

Module 3. Proposal and Negotiation



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Introduction

As we mentioned in previous modules, every element we cover, including key points, stages, and details, will be closely tied to the type of club we're working with, its resources, and characteristics.

That said, this stage of the scouting process (proposal and negotiation) follows several important preliminary phases that make this final stage possible.

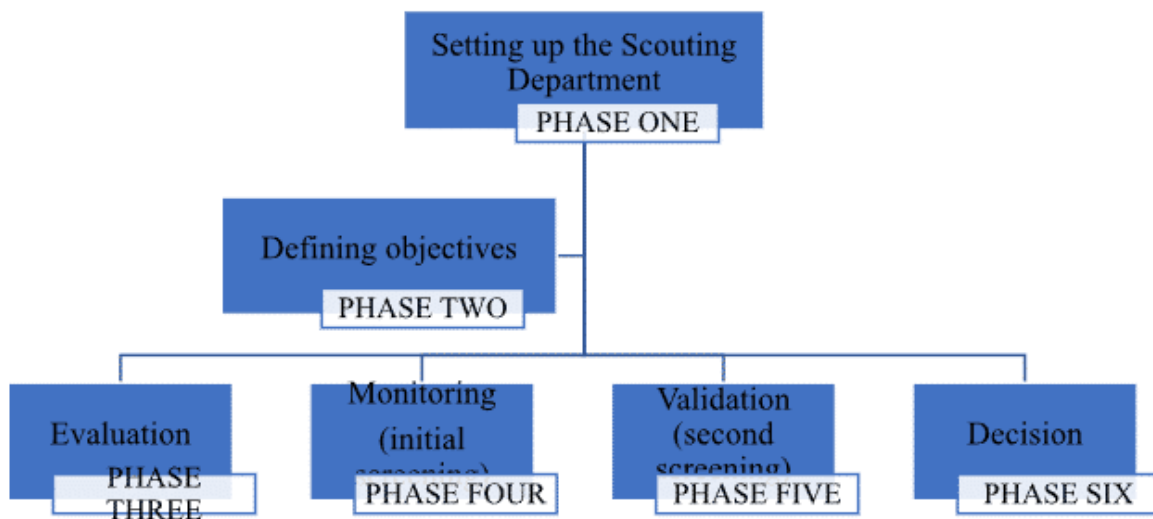
It's impossible to propose and negotiate with a player, their family, or a club without proper organization in place.

Therefore, to reach this stage, it's essential to clearly define and complete all the phases outlined in Module 2 of this course:

- PHASE ONE: Setting up the scouting department.
- PHASE TWO: Defining objectives.
- PHASE THREE: Evaluation, watching many players (casting a wide net).

- PHASE FOUR: Monitoring players of interest (initial screening).
- PHASE FIVE: Validation of the top players monitored (second screening).
- PHASE SIX: Deciding (yes/no) whether to bring them into the club.

Figure 1: Scouting department



Source: original work.

After reaching the decision stage to add a player to our club, it's time to make an offer, previously agreed upon by the club's sports management.

It's important to note that signing a player doesn't always involve a formal contract, especially with minors or players joining amateur

teams.

However, making a formal offer requires considering several key factors:

1. Player's situation.
2. Contract (if necessary).
3. Proposal.
4. Negotiation.

Figure 2: Key aspects to consider



Source: original work.

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Unit 3.1 PLAYER'S SITUATION

This refers to the context surrounding the player, including their characteristics, needs, and reality.

The most important factors to consider for the proposal are:

Age:

Many clubs sign local youth players without offering much beyond the opportunity to play for the team.

Some clubs only sign players from outside their area at certain ages, such as U-16 or older. Others start as early as U-12, especially if they find the player exceptional and with long-term professional potential either within the club or outside. Clubs often only sign younger players if they show standout talent or live nearby, avoiding long commutes.

These restrictions are usually in place to benefit the player and their family by reducing travel, which helps prevent fatigue and allows

the player to spend more time at home. This balance helps players manage their football activities with study and leisure time.

