Erik Averill ([00:00](https://www.rev.com/transcript-editor/Edit?token=bRmBrlE50KecT2juGnG56Pwdu8MS-K_Q3xHxxFZ-NE5IUOfd3Isk7hDpvgKzEBiXJSoN4okJOHjryDT5pC-loDp_9as&loadFrom=DocumentDeeplink&ts=0.04)):

Welcome to the MLB Draft Podcast. I'm your host, Erik Averill, certified financial planner, certified private wealth advisor, former pro athlete and the co-founder of AWM. I'm joined by my cohost, former Major League Baseball pitcher and certified financial planner Travis Chick. Our goal on the MLB Draft Podcast is to provide you with the roadmap to successfully navigate the MLB Draft and becoming a professional athlete. You're going to hear from scouting directors, GMs, agents, former and current players, elite performance coaches and of course leading financial experts. What is traditionally seemed like a black box, we are going to bring to light the critical details you need to know to help you make the decisions that are in your best interest. So with that, let's jump right in.

Erik Averill ([00:58](https://www.rev.com/transcript-editor/Edit?token=5htYOo-Tz7FvZ5lvUeRQNyTNetmhqWsv8Qbl3MHishkrCHzaHq4pojH0mojrk9X_h-rxpQH7gl7JXnBNdkbNyqWlhTs&loadFrom=DocumentDeeplink&ts=58.5)):

Hey everyone, welcome back to the MLB Draft Podcast. Travis and I are definitely excited to jump into today's episode because we're talking about who are the people that you are going to lean on and rely on to make this big decision around the draft. So we know that a lot of you are in the middle of this process of choosing agent representation or meeting with financial teams and these decisions can commonly be filled with sometimes a sense of confusion. There's definitely competing objectives of the people that are in the room giving you the advice and you have to do this with very limited resources in this looming deadline that June is coming. What we found unsurprisingly that to most listeners is that we as humans, we don't really have the best track record of always making the right decisions. Today, our goal is to be able to help you guys have a framework and the right questions specifically around choosing your sport [inaudible 00:02:03].

Erik Averill ([02:03](https://www.rev.com/transcript-editor/Edit?token=O4x5-mfKvt4UlpyJStTcEmUpvAvPXrbU5B0pLQtbcvmpGMVYTOZ-SKLNdXmcR1MoXm5eLGeO5ej9uXrmCXZj90MkVOw&loadFrom=DocumentDeeplink&ts=123.41)):

So I want to say from the offset that we absolutely will not be recommending any specific agency or even crossing off any agents for you. We believe that that's ultimately your guys' decision and it's something that you as a player need to own because this going to be your choice in your relationship. But with that said, we're very confident over our decades of experience that we're going to be able to help you have the right framework and the right questions to help you be successful. Before we jump into what those questions are, is I think it's great to identify what are the barriers to making the right decision. The first one we had talked about, right, is just this lack of time. The fact that depending on when you're listening to this podcast, could be six months out from the draft. It could be a year out from the draft, but when we're rushed, this is when we make mistakes, right? It's the ultimate we want to be quick, but we don't want to hurry.

Erik Averill ([03:04](https://www.rev.com/transcript-editor/Edit?token=JibHpspTo0mISw4VaBiYbOQDicyH0cVL9Q9Vz3tPlQfjOmg73ZVPjbtj-m6B1_cyep22yCM52rEbgu4tSoCWzQpaqIo&loadFrom=DocumentDeeplink&ts=184.03)):

The other thing that we see happen is just information overload is it is great that there are a lot of people that want to help, whether that's a club coach, there's a college coach, there's different agents that you're interviewing, financial teams, former, current players, and I think it's just one of those deals that you can become overwhelmed and paralysis by analysis. So it's this importance of having the right process to distill what information matters. That's really a mistake we see is most families just don't have any type of process and so hopefully you will walk away from this episode feeling like you have this framework and process to be able to make the decisions.

Erik Averill ([03:44](https://www.rev.com/transcript-editor/Edit?token=aXx6JxcH7ABxXmtbimpJ8mwJV_A8fLMUPMFvsePwwaYgC3MGkH9xk5jsQiN3XjcElTJFSG0yiUn0B8xdXUVPoncaRg8&loadFrom=DocumentDeeplink&ts=224.47)):

Then the last thing I'd hit on is we as professionals don't really do you guys a service because a lot of times it's, hey, just do your due diligence is the advice we give you. But that's also this assumption that you have the skillset and you know what questions to ask, which largely is just untrue. So what ends up happening is families are really trying to do the best they can, but they're just asking the wrong questions, and when you ask the wrong questions, you're going to get an answer, it's just the wrong answer. So with that, I want to ask you, Travis, to really start this conversation off of what's the proper framework when we are sitting down with agencies to evaluate them.

