

THE USA NATIONAL TEAM, 2007-II: WHAT HAPPENED?

Now that America's 2011 World Cup is over, USARFU is shooting to rise from 17th to the top 8 in 48 months.

The previous strategic plan also targeted a quarterfinal berth, in 2007, which instead turned out winless. Why anticipate sharp improvement and future glory?

To begin, why do the Eagles matter so? USARFU's board of directors holds that a successful test team will lift all of American rugby, and has been deficit spending in pursuit of that catalyst.

Leading nations typically devote most of their resources to 'high performance' teams, and distribute some of the proceeds to the recreational ('community') game. The main difference is these unions disburse cash to member clubs, while USARFU taxes players and teams to support its yet-unfulfilled approach. Despite the founding charter of the dues program, the grassroots pays for the top of the pyramid.

If test rugby is the board's focus, then we should first of all evaluate the strategies and decisions that have shaped the national team over the past four years, with the same scrutiny we devote to players and coaches.

From the failing to deliver player contracts and a professional league, to the misuse of International Rugby Board subsidies, to losing a high-profile, high-cost foreign coach after less than 12 months, the record is distinctly unpromising.

Just as it used to be said that poor selections were holding America back, so it is now asserted that Eagle performance is primarily tied to the funding shortages of an organization booking unprecedented revenue. But the evidence indicates the main factor in America's trajectory, up only two places from 19th four years ago, is the unsteady vision and poor decisions of professional management.

Writing about so-called undeveloped countries in the world economy, Peter Drucker observed:

.... Management is the prime mover and development is a consequence. All our experience in economic development proves this. Wherever we have only capital, we have not achieved development. In the few cases where we have been able to generate management energies, we have generated rapid development. Development, in other words, is a matter of human energies rather than of economic wealth. And the generation and direction of human energies is the task of management.

PART I: PROFESSIONALISM, THE GOD THAT'S FAILING

By 2005, the World Cup's rapid growth had eased worries about international rugby's long-term health. The International Rugby Board decided to distribute some of the proceeds, in an effort to increase the tournament's competitiveness and consequently its market appeal, as well as to shore up member unions' balance sheets.

Before launching the 3-year, £30 million (\$54 million) 'investment program', Dublin produced a study of best practices for professionalizing the game. So-called tier 2 countries, including the United States, were to follow this playbook.

Compromised by a recent bout with insolvency, USARFU readily adopted Dublin's prescriptions in its 2006 strategic plan, which was written by the IRB's handpicked consultants and paid for by the World Cup windfall. 'It is critical that the lessons of other countries are applied ... through a

centralized contracting system for players and coaches', reads a key passage of the section dealing with the US national team.

Follow the leaders yielded six years of undifferentiated, unfulfilled initiatives, sidelining real opportunities for the Eagles to gain ground. Even after pulling back in 2009, the union has continued to profess allegiance to the pro ideal, and failed to iron out inconsistencies with the current 'export' policy, whereby USARFU looks to place its best players with European clubs.

By result, America has arrived at the incoherent position of trying to place native-born players abroad, at a disadvantage to rivals competing for the same places, while importing players who go up against grassroots products for the test berths that are necessary to win overseas contracts in the first place.

Having skidded to an IRB rank of 20th before rebounding to finish the 2011 World Cup in 17th, the Eagles remain 3 notches below 2006's starting point of 14th place. Since the US has received as much as any other tier 2 union, as then chairman (and current vice chair) Bob Latham proudly noted in 2005, America's international rivals have done more with the same amount or less.

Blueprint for pro rugby in the US

It all seemed so glamorous. Steered by South Africa's accomplished Alan Solomons and later Ireland's Morgan Buckley, the 2006 plan set an initial goal of signing 60 players at a minimum annual personnel cost of \$1.8 million. Ten were to reside in San Francisco, site of a new training academy, which then-chief executive Doug Arnot declared [would be revealed by the end of 2005](#). Three satellite centers were also to be established. Uninitiated youth and blue-chip athletes alike would flock to the new setup, and rugby in America would finally be on its way.

Other leading tenets included the launch of the North American 4 'cross border' tournament, which in three years was to expand via partnerships for 'public-private' franchises, and a public flotation of 'USA Eagles LLC', premised in part on the Churchill Cup's turning profitable. The primary success metrics were defined as the USA's place in the world rankings and the competitive and commercial development of the NA4.