In higher-level clubs, older players may need extra incentives depending on their personal situation.

These may include:

Distance:

If the player lives a medium or long distance from the club that wants to sign them, the club may offer certain benefits (outlined later in the "Proposal" section) to make the move easier and more appealing for both the player and their family.

Projection:

A player's **projection** refers to the expected duration of the player's performance at a high level for the club.

We can break this down into:

- Immediate/Short-term performance.
- Mid-term performance.
- Long-term performance.

- Future performance.

Immediate/Short-term performance:

Sometimes players are expected to stay for only a few seasons (1-3) to fill a specific team need. This can occur for a variety of reasons.

One reason may be that the team signs a player to fill a need due to a lack of players with a specific profile or position. Over time, it's possible the player may be released or replaced by someone deemed to be of a higher level.

The player's physical attributes could be another reason driving their signing. Some players develop early and stand out for a few years due to physical abilities that are superior to most other players. They tend to have more strength, speed, or a more powerful shot, which makes them stand out, get more playing time, and take on a larger role.

We've all likely heard that players born early in the year (January or February) can often fit this profile, especially at younger ages (between U-8 and U-14).

In these cases, as time goes on and their physical advantages even out with other players of similar physical ability and condition, these players may start to lose prominence and success in the team, depending on their development, attributes, and overall skill level.

This could lead to the player being released and no longer considered for the team.

Mid-term performance:

A player is considered to have mid-term potential if we expect them to stay with our teams for several seasons (typically 3 to 5).

Some players need time to adjust to their new environment. This adjustment might involve adapting to the team's playing style, the coach and technical staff, the league or competition level, teammates, a new living situation, or even a new school, depending on the case.

The adaptation period can range from a few days or weeks to several months, or even an entire season.

In certain cases, it's important to be patient with players as they develop, especially if they show signs of future improvement and potential.

EXPLANATORY NOTE: When we talk about short- or mid-term performance projections, we are not referring to signings meant to temporarily fill gaps. Instead, based on prior probability assessments, we assign certain players a longer or shorter potential stay at the club, even though these assessments, while objective, can vary.

Regardless of how long a player stays at the club or what predictions are made about their time here, the same level of emphasis must be placed on their development as is given to other players who are initially expected to stay longer. First, because all players should receive the same human and educational treatment, regardless of their skill level. Second, because experience has shown that in many cases, young players' development can take unexpected turns, with those initially given fewer chances ending up staying longer at the club than others who were expected to have brighter futures.

Long-term performance:

Most clubs would prefer that players identified and brought into their teams stay for as long as possible, as this would mean greater team stability and consistent player performance over time.

When we talk about "long-term," we're referring to players who join our teams at a young age and stay for many seasons (usually between 5 and 10).

If this happens, it usually means that the players are performing well and playing a significant role on the team.

This is often accompanied by good adaptation to the club, its playing style, and a strong fit with the club's needs.

A typical example would be a player who joins the club at U-8, U-9, or U-10, and continues playing through U-16, U-17, or U-18.

Moreover, if we have many long-term players with strong performance, it leads to greater team solidity and stability, as there will be fewer departures and, consequently, fewer new signings.

Future performance:

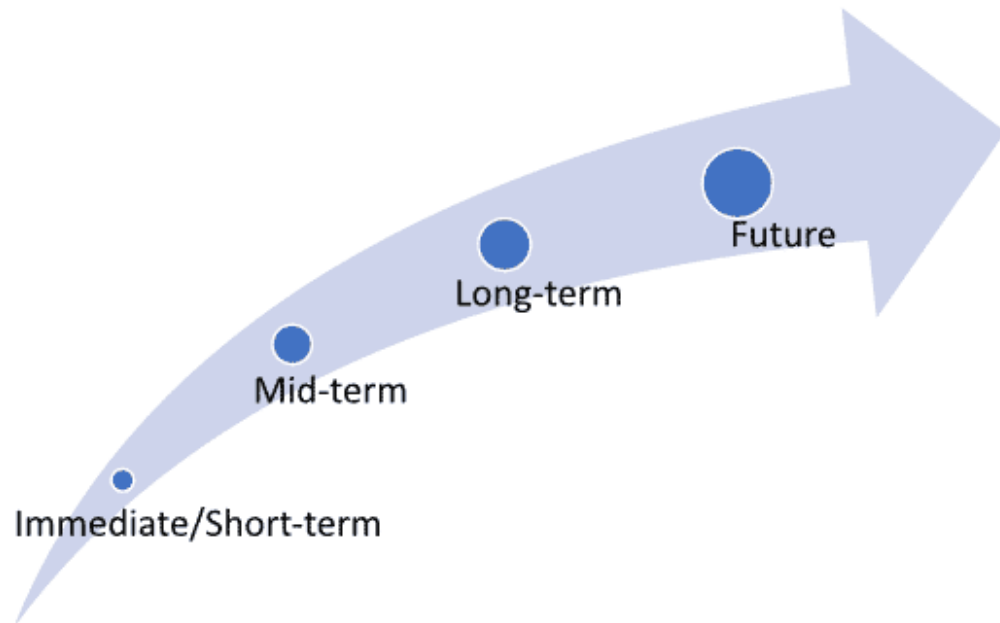
This type of performance is the most valued and sought after by any team or club. It refers to players who, from the moment they join our teams, show long-term potential and, most importantly, have a strong chance of making it to the reserve team or even the first team.

These players add value not only at youth levels but can also contribute at higher levels, eliminating the need to recruit new players and saving the club significant costs on transfers.

These are the players we must “nurture,” appreciate, and motivate, so they develop a deep sense of belonging to the club and continue striving, competing, and bringing as much success as possible to the team that gave them their opportunity.

If a player shows this kind of potential, it’s essential to keep them loyal to the club, ensuring they value everything the club offers, particularly in terms of their future career development.

Figure 3: Player projection



Source: original work.

A player's performance can also be influenced by other factors such as:

Injuries:

Unfortunately, injuries are a part of football. A player might experience injuries with varying frequency and severity, leading to missed training sessions and matches. This can impact the player's physical condition and potentially their mental state (e.g., fear, loss of

confidence, demotivation, pressure), which in turn can affect their performance on the field.

Adaptation:

When a player joins a new team, they need time to adapt. Adaptation is not always easy, especially for younger players. Much of the ease of adaptation depends on the player's personality, mindset, and maturity.

The main factors that influence a player's adaptation are:

- Playing style.
- Transportation.
- Residence.
- Education.
- Teammates.
- Coaches.
- Other factors.

This section will be expanded and discussed in greater detail in the next module of the course (Module 4).

Figure 4: Factors affecting the player's adaptation.



Source: original work.

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Unit 3.2 CONTRACT

There may come a time when we need to draft a contract for a player. Let's review the key considerations:

First, let's define it: **a contract is an agreement that sets out the terms and conditions between two parties.**

Training contracts involving minors must include the following:

- Football club details.
- Player details and those of their legal guardian or family representative.
- Purpose of the contract: The club agrees to provide the player with sports training, coaching, and benefits to support their development as a football player. The player agrees to follow the club's instructions and participate in all scheduled activities.
- Contract duration.