Travis Chick ([04:28](https://www.rev.com/transcript-editor/Edit?token=Jyr0Jgf8VI-IwiaULgjswTq9cRjVbpAF6qdjyilFRqdHNgQTLBFbQVX3KCzaNJFq4WnNI7-sc31mnbr9N3DS4-1p9Xk&loadFrom=DocumentDeeplink&ts=268.04)):

Yeah, no. It's funny because you think about baseball and how big baseball as an industry feels and there's several agencies, there's several advisors, there are several financial teams, there's several companies that are competing in this industry. But at the end of the day, they're competing for 900 major leaguers and another realistically 100 or 200 draft picks. So when you crunch it down, it's not a huge network and so that's what makes it even more difficult is you have this mass number of people that are competing for your business. So oftentimes what happens, what we see is that many clients, or many draft picks, especially, the first question that they'll ask is, okay, let me see your current client list and what types of clients do you currently represent and how many do you currently represent? At the end of the day, that's a really, really good place to start.

Travis Chick ([05:16](https://www.rev.com/transcript-editor/Edit?token=hnTwv3QEExwkqrrdRpuLHA65S6OxYYB0t849_7T_1k3KWNmgjBUf12K2Q6I4vG477sfKb2UoQZ6bzEzIEY58oqsAU_A&loadFrom=DocumentDeeplink&ts=316.95)):

But it drills down even farther with what is the breakdown of your current major league and minor league players that you represent? But then more specifically for the people listening to this podcast, and the reason I say that is because if you're here, you're expecting or planning on being drafted in the top 50 to 100 picks. So what experience specifically does the company that you're looking at representing you have with working with those types of draft picks over the last three years? Oftentimes, people will kind of be legacy clients and they'll get drafted and have that client for the next 10 to 15 years. But they weren't really digging to the representation in the currently.

Travis Chick ([05:58](https://www.rev.com/transcript-editor/Edit?token=0iVf6FK6D0ZHM5KsFnM6C_ji1lFHsQqLO0fUE5925_NEDi1R4GPeezDiGSLtTTLlgyD66hIhCDlgSjmzUGTBPopLfo4&loadFrom=DocumentDeeplink&ts=358.63)):

What we've seen is that that experience has changed significantly over time. Even back when you and I were getting drafted, Erik, it's a completely different experience, which we kind of touched on in the last podcast. So it's very important to drill down and what experience they have over that in the last three years, and do they have the experience working with those, really the front office people are going to be the ones calling this type of draft pick.

Erik Averill ([06:25](https://www.rev.com/transcript-editor/Edit?token=4xxhcpNSTEnUTgqgmb4Ku2N-WfCq3AjeBaLm3mZKrlR2AilnGw7WZ5kTh57F16kYtmRXWdP83SmO6-UoaIgiXWlOyQE&loadFrom=DocumentDeeplink&ts=385.39)):

Yeah, I think you make a fantastic point there is a great place definitely is to start saying does somebody have experience working with clients that are going specifically through what I am? But the other thing you hit on right is this is a $10 billion industry that we've covered before and so you are going to have new people entering into this marketplace and it's also this really vulnerable place to be as the client because this is something that you don't have a lot of experience in. So you're at the mercy of kind of the industry policing itself, which is not overall great at doing. Where we see this show up is how you were being recruited, right, is there is this whole industry where all of a sudden you might be a freshman, sophomore, junior in high school and these sports agencies start popping up. Whether it's texting you, calling you, showing up at the field, which is can be overwhelming in the beginning and you don't actually know if the person you're talking to is a recruiter or an agent.

Erik Averill ([07:32](https://www.rev.com/transcript-editor/Edit?token=qvl5f_lKUpElXSGyaHvQSZJG2ZcBQJQwWoeOtqgwQIKCWRF_sw3UpWmHuANvNs1jZbwZDxmAl0NHnJdZ1lC2L_lnXvw&loadFrom=DocumentDeeplink&ts=452.47)):

The analogy I think about here is a recruiter is not necessarily a bad thing. It's just do you know you're talking to a recruiter. It's one thing if you go into the Apple store, you don't expect the engineer who built the computer to be standing in the store. You know I'm going to talk to a salesperson who has an incentive to get me to buy one of these computers. They do have some expertise and that's great, but you're not believing that you're talking to the engineer. Whereas a lot of times people will misrepresent. I'm the agent that represents X, Y, Z major league player. Well, that's probably half true. The agency does, but that individual doesn't have the expertise and the skillset.