With the NA4 salary target alone at 40 percent of the union's 2005 revenue of \$4.6 million, the plan was dependent on \$1.5 million in direct IRB aid over 2006-08 and an additional \$7.5 million for the NA4 and Churchill Cup through 2011. Crucially, it also required fundraising by USARFU's new board of directors, chaired by Kevin Roberts.

Two years later, only Todd Clever and Chris Wyles [had been contracted](#) and there were no training academies. The hopelessly unprofitable NA4 was about to trim its competitive schedule. The Eagles had dropped to 18th at the end of the 2007 World Cup, and would subsequently go lower. USARFU's balance sheet, temporarily stabilized by the sale of the USA 7s and the influx of IRB grants, had [resumed its downward trajectory](#).

Unshaken faith

Yet professionalism's power to spur the growth of American rugby went undoubted. In an interview at the 2007 World Cup, national team coach Peter Thorburn, a New Zealander with less than two years' experience in the domestic game, declared that 'If you don't have the right materials, you can't build a house. It is the same with rugby. We [America] have to create a professional league in the country [so young players will start playing](#).

'It [the US] has always been the sleeping giant,' he told the IRB's press service. 'I believe that it will reach its potential in the next four or five years, and in eight will be part of the tier 1.... If not it will definitely fall asleep and it won't have a future'.

Thorburn's successor, Scott Johnson, was equally fervent. But having taken promises of an imminent pro competition at face value, the unruly Australian quickly lost patience with the prospect of fielding domestic amateurs, and so began the wholesale import of foreign players able to represent America.

He would depart in less than a year, not long after the nadir of the fall 2008 trip to Japan, when the Eagles were forced to purchase Canterbury team kit from a retail outlet.

Johnson's lasting contribution was to take the cult of the pro player to its logical extreme, symbolized by Australian Tyrone Coppedge, a rugby league player whose athleticism and training was presumptively superior to an American amateur. By way of contrast, Tom Billups once summarily cut a prospect for admitting he would rather play for his native Canada.

Amid the search for a successor -- Ireland's Eddie O'Sullivan -- USARFU's finances continued southward. In January 2009, Melville finally acknowledged USA Rugby's professionalization campaign [was stillborn](#), blaming the retreat on [the declining economy](#). Henceforth, the US would look to place elite players with Europe's top teams.

Most successfully pursued by Argentina, whose best prospects often have family ties that allow them to skirt European labor law, the approach is used by every second-division country. Since it does not have a labor pact with the European Union, the US would be both disadvantaged and late to the party.

'Our "export strategy" does not differ significantly from others', Melville acknowledged in an email interview. 'We do however make sure that players are in quality full-time training environments - quality coaching, conditioning, and competition.'

Still, Roberts and chief executive Nigel Melville [never stopped asserting the union would be hiring](#) players. 'We will contract [another dozen](#) this year', the chair had predicted in late 2008. Two summers later, the union continued [having trouble paying out modest win bonuses](#).

'Contracting players and creating a professional league in 2009 [was a real possibility](#). Talks with one group are ongoing, but they are reluctant to discuss rolling out their plan until the economy at least stabilizes', Melville said in a blog post.

The 2009 strategic plan also persisted in aspiring to a training center and a new 'elite men's professional competition to be played prior to the June / November international player-release windows'.

Competitive advantage ...

In its goal of sending players overseas, USARFU is succeeding. More than half of the 2011 World Cup squad was based abroad last season. But one Eagle forward signed an English Premiership contract on the explicit understanding that he would skip the tournament in order to remain behind as cover for the team's New Zealand-bound internationals.

The export strategy also serves to churn the USA 7s roster, as the union looks to promote top performers to 15s. Is it better for players like Kevin Swiryn to lead the US to prominence on the Sevens World Series, or go to Europe in hopes of cracking the first team of a World Cup also-ran?

Despite starting most of 2010 and 2011, last month in New Zealand the center-wing was mainly outside the match 22, as O'Sullivan quickly promoted New Zealand-born James Paterson into the first XV. Every single position always should be filled on merit, on the coach's judgment of who will most help the team to win. But the revelation that [America's squad contained the World](#)

[Cup's second-highest total of foreign-born players](#) demonstrates that Johnson's import route has quickly come to compete with players graduating from domestic schools.

