administrative tasks (including trying to recoup money)
- Keeping updated on relevant information (regulatory issues, club needs, etc.)

Percentage of agents according to task frequency



The only task carried out daily by a majority of agents (61.2%) is building relational networks for transfers. About 40% of them scout players and update themselves on relevant information such as regulatory issues or club needs. This confirms that agents in football fulfil above all the function consisting of brokering deals. One fifth of agents among our respondents never undertake tasks related to assisting players in their current or future needs (housing, transportation, health, tax advice, etc.). Only 16.9% of them carry out this task daily. This data confirms that the stereotypical image of agents “baby-sitting” their protégés does not correspond to the reality. The former are above all busy in spinning webs and brokering deals.

Section 4.2 - Licensed Agents’ networks within the Football Industry

While competition is a key feature in many businesses - including football players’ representation, the ability to cooperate is also crucial for success. As mentioned by leading football agent Frank Trimboli (2011) *“with a lot of people trying to do a lot of business competition is inevitable, inter-agency cooperation is increasingly common”*. The issues of the frequency and modalities of collaborations were also addressed in our survey questionnaire.

Collaboration between agents

Half of our survey respondents indicated that they represent players on behalf of other colleagues. For those doing so, an additional question was addressed to know more precisely the purpose of the collaboration. Respondents could tick several options as follows.

Percentage of agents among those representing players on behalf of colleagues, according to the purpose of the collaboration

Introducing players to...	%
A specific national market	80%
A specific club	61%
A specific agent	31%
A specific sporting director	13%
A specific football manager	12%
A specific club scout	10%

The most important reason to collaborate with a colleague is to introduce his player client to a specific national market. This confirms that from a player representation perspective, football national markets remain quite segmented. This finding illustrates that strategic partnerships concluded by agents at transnational level are a key globalising factor.

An interesting example of transnational agreement between agents at the basis of international flows of footballers is that of the partnership between the English company Formation and the Portuguese Gestifute (Conn, 2011). In March 2002, the agent Paul Stretford, Formation's director, was introduced to Luis Correia, Gestifute's director, by Carlos Freitas, the director of Sporting Lisbon. At that time, Gestifute mainly operated in Portugal and did not have influential contacts within English football. In June 2002, Newcastle United signed the Portuguese player Hugo Viana for £8.5m, the first Gestifute client to be transferred to an English club. Paul Stretford negotiated the transfer deal and the fees of £300,000 received by Formation were equally shared with Jorge Mendes, the owner of Gestifute.

In 2003, the two agencies concluded a formal partnership in order to represent and promote Gestifute players to English clubs using Formation established networks. As agreed, the Formation agent Tony Henry introduced Jorge Mendes to clubs, which first culminated in the

transfer of the Portuguese winger Nuno Capucho, signed by Glasgow Rangers for £670,000 in June 2003. Again, the fees were shared according to the formal agreement signed. The successful collaboration between the agencies continued with the negotiations and the transfer of the 18-year old Cristiano Ronaldo to Manchester United from Sporting Lisbon for £12.24m.

The partnership started to collapse with the signing of the manager José Mourinho, another Gestifute's client, by Chelsea FC in June 2004. On that occasion, Jorge Mendes also moved to the London club with three of his player clients: Ricardo Carvalho, Tiago and Paulo Ferreira. These transfer negotiations were dealt directly, without the consent and the involvement of Formation, which apparently did not receive any commission from the €2.9m fee earned by Jorge Mendes. Formation accused Gestifute of disrupting their official partnership. A legal case instructed by the English company against the Portuguese one is still proceeding via the court of Porto.

According to the English agency's legal representatives, Jorge Mendes also hid the full fees received by Manchester United for the transfer of Cristiano Ronaldo. Indeed, Formation apparently received £80,000 instead of half of £1.129m, a figure reported on Manchester United's balance sheet. In its defence against these accusations, Gestifute argues that its partnership with Formation was not a genuine agency agreement that required sharing fees equally. Beyond recent legal developments, this example clearly shows the strategic importance of collaboration between agents in order to enter new markets. Moreover, it also highlights that the balance between cooperation and competition is fragile and that intermediaries are often tempted to adopt opportunistic behaviours.

Six out of 10 agents representing players on behalf of colleagues do so in order to introduce them to specific clubs. However, only a minority of intermediaries put their colleagues directly in contact with a specific sporting director (13%), football manager (12%) and club scout (10%). This shows that personal relationships are the key asset to be able operate in the transfer and representation market. While collaborations are necessary, agents seem to be very reticent to share their personal networks on the demand side.