Erik Averill ([08:16](https://www.rev.com/transcript-editor/Edit?token=6jb5axnXXmouK-WeuqB_tjN6p0-DhHoKt9jLe4rhQu9VOxKIkC3JLokL1JO86UP7wRnrlc-ep5jWHCzPKbjKr1guMEE&loadFrom=DocumentDeeplink&ts=496.58)):

Or in our space, we see it. There's a lot of people out there that call themselves financial advisors, but very few of them are actually certified financial planners. They're just salespeople that work for a big name company. So I think a a, a set of questions that's so important to know is when you're talking to someone like are you a limited certified agent or are you actually a fully certified agent and are you the one who's going to be talking to the teams? The dirty side of the business is just some of these other questions you want to ask is is somebody really just being a sales, trying to get a finder's fee for making an introduction. A lot of these club coaches, they have arrangements, right? There are certain arrangements and relationships that are financially bound and so I would ask that when people are starting to introduce you to agents, a very good question is, do you have a financial incentive on who I choose as an agent when you're recommending certain people?

Travis Chick ([09:20](https://www.rev.com/transcript-editor/Edit?token=jnhOxnYyCJO704CQMLag0eE81WeB3zODVxGWf_kozIJNeRHeTvJEIgbq3V7zAMJlCLBQ5_Ja7sHnjiYgPuaGvvs7VCc&loadFrom=DocumentDeeplink&ts=560.29)):

Yeah, absolutely. It's important to know because at the end of the day, every, as you know obviously, every relationship that we enter into personally, it's a fiduciary mindset, which means obviously we're obligated to act in your best interest. We're legally obligated into your best interest. So from that same mindset, you kind of want to feel like you're entering into that agency relationship, which technically they're supposed to be fiduciaries on your relationship as well. So if they're parading around and throwing out these finder's fee, it's pretty difficult to trust that situation in my opinion.

Erik Averill ([09:57](https://www.rev.com/transcript-editor/Edit?token=SON8iW6accVgAvJPqlPn21IgzNGkOzLMqV6Xj-8QUadQLsANL0Y_fZ1_rm63bwzZmZmNHxjkAk8IoNkt10Movx8OACQ&loadFrom=DocumentDeeplink&ts=597.7)):

Absolutely agree. So staying on this conversation of expertise, right? I think sometimes we forget to break down the simplicity of what we're talking about is that as a player, what's happening is you are hiring an agency or a specific agent where you're going to end up paying them a commission based off of your contract negotiation, right? Typical fees are 4 to 5% of the value of the contract in which they've negotiated. So in the draft situation, you signed for $4 million, you're going to pay $200,000 to an agency, right, for the advice.

Travis Chick ([10:34](https://www.rev.com/transcript-editor/Edit?token=JKH6Bmo3SGVrhKf8brIaX056sf8BTHr4PWw_jzONdO-LCIlYl5cGCwX5RTbnTrvjMflwG0yqYuKNCAb4_17Wkf1mWsI&loadFrom=DocumentDeeplink&ts=634.83)):

Right.

Erik Averill ([10:35](https://www.rev.com/transcript-editor/Edit?token=SvKekRUXdutPEVW_oHNpeZQ7R_y8mnsbqPHm0Mzjs8X-GNnHSTXC1JjPCnn-otqG3OCAOSW_WAHKB4TaRLutnTvUWJ0&loadFrom=DocumentDeeplink&ts=635.34)):

So at that point, it's like any other service provider, you want to know, number one, you're not learning on me. So you have the experience. But do you have the actual expertise that I'm going to get the value out of, right? Paying someone a fee is not a bad thing as long as you get value above and beyond the cost of the fee. So Travis, maybe walk us through what are some of the questions that families need to be asking that are going to reveal whether or not somebody actually has expertise.

