Transcript for Module 7 Unit 3

What to Look (Out) for in a Contract
Hello and welcome to Module 7, Unit 3: Agency Contracts. Once you've evaluated your offer and decided who you want to sign with, you will have to look over your contract and this unit will help you determine what to look for and look out for. So here is what you want to see in an agency contract. The commission rate, it is usually 15 to 20% against all advances and royalties. You wanna know the scope and duration of the contract. Is it for a specific book or specific project or for the span of your career? Is it for all types of books or only certain genres?

Expenses, how the agent is going to get reimbursed for out of pocket expenses in addition to their commission rates. How project status and updates will be delivered to you. And termination rights, they should be simple, clear, easy and you should be able to terminate without cause meaning for no specific reason just because you want to terminate. And how and when you will get paid.

Here are just a few red flags that you wanna look for which is a lack of or punitive termination clause. Any fees beyond commission on royalties and advances are a red flag as are commission rates that are higher than 20%. Standard is typically 15% and can go up to 20 in some cases. Anything above that is unusual. Also, agents sell rights, they don't own them and a contract should never grant agent rights to your work.

If the contract requires you to use and pay for an editing service that the agent has a financial interest in, that is a red flag. Remember, as the publishing industry evolves, so do agency contracts. Make sure you read the contract carefully even if it seems boilerplate.

Not only that, you have to understand the contract. You're signing a legal document. If you're unsure about any terms in the contract, ask for clarification. Your agent should be able to answer any question you might ask to your satisfaction. If not, it's advisable that you seek assistance of any attorney. Make sure that attorney is familiar with copyright laws and the publishing industry. In other words, not the same attorney who maybe did your will and estate.

And last, but not least, in fact, most important is follow your instincts. If you've gotten one offer, you will get more. If something seems off, the agent won't negotiate, won't answer questions and or his or her explanations don't alleviate your concerns, don't sign the contract. Another agent will come along who will
do those things, who will make you feel great and comfortable and with whom you will have a fantastic relationship.

Congratulations. You have now completed Unit 3 of Module 7.