

DIEGO PRIMADONNA

Confidential Instructions for Diego's Agent

You have just become a partner in a firm that manages and acts as agent for athletes and other celebrities. Diego Primadonna is certainly not a major client, but you want to do a good job with this first assignment as a partner, and you have an interest in expanding your firm's sports practice, especially with football (soccer) players. This is the first time you have worked on behalf of Primadonna.

You met Primadonna yesterday for the first time. During your discussions with him, you gathered the following information:

At his best, Diego Primadonna was a true star and had a large following inspired both by his flashy play on the field and his "Hollywood" antics off the field. Diego played forward for the el Diamante Azul (the Blue Diamond) de Bogota Football club, one of Colombia's oldest teams, during the prime of his career. Thinking that he had reached the end of his productive years, the Bogota club traded Diego to another team for several young players at the end of the season four years ago. With his usual flare, Diego went on to prove his critics wrong and had one-and-a-half good seasons with his new team, Cali. In the middle of his second season with the new club, Diego incurred a serious injury to his left knee.

After an operation and several months of rehabilitation, Diego began a comeback. Last season, he signed a contract with a new club, Cartagena, as a reserve forward. Although Diego's knee appeared to hold up just fine, he didn't seem to have the same flare and saw only limited action. Diego left the team after a dispute with the coach over his limited playing time and the coach's request that he lose weight. Diego felt that the coach didn't give him a chance because the starting forward was dating the general manager's daughter. Diego signed with Medellin for the end of the season, but didn't get much playing time there either. He felt that things didn't work out with Medellin because he was still recovering, and there wasn't the right "chemistry" between him and the team.

At this point, Diego has not yet signed with a team for the next season, which begins in only three weeks. Although he has not had a starting position since he hurt his knee, and his popularity has declined since his days with el Diamante Azul, Diego believes he is now capable of returning to Bogota and achieving stardom.

After trading Diego four years ago, el Diamante Azul built their club around a young and talented forward named Alfonso Bravo. Last week, the team announced its roster for this year's season, placing Alfonso Bravo on the short-term injury list. The team has not released any public explanation regarding Alfonso's condition, and many rumors have surfaced from a possible contract problem to a more serious injury.

On his own initiative, Diego telephoned the el Diamante Azul coach to ask if the club might be interested in signing him. Diego still knows many members of the team and coaching staff and has maintained a following among Bogota fans. Yesterday, the coach informed Diego that the team might be interested in signing him as a starting forward. A meeting was scheduled for today at which you, as Diego's agent, will meet with the el Diamante Azul General Manager to discuss the situation.

In the last few years, the el Diamante Azul club has fallen on hard times. A weak economy, an aging stadium, and the establishment of several new football clubs in the Bogota area have meant the loss of many big name players and a string of losing seasons. As a result, the once proud el Diamante Azul club has fallen to the bottom of Division A of Colombian football. The club has lost some of its large corporate sponsors and has had to rely more than usual on ticket sales over the 50-game season (25 home games) to pay player salaries. Attendance in their 35,000-seat stadium has fallen off. Ticket prices range from \$30 to \$110, with \$50 a reasonable average ticket price. The team is rebuilding, and the quality of its players has improved lately. The players, however, are young and have little name recognition, hence the drop-off in attendance.

Now 31 years old, Diego desperately wants to sign with el Diamante Azul, the site of his past glories. A starting position with his old club could signal a real comeback and would give him a good chance at landing a possible job as the spokesman for a new line of athletic shoes. The advertising contract would pay a total of \$4,500,000 over two years and would probably lead to many other such endorsements, making him a more marketable football player. For all of this to occur, Diego must play as a starting forward. Indeed he is hostile to the idea of signing as a reserve. To sit on the bench with his old club would be intolerable.

Diego was overjoyed at el Diamante Azul's possible interest. He told you that getting the job is what counts; the amount of compensation is of secondary importance. Frankly, he would be willing to play for nothing, but for reasons of professional pride, reputation, and the potential impact on future jobs, the higher the price the better.

At the pinnacle of his career four years ago, Diego received \$2,200,000 as a starting forward with el Diamante Azul even though the average starting salary then was only \$1,600,000. Due to inflation and the increased popularity of football, the amount paid to top football players has nearly doubled since then. Diego recognizes, however, that he can no longer count on producing sold-out stadiums or leading the league in goals the way he did in his prime.

Last year, in his fourth year in the league, Alfonso Bravo was said to have been paid \$2,500,000 as a starting forward for el Diamante Azul. Three years ago, with Cali, Diego earned \$2,000,000. Last year, when he played partial seasons as a reserve forward for Cartagena and Medellin, Diego earned the annualized equivalent of \$1,750,000 and \$1,100,000, respectively. As a general rule in the Colombian leagues, players on the starting team are usually paid at least twice as much as reserve players.

Diego believes that his experience, name recognition, and maturity make him a particularly appropriate choice for el Diamante Azul. Diego feels that, given his age and experience, he may be exactly the influence that the younger, more inexperienced players on the club need. He feels that the team is talented, but they have performed poorly because they don't have the right leadership and maturity on the field. Alfonso Bravo may score more goals, but Diego feels that he can help el Diamante Azul win more games. In fact, Diego's view is that he may actually be more valuable now than when he was younger because he truly understands how to be a team player.

One of el Diamante Azul's major concerns is likely to be what kind of attendance Diego's performances would generate. The club's average attendance used to be over 95%. Since the team has been losing both games and big name players, attendance has dropped to about 75%. A further decline in attendance, however small, and another poor finish in the standings could be devastating. Division A has 12 teams, and the top eight advance to the playoffs. Under league rules, if a team finishes in the bottom three for three consecutive seasons, the League Commissioner can decide to demote that team to Division B. El Diamante Azul is at risk, having finished in 12th and 10th place the last two years respectively.

Additionally, you have heard from other agents that the Bogota club has been in contact with Franz Dreckebauer, an aging star of the German "A League" team from Munich. The International Soccer Federation recently declared Franz a free agent. Franz has supposedly indicated an interest to end his career playing in South America. Although Franz is very well known in Europe, he is less well known in Colombia (though well-remembered by some for scoring the winning goal against Colombia in a World Cup match eight years ago). His popularity in Bogota will clearly be less than that of Diego. You understand that Dreckebauer is asking for something in the range of \$2,500,000 to \$3,000,000. Reputed to be a good team player, he is also in good physical condition – having recovered well from ankle surgery two years ago. He played mostly as a reserve last year while rehabilitating his ankle.

Due to sharp increases in operating costs and player salaries, as well as a worsening economy, few clubs, even those doing well, are willing to offer Diego a starting position. Given his age and recent injury, Diego already has two strikes against him. His recent stormy departure from the Cartagena team and rumors of his over-eating may have further deterred clubs from approaching him. Now Diego claims he is in the best physical condition of his life, having followed a rigorous fitness program in the off-season. When you met with him, Diego certainly seemed fit and confident he could help the el Diamante Azul club.

Prepare for your meeting with the el Diamante Azul General Manager.