The practical impact of USARFU's strategy on elite player development is a topic for another day. 'Developing home grown players takes time, and I would put money on that statistic changing over time as players now playing in middle and high school programs move through the pathway', Melville said in an interview.

Every organization suffers strategic mistakes and unintended consequences. USARFU's choices, however, gain America no competitive advantage. If everyone else is creating commercial competitions and / or looking to send players to Europe, why should the Eagles expect better results? And, how do these plans make use of our country's large population, advanced sports facilities and sports science, and lucrative commercial structures? How do they anticipate changes in world rugby?

Roberts declined to address a series of questions posed by Gainline.us for this story.

...or what everyone else wants us to do?

If player export is orthodox among tier 2 countries, crash professionalization of America is an article of faith among the tier 1 powers. Since 1995, the mid-sized Commonwealth countries that predominate the IRB have been deeply unsettled by the game's shifting economics. Opportunities in the US sports market, 6-30 times bigger as measured by simple population, look the more compelling.

A cohort of executives and coaches sharing this worldview moved into power beginning late 2005, by result of past chair Neal Brendel's longstanding aim of professionalizing USARFU's board of directors and Arnot's financial failings. Key figures have included the IRB's Steve Griffiths, seconded to USARFU as chief operating officer; Solomons, who served as interim director of rugby operations; current board members Bill Middleton and Francois Viljoen; consultant Buckley; coaches Thorburn, Johnson, and O'Sullivan; sundry Boulder staffers; and of course Melville and Roberts.

The chair, who notoriously tried to bring a 2008 Bledisloe Cup match to Denver on terms favorable to Australia and New Zealand but risky for the USA, and persistently blogs about [ways the Kiwi union could increase its revenue](#), is America's leading exponent of the idea that what's good for world rugby is good for the US. In a 2008 interview with *Rugby Magazine's* Ed Hagerty, the former NZRU director [made his views clear](#):

I think the game of rugby needs the US. ...If I was running the IRB now I'd be focusing all of my efforts on the US. You can talk about Japan, you can talk about China and you can talk about Russia. These are very long-term things and good things to be talking about, but the US is today. It's the biggest market in the world. It's like when Willie Sutton was asked why he robbed banks. He replied: 'It's where the money is.'

Roberts' failure to articulate why American rugby's path ought to follow the Commonwealth experience is ironic given his reputation as an original thinker. A year later, Hagerty, once enamored of the new board's approach, [drew the much different conclusion](#) that 'USA Rugby would be better served by an American chairman with US rugby experience who has a more active and involved interest in the US game'.

PART 2: THE DEVELOPMENT MAZE

The 1990s gave rise to [Super Rugby](#) and the [Heineken Cup](#), a pair of 'cross border' leagues featuring top teams from Australia, New Zealand, and South Africa or France, Great Britain, and Ireland, respectively. They readily caught on with fans but officials saw them as problematic, until

it became clear the participants were separating themselves from domestic rivals left out of the mix.

By 2005, Commonwealth experts working in America uniformly believed that USARFU needed a cross-border league with Canada. The view was deeply intertwined with the International Rugby Board's goal of commercializing rugby in North America as soon as possible.

The [North America 4's](#) first two seasons were disappointing for any number of reasons. From a development perspective, then-Eagle coach Peter Thorburn's use of established internationals, some of whom were competing professionally in Europe, limited opportunities for up-and-comers. The Canadians went the youth route, and Canada West won the 2006 and 2007 titles.

In year three, by which time Scott Johnson had replaced Thorburn, the NA4's schedule [was trimmed](#), cutting assembly and game time. Canada West won a third straight crown. Also in 2008, USARFU allowed the 29-year-old National All-Star Championship, an inter-territorial tournament of 200-plus players paying their own way in hopes of higher opportunities, to fold.

2009 was still more disastrous. Steered by a chastened IRB, the cross-border tournament was broadly revamped to include 4 Canadian competitors and a new Argentine entrant -- but [only a single American squad](#). Our closest rivals reworked their provincial calendar to dovetail with the revised schedule, while US left its territorial teams fallow. At a stroke, Canada doubled its number of players gaining sub-international experience, while the USARFU's pool was cut in half.