- **Club Responsibilities:** Throughout the contract term, the club must provide high-quality coaching, training, facilities, and materials to support the player's development. The club is also responsible for registering the player in relevant competitions and tournaments, and offering medical and physiotherapy coverage.
- **Player responsibilities:** Players must attend all scheduled activities (training sessions, matches, tournaments, and educational sessions) punctually, maintain good behavior and a positive image both on and off the field, respect the club's rules and regulations, and notify the club of any emotional, injury-related, or health-related issues.
- **Compensation (scholarship):** This outlines what the player receives as part of the scholarship, such as accommodation, meals, education, and financial compensation (for travel, personal expenses, etc.).
- **Image rights (if applicable).**
- **Contract termination:** This section defines the reasons the contract may be terminated, including mutual agreement, breach of obligations by either party, serious injury, or permanent incapacity.
- **When the player is a minor, the applicable regulations to protect and guarantee the rights of minors must be observed.**

- Currently, in managing young players under 16 years old at so-called "elite clubs," it is common to apply **penalty clauses**. In professional contracts, these are known as **release clauses**, while in amateur or training contracts, **penalty clauses** are used. Both clauses are structured similarly, but naturally, the financial penalties in training contracts are significantly lower than the release clauses in professional contracts. Both types of clauses aim to penalize the player, ensuring the club receives fair compensation if the player leaves the club before the agreed contract period ends. International regulations and national federations have not yet established unified rules on penalty clauses in amateur contracts. The lack of clear guidelines often results in arbitrary and, in many cases, disproportionate use of such clauses.

First, **parental or legal guardian consent** is required.

Second, for **foreign players**, FIFA's Regulations on the Status and Transfer of Players (Article 18.2) state that "players under the age of 18 may not sign a professional contract for a term longer than three years. Any clause referring to a longer period shall not be recognised." (2024, p. 31).

To clarify some points about contracts between football players and clubs, we'll refer to a summary provided by Francisco Muñoz on the

website <https://www.webdoxclm.com/blog/contratos-de-futbol-todo-lo-que-necesitas-saber>

When it comes to football contracts for professional players (not amateurs), it's considered an employment contract, outlining the terms and conditions of the player's employment with the sports organization. The contract is signed by both the player and the sports club.

These contracts must always follow the guidelines set by FIFA's Regulations on the Status and Transfer of Players (RSTP).

The minimum duration of a contract is from the registration date to the end of the season, and the maximum duration is five years. Any contract exceeding this duration is only permitted if it complies with the relevant national legislation.

"A professional is a player who has a written contract with a club and is paid more for his footballing activity than the expenses he effectively incurs. All other players are considered to be amateurs." (FIFA).

Most professional football contracts are based on a standard model established by FIFA's RSTP regulations

and contain common clauses, similar to those in typical employment contracts.

The most common and significant clauses include:

- **Personal information.**
- **Player obligations:** A detailed description of the player's responsibilities, including attending and participating in training sessions and matches, as well as maintaining an appropriate lifestyle and physical condition for professional football.
- **Contract duration:** Specifies the start and end dates of the contract, with potential options for renewal under certain conditions.
- **Salary and bonuses:** Includes the player's base salary, as well as any additional bonuses for collective or individual achievements (e.g., winning titles, participating in international competitions, or meeting personal goals).
- **Termination and transfer clauses:** Outlines the conditions under which the contract can be terminated early or the player transferred to another club. The release clause sets the financial compensation required to allow the player to unilaterally leave the club.

- **Image rights:** Regulates how the club can use the player's image for promotional or commercial purposes and, in many cases, provides additional compensation for such uses.
- **Insurance and health:** Covers medical insurance and the club's specific commitments to the player's treatment and rehabilitation in case of injury.
- **Conduct and discipline:** Defines the expected behavior of the player both on and off the field. These clauses may include penalties for actions the club deems inappropriate or damaging to its image and values.

Other clauses or agreements may be included, depending on the specific needs of the club and the player (Muñoz, n.d., <https://shre.ink/Dlh3>).

Given the complexity of managing the various areas that make up a football club, many clubs have adopted automated and specialized systems to manage football contracts, streamlining processes and data storage.

Today, football contracts are more extensive and complex, with a greater number of clauses and conditions. While certain general clauses are standard in professional football contracts (as any employment contract), others are more unusual or subjective, such as

annual salary increases, automatic salary adjustments to match a new player earning more, release clauses, buyout clauses, and many others, which are negotiated between the player and the club.