By acting as such, they try to protect and eventually improve their position in the market. Consequently, they create and perpetuate closed circles of trusts that prevent many newcomers

to establish themselves in the representation business. Taking this into account, starting to work as a collaborator of a dominant actor can be very helpful, even though, as illustrated by the former Italian intermediary Domenico Ricci (2010), this is often also a source of conflict.

Collaboration with other actors in the transfer market

To be able to place players, agents need to be in direct contact with club officials. According to the former agent of Andy Carroll, Peter Harrison, there are managers and sporting directors who are very close to agents and organise transfer deals jointly (Ashton, 2011). Much evidence on the mechanism of bringing in trusted “friends” on the intermediation side to allow for deals being concluded is also provided by Tom Bower (2003).

This modus operandi also favours the concentration of players under the control of few agents. The importance of actors on the demand side in the ability of intermediaries to establish themselves as key actors in the representation business is confirmed by the great percentage (67%) of our respondents having declared that their contract negotiation fees are mainly paid by clubs. In our questionnaire, respondents were invited to rate, using a Likert scale from 1 to 5, the importance of several professionals in football as business partners when placing players.

Average rating of the importance of football professional as business partners

Football professionals	Average
Sporting directors	3.63
Football managers	3.33
Club scouts	2.91
Current football players	2.68
Other football agents	2.59
Former football players	2.39
Lawyers	1.96

Sporting directors are considered the most important professionals whenever they have to move their clients and obtain new mandates. There are cases in which sporting directors explicitly recommend some agents to their club players. This situation might above all happen for footballers playing at youth academy level and in the minor divisions, sometimes in order to

protect both club and player interests. However, this situation can also create unpleasant conditions for footballers.

In 2010, Antonio Masi, for example, the father of the young and promising Fiorentina defender Federico Masi, openly accused Pantaleo Corvino, the sporting director of the Italian club, of having put pressure on his son to choose a desired agent and to have asked for the contract of his son to be cancelled as soon as the player decided to change. The case went in front of the federal court, the club suing the player's father for defamation. In May 2011, the court rejected all the accusations and convicted the club, requesting that it refund all the legal expenses.

Football managers are also relevant partners for agents. In some leagues, they also act as sporting directors with decisional power on the transfer market. Moreover, according to our survey, up to 40% of our respondents declared having already represented a football manager during their career. The strong connection between agents and managers has always been very problematic as a source of conflicts of interests. In Italy, for example, when the "Calciopoli" scandal blew up, the agency GEA World was directly involved in the representation of almost 30 managers.

Other important business partners for agents are club scouts. Although the decisional power of club scouts is not as important as that of sporting directors and managers, by building good relationships with them it is also possible for agents to promote their players and conclude transfer deals. Current football players are important for licensed agents above all in order to tap up other players. As the market of licensed agents is quite often unknown even for football players, it is likely that players' decisions in selecting their agents are counselled by teammates. An empirical study recently conducted in Switzerland has confirmed that agents frequently use their current protégés to enlarge their client portfolio (Bulliard 2010).

Conclusion

While transfer intermediaries have existed since almost the birth of the professional game, the profession of agent was not officially recognised before 1991 when FIFA established the first official licensing system. In November 2011, there were 6,082 licensed agents worldwide: 41% of them were domiciled within countries of the big five leagues.

Despite the fact that football agents are not required to hold any specific educational degree in order to obtain the official licence, they possess a respectable education. Nearly three quarters of our respondents have obtained a bachelor degree at least. Being a key figure in the process of football globalisation (Poli, 2010b), agents would be recommended to speak foreign languages in order to operate in the transnational transfer market. The survey results indicate that only 29% of them do not speak any foreign language at intermediary level at least. Furthermore, around 93% of agents have lived for six months in one foreign country at least, confirming the internationality of these professionals.

Only around 42% of players represented by our respondents are professionals, while the remaining play at youth level. This finding confirms that agents are above all interested in young talents whose upward career could allow them for further establishing themselves as key actors in the transfer market. This implies that the pressure exerted by intermediaries on young players –most of them underage ones– is great. Around 90% of the licensed agents work only in football. This evidence shows the high level of commitment and specification required by the football industry.

In terms of the business structure, the evidence provided supports the centrality of individual football agents. Half of the respondents have founded their own agency, of which in the vast majority of cases they are the main shareholders. Slightly more than two thirds of these football agencies have a maximum of two shareholders. Around 40% of agencies do not have any full-time employees. The majority of agents predominantly adopt a basic organisational structure. Most of them base their activity on flexible, dynamic and often informal relationships.