Further, the competition was moved to September and October, ostensibly to bring it closer to the November international season. In practice, the shift [all but precluded college players](#), since the season was now at the start of the school year. New US coach Eddie O'Sullivan underlined the change by declaring that USA 'A' would primarily consist of domestic players who had already won caps.

The reduced number of games and roster slots, combined with the fall schedule, effectively converted the renamed Americas Rugby Championship from a development vehicle into a warmup series for the November international season. Perversely, O'Sullivan was quoted in a USARFU release as saying that 'Selecting a [ARC] pool without calling on our overseas professional players certainly forces us to dig deep on the depth chart', a chart that had been [diminished by the union itself](#).

The ARC's first year saw [Ontario scalp USA 'A'](#), which finished fourth. Year 2 saw Tonga 'A' join the fold, rather incongruously, and the two-week event staged in Cordoba. The shadow Eagles downed the 'Ikale Tahi (Sea Eagles) but lost to Canada 'A' and Argentina's Jaguars.

Starting from scratch

Amid efforts to establish the NA4, USARFU was assembling a High Performance department, responsible for international and representative age-grade players, coaches, and referees. Its charter comprised technical and administrative programs such as athlete identification, fitness, sports medicine, and drug testing.

The 2008 HP plan ran to 60 pages, many of them filled with ambitious, start-from-scratch objectives. One example: 'The high performance manager will identify and award licensed training center status to a minimum of 4 centers within his or her region by the end of 2008. This will be a total of 16 locations nationwide'.

In outlining the facilities' intended capabilities and functions, the document frequently spelled 'centre' in the Commonwealth fashion. This was consistent with specifications that player testing was to be conducted in metric measurements, following the standards of the New Zealand Rugby

Union. (Weight testing, an exception, was specified in pounds.) So aligned, USARFU positioned itself as if competing for athletes with the Auckland or Canterbury unions, rather than football or basketball, and thereby took itself outside the mainstream of America's youth sports. Recruiting crossover athletes is that much more difficult if test scores have to be converted.

One of the department's high-profile objectives was developing pathways for age-grade teams. Another was to bring on four HP managers charged with spotting and shaping players for select-side honors. It proved very slow going. Although IRB funds began arriving in late 2005, the first HP staffers didn't get started until more than two years later, at the beginning of 2008.

In [hiring Scott Lawrence and Matt Sherman](#), two recent internationals who reported to president of rugby operations (and chief executive) Nigel Melville, the union covered the country's eastern and Pacific coast regions. Staffers responsible for the midwest and west were to follow. Lawrence left in less than a year, citing family commitments. Plans for two more HP managers as well as Lawrence's replacement were shelved in January 2009, as the economy had gone south. 'Regional high performance centers staffed by full-time specialist staff [will have to wait](#)', Melville said in a blog post.

In its 2008 'scorecard' assessment, prepared for the board of directors, the national office credited itself with launching four HP regions, acknowledging three were unstaffed. Regarding the 8 desired HP facilities (down from 16, without comment), the self-evaluation owned up that only Sherman's Pacific region had identified candidates, and these were not yet certified.

On a brighter side, the scorecard noted the IRB's approval of HP grants for 2009-11, worth £600,000 (\$930,000) in each of the first two years and £650,000 (\$1 million) for the last, a World Cup season. Also in 2008, USARFU announced it would [reduce the Super League by two teams](#) while introducing a promotion-relegation mechanism with division 1. The union further said 2009 would see the return the senior all-star championship to a four-team, springtime format.

Promotion-relegation never went through, in part because the decision lay not with USARFU but Rugby Super League, which is operated by member franchises such as New York Old Blue or San Francisco Golden Gate, much like England's Premiership. Targeting the revised NASC for springtime demonstrated USARFU's failure to anticipate the ARC's shift. Too late, an August 2009 report to the board discussed plans for a summertime, six-team city-based competition that would constitute the basis of future ARC teams. 'Progress is being made with a group of potential investors', it read. Representative competition replacing the NASC, first established as the Inter-Territorial Tournament back in 1979, has yet to be restarted.

In a separate submission to the US Olympic Committee, USARFU indicated a 'national academy program' had been created to encompass the high school and college All Americans as well as the USA Under 20 team. What was its purpose?