Effective contract management is crucial, from drafting and storage to understanding special clauses and contract terminations. Poor contract management can affect a club's planning since the sheer number of clauses and potential versions of contracts for professional football players increases the complexity of tracking for legal, finance, and sports management departments alike.

For all areas of a club, having full knowledge of the contract process and status is key to understanding the club's current situation.

This allows different scenarios to be evaluated, and ideal alternatives to be considered for acquiring the best players for the upcoming season while also improving business relationships with counterparts and their representatives.

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Unit 3.3 PROPOSAL

As previously discussed, the type of proposal made depends on various factors, such as the specific case, player profile, and context.

Key aspects to consider include:

- **The player's age:** Whether they are very young, between 16-18 years old, or older.
- **The category for which they are being recruited:** Youth football, reserve team, or division team.
- **Club characteristics:** Professional, amateur, with more or fewer resources, etc.

The first consideration is whether a contract is necessary. This depends on whether the player is under 16 years old and joining a youth football team, or if a contract is required due to their age or participation in a semi-professional or professional category.

The main proposals typically offered to players (and their families and representatives, if applicable) for developmental stages (from U-8 to U-19) are as follows:

1. Transportation
2. Transportation scholarship
3. Residence
4. Education

- Transportation: A **transportation** service can be provided for traveling to and from training and matches, which could include a taxi, coach, or other club-exclusive means.

Typically, this transportation operates on a “route” basis, where the same vehicle, when possible, follows a route to pick up multiple players training on the same day and living in a similar area to ensure an efficient round trip.

Pickup and drop-off times and locations are usually specified, with family members responsible for taking the player to the designated pickup point and collecting them at the same spot at the agreed time.

- Transportation scholarship: Alternatively, a **transportation scholarship** can be offered, such as providing a financial amount to the family for using their own vehicle, covering travel

expenses. Reimbursement may be offered per kilometer for both the outgoing and return trips.

- Residence: If the distance makes club-exclusive transportation or a transportation scholarship unfeasible, and the player is still a priority, the club may provide accommodation in a **residence**. This may be a facility owned by the club or arranged through an agreement.

This scenario typically involves clubs with significant resources and importance to offer such accommodations.

- Education: If a player uses the club-provided residence, they are generally also offered access to a **study center**, as it is neither practical nor common for players to live in one location and study in another.

These study centers are usually private institutions with an agreement with the football club, considering that players might occasionally need to miss classes for matches, tournaments, or medical reasons.

If a player must miss classes, it should be properly justified, ensuring good coordination and communication between the study center and the club.

In less common cases, a player living close to the club may be offered access to a study center without residence. This arrangement can help the player adjust to schedules more easily, as previously discussed.

These are the most common elements presented in a proposal to a player, their family, and their representative, if applicable.

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Unit 3.4 NEGOTIATION

- 1 Process
- 2 Strategies
- 3 Legal aspects
- 4 Economic aspects

Negotiations to finalize a player's recruitment can be lengthy and complex.

As mentioned in the previous section (Proposal), the negotiation largely depends on factors such as whether the player is a minor, if they are being recruited for youth football or for a semi-professional or professional team, or if it is for a major club.

4.1. PROCESS

Once the club has evaluated the player's proposal, it must be presented for approval to the player and their circle, including their family (if they are a minor), as well as their agent or representative, if applicable.

If the player is with another club, it's important to determine whether they have a contract and what its terms are.

4.1.1. Youth Football Players:

In youth football, negotiations with the player's current club are usually either non-existent or very straightforward. However, at more prestigious clubs, there may be greater efforts to protect their players from interest by other clubs seeking to sign them.

Training rights for a football player are provisions set by FIFA to compensate clubs that invest in the training and development of young players. These rights are intended to encourage and reward clubs that invest in player development from an early age.