Travis Chick ([11:08](https://www.rev.com/transcript-editor/Edit?token=p5ZwfHTeSFvXtW5CcHJ-RTMHtq-P_EWFvYIAOXj9G1Eznj-8F0vbYn_7_TvyQGieslbIwMfy1gMika1usSgVM7son8Q&loadFrom=DocumentDeeplink&ts=668.25)):

Yeah, I think it's really kind of a two sided question. Ideally, when you hire an agent, you're hiring them first for their skillset to be able to negotiate those contracts. They are the attorney that should be negotiating those contracts. So one of them is, do you actually negotiate those contracts yourself? If not, who does that? Then two is, does your firm actually employ labor lawyers to be able to make sure that that contract that was negotiated is as it should be? Then the back part of that question is, obviously, the negotiation of the contract is important, but now the generation of the analytics into these contracts and what we're seeing is the contracts are being suppressed from the team side with the analytics. But how can an agency that to go into that negotiation very well prepared? So do they have an analytics department and how do they use those analytics in the contract negotiation and play representation in general?

Travis Chick ([12:05](https://www.rev.com/transcript-editor/Edit?token=h2gzoh_OIwRxLvXK146_azOS1t5-cXrqCe2DRGxm_eV7NVE2j2B9_tUrBJiYB3dqW7DOEfJ5tR-XD1_51CpXyTAnZ1s&loadFrom=DocumentDeeplink&ts=725.31)):

Then that even leads into, and probably a little bit premature, but thinking through salary arbitration, free agency, things like that. But even now with all the data that comes out of these perfect games and Under Armour All-Americans and all these tournaments, the player development deal in Florida, there's so much information on these players now that it's absolutely imperative in my opinion to be able to have that analytics from an agency perspective to go into the draft to be able to be well-prepared on that end.

Erik Averill ([12:36](https://www.rev.com/transcript-editor/Edit?token=chUKfwiDEIUbvA51ViT8PAQrtl6Kkr0lmgevaNQJEeM5gwDIisz3tFlev6fuHkHH1pXsOhakATQs9S2AFkHK23yTIoo&loadFrom=DocumentDeeplink&ts=756.23)):

Yeah. Yeah. We talked about it last podcast, right? That these agencies that have these analytic departments, they can talk to you about what are the inputs that these teams are valuing on who you are as a draft pick. It's one of those things that you as an agent are helping your client understand. These teams are not evaluating who you are today. It's who they think you're going to be as a major league player and it's understanding the criteria of what they're valuing. So for me, if I was in a situation, right, where Levi's only two right now, but if my son and I was going through this process to hire an agent, it'd be one of the most important questions I ask is going... As the landscape has changed, do you have the financial resources and the team to help really combat this analytics craze from front offices.

Erik Averill ([13:29](https://www.rev.com/transcript-editor/Edit?token=U9eul8rLZY127mpT9xSvZaHP5jkQP3E5RHuSinjOMwEKZNwDv6zt8TBfEUtA6ff2K-19546r_rXIap4ehTwHP8cyb2k&loadFrom=DocumentDeeplink&ts=809.61)):

So I think it's a really, really important question to ask. Then on the arbitration side that you mentioned is, we work with 75 plus major league players. We've got a handful of them that it's the middle of arbitration right now that are unsettled and in talking to the different players, I can tell you there is a difference in the quality of representation. So unfortunately, we get to see behind the curtain, we get to see a lot of the mistakes that are made and you can tell that the agencies that have the analytics departments are vastly more prepared than a lot of the other agencies that are still operating with an old playbook.

Travis Chick ([14:11](https://www.rev.com/transcript-editor/Edit?token=Uot9mM5hnNYdftkyL8AEHte9ynhLEXQeDELxczPd0uBRE6SZmISrO4uMsbZxYQN2vjuRIufB-qpMyEaTjkV_w99181Y&loadFrom=DocumentDeeplink&ts=851.54)):

Yeah. Yeah. I mean, I think it's just a matter of being able to have that resource as an agent that's advocating for your value against the team, right? The team is going to provide what they believe your value is and that's no different than the draft, arbitration, free agency. They're going to have your value. So by having an agency that actually understands what that value is and is able to communicate that with you, the only thing that that can do is benefit you as a player to be able to hone in those skills on that value. As an example, if I throw 100 miles an hour, but my spin rate is below average, I know if that's something that you can specifically work on, but at the end of the day, if you understand that, then you can start to develop a plan on how to manipulate that value in your best interest.

Travis Chick ([15:01](https://www.rev.com/transcript-editor/Edit?token=3SH5LJ6dV2qyp-Mdc20oY4enrMHvf4HkV_WLXyCxp4a20L2MNLRPCZgdia8OqYFOFXpaPPMyXLA7NtVVKFyIzeu763o&loadFrom=DocumentDeeplink&ts=901.57)):

At the end of the day, the reason that the backend of why you're playing this game is to make yourself financially independent for the rest of your life at a very young age, right? Obviously this is a dream that many of us have gone down and tried to achieve, but at the end of the day, this is a financially motivated business and being able to understand that value is really the only way to stand out from the crowd at this point.