The current pathway, if developed and activated as planned, is capable of recruiting and developing players through the current streams within the domestic game. The inevitable increase in the profile of rugby will make it necessary to develop a more aggressive recruitment strategy to attract athletes from the traditional US sports. That recruitment strategy must be accompanied by a program, which will induct the 'crossover athlete' into the USA Rugby Pathway at the appropriate and optimum level. This will be achieved using the National Academy Program that will provide a development curriculum for players to follow.

The paper indicated the city-based league would commence in 2010. It did not appear in 2011 either, nor was the ARC contested, since its fall schedule conflicted with the World Cup itself.

All Americans to the rescue

Just before the 2007 world championship, *Rugby Magazine* analyzed a 37-man squad of probables (7 of whom were subsequently cut), asking whether these elites had played in US high schools and/or colleges, and for the USA Under 19s and/or the Collegiate All Americans. The data was compared with a 50-man squad from 18 months earlier, in February 2006.

The number of past All Americans [had dropped precipitously](#), to 8 from 27. Adjusting for the different squad sizes, the decrease was nearly 60 percent. Just 3 of the 37 probables, meanwhile, had represented the USA at the Under-19 world championships. Thorburn, a New Zealander, had turned his back on college ball, and the comparatively well-funded age-grade route was not replacing it. But the percentage of foreign-born players had quickly climbed to 30 percent from 18.

2007 marked the first season the US national team did not win a single game. The Eagles' IRB ranking dipped to 19th, from 14th at the start of 2006, when chair Kevin Roberts and chief executive Melville took the reins.

Reliance on foreign-born players accelerated under Johnson and then O'Sullivan, even though America's number of teenage players continued growing. The Australian particularly [disdained domestic teams](#), and as we have seen, the NA4 and USARFU's HP department were laboring. By the time of the 2011 World Cup, 40 percent of the squad was foreign-born, the World Cup's second-highest total.

To be fair, O'Sullivan made ample and good use of All Americans. During the Irishman's first year at the helm, the 2008 collegiate team which Melville had led to New Zealand -- Johnson joined the tour party only in its final week -- advanced 11 players to international 7s or 15s. Six ultimately returned to the Shaky Isles as part of the 2011 World Cup roster: Pat Danahy (Stanford, Trinity, and Life College), Eric Fry (Cal and Las Vegas Blackjacks), Colin Hawley (Cal and Olympic Club), Blaine Scully (UCLA and Cal), Hayden Smith (Metro State and Saracens), and skipper Kevin Swiryn (St. Mary's and Agen). (A seventh, Chris Biller, earned collegiate honors in 2005-07 and 2009 and would likely have made the 2008 team, but for a season-ending injury.)

Indeed, 13 former All Americans traveled to the 2011 World Cup, including captain Todd Clever and Paul Emerick, both of whom had become Eagles even more immediately after winning school recognition, and were now among America's all-time cap leaders. But only 2 more age-graders made the cut, indicating the approach had not grown more productive.

This year's World Cup team defeated Russia while rattling Ireland and Italy. The Eagles thus moved up to 17th place in the IRB standings.

In an email, Roberts described 2011 as 'a great World Cup for the Eagles... They played superbly, competed ferociously, and were wonderful ambassadors for the country'.

Overlooking the obvious

To Scott Johnson, the problem was very clear.

'I played against America 20 years ago and they haven't moved forward. From the limited time I've been here, the reason they haven't gone forward is that we [they] haven't got a pathway for young people to go through', the US national team coach [told the IRB's press service](#) in August 2008, four months after his appointment.

'I think rugby needs America to be strong, and the only way you can be strong is consistency and ... a pathway for those young people to go through. So I'm going to start again, and we're going

to get some young people on a pathway, and whoever comes in after me will have a far easier job than I had'.

According to this widely held view, the US failure to join rugby's elite is mainly attributable to a poor system for promoting good young players.

It's simplistic as well as offensive. American domestic competition may be uneven, but the 'top of the pyramid' has its own problems. Even if more players were beginning in their pre-teens, representative sides below the senior level are compromised by the US academic calendar or pay-to-play selections. More important, two- and three-week camps and tours may be important yardsticks, but are too short for substantive individual development. For America's top players just as for everyone else, high school, college, and club teams provide the majority of regular training -- free of charge to USARFU.