The key aspects of training rights, as outlined by **FIFA** in the **Regulations on the Status and Transfer of Players (RSTP)**, are as follows:

Training compensation:

“Training compensation shall be paid to a player’s training club(s):

1. when a player is registered for the first time as a professional,
2. each time a professional is transferred until the end of the calendar year of his 23rd birthday

The obligation to pay training compensation arises whether the transfer takes place during or at the end of the player’s contract. The provisions concerning training compensation are set out in Annex 4 of these regulations. The principles of training compensation shall not apply to women’s football.”

Solidarity mechanism:

If a professional is transferred before the expiry of his contract, any club that has contributed to his education and training shall receive a proportion of the compensation paid to his former club (solidarity contribution). The provisions concerning solidarity contributions are set out in Annex 5 of these regulations.” (FIFA, 2024, p. 46).

Training rights apply when a player signs their first professional contract or is transferred to another club before turning 23.

The aim is to reward clubs that contributed to the player's development between ages 12 and 21. There is ongoing debate about

these age limits. The football industry has changed significantly, with players now starting federated sports as young as 6 or 7 years old. Some argue that the minimum reference age should be lowered to benefit clubs that contributed to a player's development before age 12.

Compensation is determined by factors such as the player's training club, the country of the club requesting compensation, and the level of the training club.

FIFA categorizes clubs and sets training costs for each category. Training costs vary by confederation and country and are updated periodically.

4.1.2. Professional or Semi-Professional Players

For semi-professional or professional players, contracts and negotiations can be quite complex.

Key aspects to consider include the contract duration (to determine how long the player is committed to the club) and whether there is a release clause (to allow the player to leave the club if paid).

In other words, we may engage in an initial negotiation with the player's current club before incorporating them into our own.

Additionally, there could be a separate negotiation with the player's representative, whether that is a family member or a professional agent.

Key negotiation points typically include:

- Salary.
- Contract duration.
- Specific clauses.
- Performance bonuses or incentives.
- Other benefits.

If an agreement is not reached between the recruiting club and the player, one of two outcomes may occur:

- The negotiations may be terminated and the recruitment not completed,
- or the terms may be renegotiated to reach an agreement and sign the player.

If an agreement is reached, the player must undergo a medical examination before finalizing the contract to ensure they are in optimal condition for performance.

If the medical results are satisfactory, the contract is signed, and the player is registered with the relevant league and/or federation.

4.2. STRATEGIES

Before making a proposal to a player, the club should be well-informed about the player market to present a competitive proposal and manage negotiations effectively. This includes gathering details about potential players (names, personal information, and football statistics) and using this information to the club's advantage.

Clubs often emphasize the player's importance to the team, highlighting their expected role or playing time. This isn't about misleading the player but rather focusing on a positive aspect—since recruitment typically signals a significant level of participation is expected. It's also helpful to explain the reasons behind the recruitment, showing the player has been carefully scouted and is known closely. Additionally, explaining the club's sports project and the specific plans for the player (position, development path, categories, etc.) is key.

Highlighting how joining the club could impact the player's personal and professional development, including opportunities to participate in major championships or tournaments, can also be persuasive.

Another strategy is offering flexibility and favorable terms in certain contract clauses, such as performance-related bonuses or incentives.

4.3. LEGAL ASPECTS

When negotiating with a club or player or signing a contract, several key legal aspects must be considered:

- Rights and obligations:
 - Of the selling club
 - Of the buying club
 - Of the player
- Regulations: Compliance with FIFA, UEFA, and relevant national football federation rules.
- Financial Fair Play, if applicable.
- Third-party rights: This includes representatives, agents, or sports intermediaries, specifying their roles and commissions.
- Training rights: This refers to financial compensation for clubs that contributed to the player's development.
- Jurisdiction: The parties must agree on where potential disputes will be resolved and which court will handle them.

- Confidentiality: Clauses must ensure that contract details remain confidential.
- Image rights: The reservation of rights for the use and exploitation of the player's image.
- Non-compete clauses: Restrictions on activities the player can engage in outside the club, including bans on participating in high-risk sports.