Erik Averill ([15:27](https://www.rev.com/transcript-editor/Edit?token=LyFPODqB6ckhthSdh8PPdxDjq-e3lqRyg0i0wYe3Muw5uwkUzYoT5tQPqmP82P1YL0s5sTarQPooQronYSVosOHrQng&loadFrom=DocumentDeeplink&ts=927.96)):

I think it's important to sit there and realize what you just said is this is about being a professional, right? This is about handling the business side of your career. The reason I bring this up is where we see players make mistakes is choosing agents or financial people for the wrong decisions, what I would call the bells and whistles. It's can you help me build a brand, what concert tickets can you get me into, what golf hookups could you have? On the financial side we see business managers touting, we've got these like luxury travel agencies where we'll book your hotels for you in your flights and your trips. Those are all nice to haves. But to me it's a lot of noise, when in the reality your paying somebody 5% of your contract earnings and off the field, it's usually 15 to 20% of the value of your car deals and appearances is do you have the actual expertise.

Erik Averill ([16:28](https://www.rev.com/transcript-editor/Edit?token=e0rWzdvDIOzneMvlACrxitznvSSeLpeMrnQS8tR1zndvtm9IobmCSx9gY57QornP7FBjzjN4d0Bnotqa90hifH4S4SA&loadFrom=DocumentDeeplink&ts=988.66)):

This is probably going to shock the listeners, but there are agents out there that actually outsource their expertise when it comes to arbitration and contract negotiation. They literally hire outside people because of the acknowledgement that they don't have the resources or the expertise in-house. We saw it come across from the MLB Union, the player's union recently, that they're now requiring certain agencies to hire outside counsel and they're actually reimbursing them like up to 50%. It's almost they're rewarding certain agencies for not having expertise. I just think that's wild, right? In no other industry would you say, "Hey, pay me the full freight. I actually don't have any of the expertise. I'm just going to outsource it."

Erik Averill ([17:20](https://www.rev.com/transcript-editor/Edit?token=yhVmfxkbq6SD6jR93X0MZcbc9ss1pXzF8q9cPUS87goJVjrMxb0tWNcUd2J_M1Bw3KnhFYWF40UjUQ9yiS0C0eXnkM4&loadFrom=DocumentDeeplink&ts=1040.17)):

I mean, this is to me is it's just crazy. If I was a parent or a player, I would want to know, does the union require you to hire outside counsel? I'm not saying that's terrible for every single purpose because there are certain agencies, they're requiring to do it and they've actually been to arbitration and they've done a longterm deal, and so I think it's just a very important question you need to ask of any agent that you're about to hire.

Travis Chick ([17:51](https://www.rev.com/transcript-editor/Edit?token=qgNpGp5cgPUbEjtApPo1c_YTd0DpKjrPojVRFD6GQFgco-BR3AW37vTWeBCJreAXjb8944_3-PY5uS0vgJGk_V6OuoY&loadFrom=DocumentDeeplink&ts=1071.01)):

Yeah. I mean, I think there's two parts of that question too, because at the end of the day, you're hiring somebody to go to battle with you. You're hiring somebody that's understanding your day to day operations, how to add value as you go through your career. The scary part for me is that if you do have that outside counsel, does that person intimately know the type of player that you're going to be. The really good agents do a really good job of knowing you probably better than you know yourself and that's the type of person that you want with the information that you want to go to battle for you when it comes to that arbitration time. Then I think the other part too is just it just exposes expertise, right? You hit on it a little bit too. Do you want somebody that actually has to go outside and handle that on the outside? That's just, to me, that's a scary proposition. You hire somebody for their expertise and it should stop there.

Erik Averill ([18:51](https://www.rev.com/transcript-editor/Edit?token=T7CVfHnkGyvrJL2HcG0S4DKmmuKxqsGKFickKVPDyzn7RlqEazizlQP2su1n3r2T5rx53vDGZAnNp0mcv7MKiU-sZt8&loadFrom=DocumentDeeplink&ts=1131.72)):

The next thing and this is more maybe moving into a question or a thought process that falls a little bit after the expertise. So I think it's really important if you have a decision tree, right? It's like first and foremost, are you qualified? Do you have the expertise? If you don't have the expertise, if you haven't demonstrated that, you shouldn't even take a meeting with these companies, right? Whether it's on the financial side or the agent side is don't let them through the door. Then it's like, okay, you have some expertise. Do you have experience? Have you actually done it? It's one thing to have the book smarts and the qualifications, but you don't want somebody who's going to be learning on your son or you as the athlete. I don't know what the numbers are. I know it's more than... Have they done it more than five times? It doesn't need to be 100 times, but I think that's important.