This means that Boulder's real imperatives are talent identification and athlete progression, and the primary measure of effectiveness is the rate of graduation to the test squad. While it's always tempting to focus on the best current players, the value lies in finding the ones that project beyond high school honors to college All American status, to the 7s team, and ultimately to the Eagles. Similarly, it is comparatively easy to pick out the Nese Malifas, already possessed of subtle skills by the time they reach American shores, but difficult to assess the likes of Emerick, a one-time linebacker and wrestler who became a rugby All American out of the little-known University of Northern Iowa. The latter category represents America's playing base, and so the country's scalable upside.

Millions have gone into attempts to seed age-grade and cross-border play, neither were significant contributors to the 2011 World Cup campaign, and there is now less opportunity in select-side rugby than there was at the end of 2005. USARFU, by allowing blue-sky plans to crowd out imperfect but functioning systems, lost sight of these primary objectives. Having gone 3-19 over 2007-08, the national team's salvation sprang from a generation of college athletes, and the main problem with America's pathway turned out to be overlooking the obvious.

Coda: The 7s Eagles, under Al Caravelli, have been a significant route to the 15s team but are not treated here. Though the trend is very likely to continue, the exception reflects the focus of the series: evaluating management's performance.

PART 3: THE BOARD AT SEA

In the summer of 2008, Nigel Melville led a Collegiate All-American tour to New Zealand, while Scott Johnson sought potential investors in an 'Eagles LLC'.

The trip was productive in that it would yield 20 percent of the 2011 World Cup squad. Johnson, putting aside his technical responsibilities, had no luck.

By year's end the cause of Johnson's urgency became clear. Before accepting the job of coaching the US national team, the Australian had been promised USARFU would launch a domestic pro league. But in 2008 the union ran a deficit of nearly \$650,000, or 8 percent of the year's revenue, logging the past decade's single-worst reverse.

So why was the chief executive was spending weeks abroad while a school teacher-turned-coach was trying to drum up money? And where was the chairman of the board, Kevin Roberts, a man who leads a global business-strategy and advertising company?

The snapshot portrays the dysfunction which has loomed over the US national team these past five years.

In test rugby, management can fundamentally alter outcomes months and even years before the team takes the field. Though USARFU almost [completely reconstituted its board of directors in 2006](#) by shifting to a smaller, 'professional' group of 'independents' (i.e., people from outside American rugby), the results are in many ways comparable to the 'amateur' cohort of the Neal Brendel-Doug Arnot years.

Personnel decisions

Before a coach chooses his playing squad, management decides on the coach. As with many other sports organizations, the position is one USARFU's best paid and arguably its highest-profile employee.

Since April 2006, the board has brought in New Zealander Peter Thorburn, Australian Scott Johnson, and Irishman Eddie O'Sullivan, at salaries as much as three times higher than just six years ago.

Such turnover has been unseen since the 1970s, when the job was volunteer. Together, the trio have logged a 12-27 test record, slightly below America's average over the past 36 years.

The first significant move was retaining Thorburn, who had taken the helm in [an interim capacity in April 2006](#). Record losses to the New Zealand Maori and archrival Canada foreshadowed 2007's 0-7 campaign, the USA's first-ever winless season.

The longer-term cost of choosing to stay the course, in hopes of winning a pair of games at the 2007 Rugby World Cup, was forgoing time to prepare for the 2011 world championship. The decision gained heft when the International Rugby Board brought the qualifiers forward to 2009.

Canada subsequently won 2009's two-game North American series, not only forcing the Eagles to play home-and-away against Uruguay while the Maple Leafs sought out better competition in Europe, but also conceding our northern rivals a favorable pool that should have led to automatic qualification for 2015 (until a stupefying draw with Japan combined with Tonga's upset of France cost them third place).

Johnson's tenure was so short as to be an obvious failure for all involved. The nadir was a first-ever series loss to Japan, and his legacy the temptation to shortcut domestic development by casting overseas for 'America qualified' players.