Agents offer a multitude of services for their players beyond contract negotiations. According to our analysis, 65% of respondents assist their clients in marketing and endorsement deals, whereas half of them also provide legal counselling and dispute resolution. Services concerning personal care are much less performed. Contrary to the image that media and often agents themselves like transmitting, our results reveal that intermediaries are much more occupied on building transfer networks and brokering deals than assisting their player clients.

Only 41% of licensed agents among our respondents work full-time. The most common parallel occupations are in the field of law and finance. These fields are also those in which the most licensed agents had previous work experience before moving into the representation business. One quarter of agents started working as unlicensed agents before obtaining the licence.

While often in individual business structures, agents also need to collaborate with each other and with other professionals in football to increase their working activity. Our survey shows that half of the licensed agents represent players on behalf of colleagues, mostly to introduce their player clients to a specific national market. Sporting directors and football managers are considered as the most important professionals for agents to collaborate with. Almost 40% of our respondents have already represented at least one football manager.

This reinforces several issues related to lack of transparency in the player transfer and representation market. Privileged relationships and conflicts of interests between agents, club officials and managers affect the competitiveness of in the transfer market and representation market, by strengthening the power of a small number of dominant intermediaries. Our analysis shows the existence of strong entry barriers for whoever aspires to work in the representation market of top league footballers.

Our analysis shows that 50% of the entire representation market in the big five is managed by 83 individual agents or agencies. Considering the responses from our respondents, which also work on behalf of players in the lower divisions, it appears one fifth of individual agents or agencies represent 50% of the representation market. Difficulties faced to establish themselves often generate a sense of disillusionment for licensed agents. Failing to make a living from this profession, many simply abandon this activity.

Although it is relatively easy to obtain the license to officially operate, the existence of established agents dominating the market is an important hurdle for newcomers. From this perspective, the attempt of increasing the competition in the representation market by facilitating the obtainment of a license preconized by the European Commission and put into practice by FIFA with the coming into force of the new agents' regulations in 2001 has clearly not been allowed to reach the desired goal. Insofar clubs and players rely and trust on few agents, despite regulation changes the representation business is not as open and accessible to all intermediaries as the relative facility to get a license would suggest.

Another crucial issue of the player transfer and representation market is the practice of third party ownerships related to players' transfer rights. Many of the investments made by private investors on football players are in breach of Article 18 of FIFA Regulations and Transfer of Players (FIFA, 2010), which states: *"no club should enter into a contract which enables any other part to that contract or any third party to acquire the ability to influence in employment and transfer-related matters its independence, its policies or the performance of its teams"*.

According to our survey, 15% of our respondents have owned shares of players' transfer rights during their career as a licensed agent. This result is quite surprising given the fact that it was largely believed that third party ownerships mainly characterised the activity of football agents in South America. Several influential agents such as Mino Raiola, Juan Figer, Pini Zahavi and Jorge Mendes among others, have been reported having active roles in investing on players' transfer rights.

Recently, FIFA has started investigating the position of Quality Investment Fund, set up by the former Chelsea CEO Peter Kenyon and co-owned by CAA Sports International and Gestifute (Duff and Panja, 2011). Other third-party ownership projects such as Traffic, Benfica Star Fund, Sport Investment Fund and Soccer BR1 have been set up to directly invest in clubs and academies by controlling their key asset –players' transfer rights– without being legally responsible for the club with respect to football governing bodies.

While the ability of investors owning economic rights on players to influence clubs in employment and transfer-related matters must be proved on a case by case basis, this situation is

always a very controversial one. As for the representation business, deregulation in this domain may bring to greater transparency. However, this could also prove to be very detrimental for the sustainable development of football.

Indeed, many examples already show that third-party ownership increase short-term speculative policies on the transfer market which do not take into account the sporting development of players, who need a certain level of stability to fully develop their skills, and teams. Many studies by the CIES Football Observatory have shown that the best performing clubs are those with the most stable squad. Their ability to produce high level spectacle also depends on squad cohesion and, again, player stability.

Beyond sporting (level of performance) and financial aspects (level of spectacle), third-party ownership is a possible source of future problems, particularly from a competition integrity perspective. What would occur if an agency achieved a monopolistic position on a specific national market by controlling a vast majority of players? Looking at the great level of concentration in the player representation business, this situation is not as fanciful as it might seem. Monitoring the evolution in the player transfer and representation market is crucial both from an academic and a football governance perspective.

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