Erik Averill ([19:42](https://www.rev.com/transcript-editor/Edit?token=t20ZZUHyGc50X5bDun0ZFTaJW_vPicP4y_qTOcqQT99xmeb906Z82nyfG06t_wOL018vT5O-5FuO7Fq9l-4S1MSIa48&loadFrom=DocumentDeeplink&ts=1182.92)):

Once you've gotten through those two answers, I think the next question's really important is you're at the beginning of your career, you're 18 or 21 years old when you're walking in to professional baseball, and we notice that the regular trajectory between when you sign and the next time you're going to have a contract negotiated is most likely going to be your first year in arb or some short term deal. You're talking about seven to 10 years down the road, right? So if you're 18 years old and hopefully you plan on having a long professional career, let's call it 15 to 20 years, is your specific agent and is your agency going to be around 10 years from now, 15 years from now?

Erik Averill ([20:27](https://www.rev.com/transcript-editor/Edit?token=xcr2bTGCQI5gnUpTbyMn3AxFCNUDgL-kQnuOFMKsegmmNznU2g0Nwmmh90fHScaHv1Cma_Dy__HcDyckS7XtxVgTdYM&loadFrom=DocumentDeeplink&ts=1227.17)):

Or are you going to find yourself in a situation where you all of a sudden have to change agent representation during one of the most important times of your career because they've either retired or very candidly, they're just so old, they've aged out of the business. So I just think that it's okay if you hire a certain agent today, you need to understand and ask the question, what's your contingency plan? What happens if you go away?

Travis Chick ([20:54](https://www.rev.com/transcript-editor/Edit?token=cbtlqTfGw7jHgkC5GlErAwQ_7SnmysOf3XgqD-n4nDUtBx1_KKy3KSECk9eZ7hlcwj9H4Ci37yrxpiZdd6hGCXfJtgU&loadFrom=DocumentDeeplink&ts=1254.58)):

Yeah, exactly. I mean, I think, to me it's similar to getting married, right? Nobody gets into a marriage expecting to get divorced. That's a whole another topic. But at the end of the day, this is a... In a very good baseball career, you're going to have three to four, maybe five opportunities to really "cash in". You're going to have the draft, you're going to have two to three arbitration years and you're probably going to have two to three at best free agent contracts. But like you hit on, that first one is obviously the draft, but the next opportunity is typically seven to eight or nine, 10 years away. If you have to go through multiple changes between that period, kind of like I hit on a minute ago is what... How intimately does that agent know you and the type of player that you are and what value has he brought to the table over the last six, seven, eight years?

Travis Chick ([21:55](https://www.rev.com/transcript-editor/Edit?token=wp337Nx8fjA8C9Hmn17JgfsPHAfLr2K62UaL1yawD-aAsI5Nix11WsA7gAlmw1OTGLxi6inKxycw3dJ7UlSsOQOT6T4&loadFrom=DocumentDeeplink&ts=1315.98)):

I think that's extremely important and knowing from a player standpoint, just security in the relationship that you've established is, okay, I know that in five years this guy, whatever agent this is going to be is going to help me, and you feel really good about that. Anytime you can take uncertainty off the table in your career, speaking from experience, anytime you can take uncertainty off the table, you're going to be a lot better off.

Erik Averill ([22:22](https://www.rev.com/transcript-editor/Edit?token=LDRe3BI5xSJ1-0zmKPtMjIl8AekSu2MbC795MMRv5SyF62ZuVcTytWLOikcD0kR1-b928iiBNgdLb-uO4NZVMkdp0vI&loadFrom=DocumentDeeplink&ts=1342.24)):

I think this is so helpful with this framework. What I wanted to move into is what are some very specific questions surrounding the draft that we've seen happen that we want to hit on. I want to bring up a recent situation, right, of it's very important. We work with four of the first 10 overall picks in this most recent draft and they're all represented by different agents. So it's we get this purview into how the process happens, but one of the things is we saw one player go through a bad experience, not because of the result, but because of the lack of involvement in the information and expectations of what teams are going to do. So it's one thing you need to remember, these professional teams have an agenda to try and sign you for the least amount of money, right? Your agent is supposed to be keeping you up to date on information flow.