The cause of his departure, however, was the board's [inability to fulfill its promises](#), including the national league of city-based teams, contracted players, and so on. In a contemporary interview, Johnson lamented having to ask players the age of his son to make economic and personal sacrifices without so much as the promise of 'reliable insurance' (i.e., promptly settled claims). In 2010, the issue resurfaced in the modified form of delayed payment of simple win bonuses.

The embarrassment of Johnson's abrupt exit was eased by O'Sullivan's return, for this name-brand coach already knew the American landscape. O'Sullivan indeed halted the 3-year, 4-16 slide since Tom Billups' departure, debuting with a credible [27-10 loss to Ireland](#) and winding up with a World Cup seen by many as having equaled 2003 as the union's best-ever showing. (Interestingly, the scoreline of the 2009 Santa Clara match was nearly the same as the 22-10 count in New Plymouth, New Zealand, 29 months later.)

Another part of O'Sullivan's charter was to train a group of domestic coaches. His leading assistants duly included Dave Hodges (forwards, ex-Denver Barbarians), Dan Payne (skills, ex-San Diego State and presently Life University), Matt Sherman (backs, ex-San Diego State and presently Stanford), and Mike Tolkin (defense, Xavier high school and New York AC).

O'Sullivan, who had continued to live in Ireland, cost an estimated \$600,000: \$161,000 in 2009 and \$229,000 in 2010, according to the union's tax filings, plus 2011 (which figure is not yet available). Meanwhile, USARFU's 2010 revenue plummeted 21 percent to \$6.4 million, with events totaling just \$152,000. O'Sullivan salary, like Johnson's pro league, was out of scale.

Operating decisions & strategic partnerships

Event revenue, along with broadcast fees and logo merchandise, are primary business opportunities created by a strong national team. Seeking to whet America's appetite for big games ('to help America fall in love with rugby'), Roberts personally campaigned to bring a 2009 Bledisloe Cup contest to Denver. The gamble would have been USARFU's biggest since Brendel's disastrous push to launch the USA 7s, which after exhausting the union's reserves was sold at a deep loss in 2005.

The Bledisloe terms were so advantageous to Australia and New Zealand, the competitors, while so onerous to USARFU that no less than David Moffett, past chief executive of both the New Zealand and the Welsh unions, saw fit to publicly blast the idea. Hong Kong eventually won rights to stage the contest, and made a loss. The American union dodged a bullet, but the episode called into question the board's approach to growth via test rugby.

Following the 2010 collapse of the Churchill Cup, the union's long-term test schedule is uncertain. While matches against Canada and similar countries will be readily available, and NBC's interest in Olympic 7s translate into opportunities for USARFU's senior team, America, like every other 'tier 2' nation, is reliant on visits by so-called foundation unions (Australia, England, Wales, etc.). But the top teams want to play each other, and in the past, the IRB's so-called master schedule has been unstable.

Unlike events and broadcast, apparel directly impacts other USARFU teams, such as the 7s Eagle or the All-Americans. The board's 2006 decision to abrogate its 2004 agreement with Kooga prompted the vendor to [sue for damages of \\$900,000](#), which could be tripled if USARFU loses the ongoing case.

The strategic intent of ending the Kooga pact may have been to obtain a better deal after a strong showing at the 2007 World Cup. If so, the gamble failed. The national team has since wandered through several sponsorships, the lowlights including Johnson's having to buy Canterbury kit from a Japanese retail store in November 2008, the miserably designed jersey seen in the 2011 Churchill tournament, and the general mayhem of the 2011 World Cup.

In 2009, legal fees related to the case cost approximately \$20,000. This year's bill contributed to a meaningful budget overrun in national office operations, according to a report sent to the USARFU congress, the other factor being an ongoing audit by the US Department of Labor.

Two of the most important sponsorships won during the Roberts-Melville administration were essentially windfalls. The National Guard deal came through a rugby parent, and lasted just two seasons. The Emirates deal was forced on the air carrier by the IRB, according to people familiar with the matter.

USARFU's business development has been predicated more on selling services to its membership, such as the mandatory purchase of a Zurich medical insurance policy that comes with registration, rather than the large brand partnerships. The record is particularly meager for the Saatchi & Saatchi chair, and the upshot is the team (and the union) remains penurious.

The outstanding exception is achieving full US Olympic Committee membership, which has yielded real benefits for the 7s team and promises future leverage for the senior team. Vice chair Bob Latham, who has worked with Colorado Springs-based organization since USARFU gained

associate membership in 1998, along with Melville and 7s coach Al Caravelli led the push for recognition before the 2012 Games.