Contracts can vary based on the player's profile, country laws, and club specifics. Therefore, it is advisable to have a specialized sports lawyer, particularly one with expertise in football, draft and review these contracts.

4.4. ECONOMIC ASPECTS

The economic aspects of a football player's contract can vary from basic to complex, depending on the player's and club's category.

Key aspects may include:

- Salary: The base salary the player receives, which is the fixed amount paid during the contract term. This payment can be monthly, biweekly, or as agreed.
- Bonuses: Additional payments based on performance objectives such as goals, assists, matches played, awards, titles, or

tournaments.

- Transfer clauses: The specified amount in the contract required for another club to acquire the player without negotiating with the current club.
- Sale clauses: A percentage of a potential future transfer fee that the club would receive if the player is sold to another club.
- Image rights: These can be crucial to negotiate, especially if the player is highly valued or internationally known.

Agreements will define how the player's image is used in advertising campaigns and commercials, and how the benefits are shared.

- Loan payments: If a player is loaned to another club, the contract should specify how and who will handle salary and other bonus payments during the loan period.
- Inactivity: Conditions should be specified for situations where a player cannot play for an extended period due to injury, illness, or other reasons.
- Other benefits: Negotiable aspects may include housing, a vehicle, or travel expenses. This section refers to the club providing the player with housing and/or a vehicle at the club's expense.

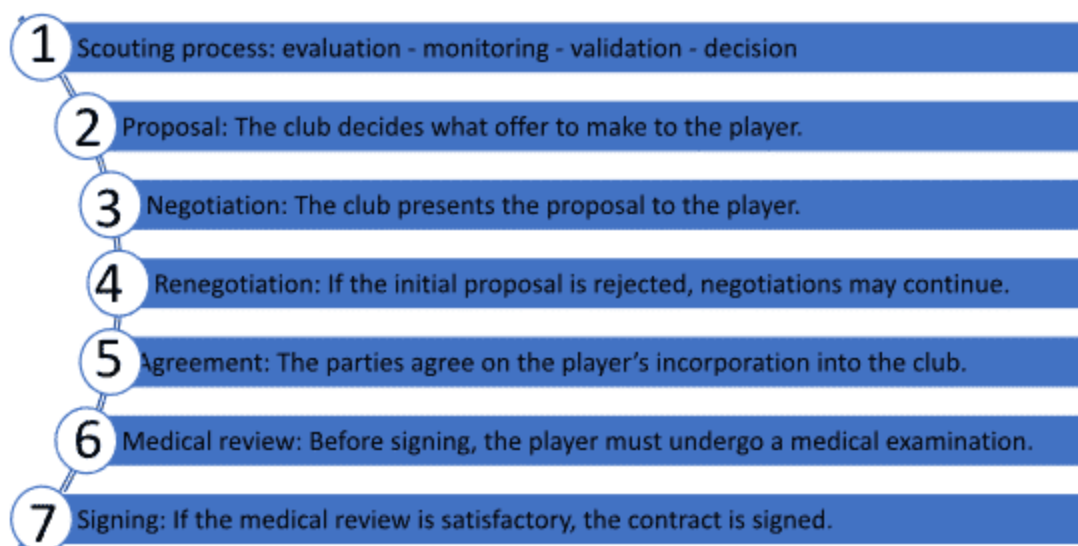
It may also cover medical expenses, life insurance, and/or sports career insurance.

Agreements on how income from advertising or sponsorship contracts will be divided can also be included.

In conclusion, drafting and negotiating a football player's contract, especially for a professional player with a complex contract, requires industry professionals, including specialized lawyers, agents/representatives, and financial advisors.

Properly defining and agreeing on these terms can prevent future conflicts and protect both the club and the player.

Figure 5: Drafting and Negotiating a Contract



Source: original work.

The process from when a club identifies a player (through the scouting department) to the player's final integration into the club can vary in complexity depending on each situation.

CONTINUE

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