Erik Averill ([23:16](https://www.rev.com/transcript-editor/Edit?token=A4lfeCwOloec0qKitD8BmbqUBv51TYISqY43cKr0YUErjPV0-L6Dwc8aU2NmkPqJvPqBS-yQigsfNUbLxH3wRwHWqyA&loadFrom=DocumentDeeplink&ts=1396.17)):

So one of those things is if you're a parent and a player, one of the questions I would ask is how much do you actually involve me as the player or the parents in the process of advising and representing the player with teams? It's one of those things that I understand as an agent, you probably don't want the parent talking to the team because parents are a little bit more emotional. These are assassin negotiators, right, at these billion dollar companies and they are going to try and find a weakness to be able to get you to commit to an amount of money less than what you actually deserve. But at the same point is I think it's very important that agents keep you informed along the way because at the end of the day, this is your career.

Erik Averill ([24:00](https://www.rev.com/transcript-editor/Edit?token=G3sLLW6eDJ7RJYgVyi_aXE_LfbiC6_8zTcCirYdnQlasgysKLYYN5YMGiEkCS9iEmc9lMJBsg2Aos3S4KHDqJ5osGDU&loadFrom=DocumentDeeplink&ts=1440.38)):

Don't forget that as a player, your agent, your financial team, we all work for you as the client and you have to own the relationship. Unfortunately, we've just seen situations where players who've actually gotten the right result go back and blame their agent, end up switching agents because of a lack of information. So I would ask your agent like, what's the process, how involved I am, what's the information I can expect to have? What are your thoughts around that, Trav?

Travis Chick ([24:30](https://www.rev.com/transcript-editor/Edit?token=hL5SXdAdux1nwkVMHwluOn8oQFqSmQquLUCGe-1Gz_5JDI_qJw1hrnj3sMDZhxf4OyHmsZLLkAFxc8Jpz0aFGjYv_m4&loadFrom=DocumentDeeplink&ts=1470.66)):

I think communication is the only way to, a very direct and open line of communication is the only way to kind of enter into this type of relationship. Yes, the agent's job is to hold your hand through the whole process, but it's because he's pulling you along with him and not keeping you in a silo. Because kind of like I said earlier, I mean, at the end of the day, this is a career where if you have understanding and clarity through your career, you're going to be in a better situation. You're not going to be left in the dark and there's that uncertainty that I talked about. You want to know where it's going to be and you want to know what the opportunities are. But you also need to be able to, from a business mindset, remove the emotion of what's about to happen.

Travis Chick ([25:25](https://www.rev.com/transcript-editor/Edit?token=3uOgzA-2NCqxZr649BI6uYUikiSLDOtuxeulNEV-uvDK88QZXqBn8NHQrerWC_55aZBKGfo5J4jTPCmrXbGQ0DUGqcQ&loadFrom=DocumentDeeplink&ts=1525.1)):

This is a very big deal that is going to happen for a lot of the guys listening to this podcast, potentially life changing money, right? So having this information up front just allows you to kind of drown out that noise and drown out that emotional decision that's going on.

Erik Averill ([25:40](https://www.rev.com/transcript-editor/Edit?token=6ijKX8PmDH3rSm2WjAwT4wF9pAtzmxhQAfGPSpuxDMecWLEP_QkEkd5XaXaSze5NmvWjot_uxYFG8Yghh-nWevb1R1Y&loadFrom=DocumentDeeplink&ts=1540.73)):

Yeah, I think it's great. Staying on the communication train, one of the biggest questions that we see that a lot of agencies, it doesn't seem like they do a good job of communicating with the player on what information is being flown to Major League Baseball and the teams is around the medical information, right? There's been study after case study where somebody fails a physical or there's this conversation of medicals, and once again, because of the purview that we have behind the curtain, this was a big thing with some of our high end draft picks last year. We were fortunate to work with I think it was seven or eight first round picks, and almost to a tee, every team tried to bring up some medical condition or some issue in the negotiation. So really I would ask the agent, how have you handled medical information being disclosed to teams? How proactive are we in the pre-draft process? So I just think asking that question is so paramount.

Erik Averill ([26:42](https://www.rev.com/transcript-editor/Edit?token=7OAN_z84tJnT9lkIy8TWBkLIRYvXe-NLGMenpf-_liRfZWEAJTubSZ3oJIJIyp2zS9KQRusZ0Ed0A9mVJ-lbAWY0UpI&loadFrom=DocumentDeeplink&ts=1602.92)):

Then the third and kind of final question we would bring up is at the end of the day, this is a financial decision, right? Yes, they are contract negotiators, you're paying them a commission, right, for a very time-bound, specific skillset. But as we talked about this commission is on the gross amount of their money. So the agent, whether you... Once you get paid $4 million, their vested interest is gone. But for you, it's the after tax amount of money. So a big question you need to ask is from an agent standpoint, how do you approach finances? Does your agency handle it in-house or do they outsource it? How do you handle taxes? We obviously are very opinionated on this and we'll get into that and we'll spend the bulk of next episode detailing that out. But Travis walk me through maybe what are some of the concerns and how this should be handled.

Travis Chick ([27:46](https://www.rev.com/transcript-editor/Edit?token=uF7UfPeBlbjZsqTNMNkyc9T_Lk8cFaq1ly5gQ1Z633UxzyF3z-4h5w8reLjLIPoKCGLPb6DDGLthlo1KPsqvo52rw5c&loadFrom=DocumentDeeplink&ts=1666.09)):

Yeah, well, we'll definitely have to have an entire podcast on this one. At big picture is how it should be handled is very carefully and very businesslike. So at the end of the day you're hiring an agent to be an expert contract negotiator and I end that sentence almost with an exclamation point, because it really should stop there, because we recognize on our side of the line is they are absolutely experts in that situation or they should be, right? But they are not experts admittedly so in handling finances, handling tax planning, handling tax negotiation. We presented a case on the number one draft pick last year on how much, how being very proactive can be super beneficial just from a tax perspective alone. So I think that that's a very strong line that needs to be drawn between the agency and the finances because it's recognizing expertise, where expertise is.

Erik Averill ([28:48](https://www.rev.com/transcript-editor/Edit?token=Jg-velfKrAgb3aCv-xSMLmIwdFky2WwFHK9iUrPLuYVzOUAqL74_H5nAMkR9kfgA9M-6nMFbZptKumbR5tCNWCOxDAk&loadFrom=DocumentDeeplink&ts=1728.96)):

Yeah, I think that's fantastic. Just to kind of summarize that and maybe I lead you into the conversation we'll have next week is once again it goes to asking the questions of if you do provide it in-house, because there are certain agencies that essentially have a business manager in-house is asking is this in the best interest of the client or are they providing these services because very candidly it's just it's more hooks in the relationship and it's more about protecting the agent relationship than it is what's in the best interest of the agency. So one of the things that we will walk through and argue is, right, is you're trying to put the best in class experts around you. From what we've learned and you look around in the world is very rarely is somebody going to be captive to only one agency, right? That seems that's more in the interest of the agency than it is of the player.

Erik Averill ([29:44](https://www.rev.com/transcript-editor/Edit?token=2jJX5BVhT_QgFUTSBFI_oLRuZI78qWTEfmgUDqj92OYEJDJqneETuxIt3KZ3n_kVEz2OTOk_G-Pm3YN8I0NjDkjaZvw&loadFrom=DocumentDeeplink&ts=1784.52)):

So we look forward to getting into the detail of who to trust with your money in the next episode. So we really appreciate your guys' attention today. I know we covered a lot. We're going to put in the podcast show notes all the questions that we broke down and then we also have a resource recommended, more extensive questionnaire that you can take into interviewing different agencies. So if that's something of interest to you, we encourage you to reach out to us, Erik or Travis@athletewealth.com or hit us on our website and we'll make sure to get that resource in your hand. So we appreciate your time and look forward to spending it with you on the next episode of the MLB Draft Podcast.

Erik Averill ([30:31](https://www.rev.com/transcript-editor/Edit?token=jmP0Pr64vquMBZbK1U-nPFg5CgyuI8lRqVYgYgJ5XdKbAoV2SHxhMx6n_rsWqGtsdQ4p2gwdmkdsUUybnG6TioK8eaw&loadFrom=DocumentDeeplink&ts=1831.87)):

Hey, thanks so much for listening to today's show. We hope that you enjoyed it. Our goal here with the MLB Draft Podcast is to make this the go-to resource for all families and athletes looking to take their career to the next level. So this show really is all about you and we would love to hear from you. Are there any questions you have, topics that you would love for us to cover? Please do reach out. You can shoot us an email at Erik@athletewealth.com or Travis@athletewealth.com. Of course you can find us on social. We're on all the major platforms at Athlete Wealth. If you'd like to set up a phone call with us, you can reach us by going online to athletewealth.com and you'll see right at the top of the page, there's a button where you can schedule a call directly with us. So we would love to hear from you and until next time. Stay focused, stay hungry, and be a pro.