Yet even here, such breakthroughs as [San Diego residency stipends](#) are an outgrowth of the IRB's campaign to admit 7s to the Summer Games. And the lion's share of the commercial benefits is being captured by the USA 7s, not USARFU.

Unexecuted priorities: Player contracts and a pro league

While not every decision can be expected to succeed, the board controls the priorities of the union and so the national team. Over 2007-11, the objectives at the top of its list, player contracts and a professional city-based league, went unfulfilled.

The purpose of contracting national teamers is to establish rugby training as the athlete's priority. The problem is the union's inability to pay wages enough to supercede the minimum concerns of young men in their 20s.

In 2008, at the start of the four-year World Cup cycle, USARFU inked Todd Clever and Chris Wyles. 'We will contract another dozen this year', Roberts said [in an interview with Rugby Magazine](#). It never happened. The following year, Melville said the union would be [offering contracts to 7s players](#). Same outcome.

Newly announced USOC funds for 7s players to reside in San Diego, obviously a welcome step, by themselves look to be so small as to require additional monies. They will not, by the very purpose of geographic concentration, underpin the city-based league, an objective which featured in USARFU's strategic plans of 2006 and 2009.

Aware that it did not have the money to initiate a pro competition, in August 2008 USARFU announced that the following year would see the [return of a senior all-star championship](#) in a four-team, springtime format. In January 2009, when Melville publicly acknowledged that USARFU's efforts to professionalize the national team would be sidelined, he indicated that 'I am hoping to combine the [North America 4] with regional selection and competitions this year'.

The stalled plans have been all the more evident since the CBL is to replace the rump NA4, now called the Americas Rugby Championship and based in Argentina, and the lapsed National All-Star Championship, the imperfect but functioning territorial competition.

From the start of their tenure, Roberts and Meville acknowledged that the union's budget would have to grow to \$20 million, mainly via new sponsorship and investments, in order to accommodate its plans. Revenue crested at \$8.1 million in 2009, while the overall financial picture turned for the worse a year earlier.

To a degree, the downward trajectory can be attributed on the soft economy. Certainly the union has 'lost' money because unfavorable changes in the sterling-dollar exchange rate have diminished the value of IRB subsidies.

In light of the growing sponsorship deals and sales logged by the USA 7s, however, the economy cannot be completely responsible for the union's failings. Nor can too much blame be laid on the union's business development director, who left unhappily in April 2009. In a meeting, Roberts had admonished the fellow that he did not feel obliged to share his contacts, according to people familiar with the matter, a stance that seems to contradict the purpose of the board's taking on independent directors with business and banking resumes.

The national team and indeed the whole organization has increasingly relied on registration, formally known as the Club and Individual Participation Program (CIPP). Boosted by a 2006

price hike, dues' proportion of gross revenue has grown from 29 percent in 2003, Arnot's first year at the helm; to 38 percent in 2006, the debut of the Roberts-Melville administration; to 45 percent last year. (The 2011 CIPP increase has improved cash flow, according to the national office, but not yet been recorded in tax documents.) The overall decline in revenue combined with the increasing reliance on dues suggests the likelihood of the board's achieving national team priorities has been receding.

Conclusion

Athletes can and sometimes do achieve in spite of management. But it is unusual, usually not for long, and certainly not what it should be.

In evaluating 2007-11, every source of available evidence, from planning documents and press releases to executive reports and congressional briefings to tax records, combines to make clear the Roberts board's focus on the Eagles. Failing a secretly held, radically new strategy, so it should be. All of the world's leading unions rely on test rugby to generate business and subsidize recreational participation. Despite America's much smaller balance sheet, here too the model worked through most of the 1990s and half of the past decade, without dues money or IRB grants.

But the formula requires entrepreneurial rather than corporate management, the practical application of American sports characteristics to international rugby (not the other way around), and independently generated revenue sufficient for the national team not only to pay for itself but also to throw off cash. Instead, the Roberts-Melville years have been characterized by unthinking embrace of Commonwealth strategies and development models, half-hearted initiative, and increasing reliance on dues revenue, serving to reallocate resources away from the grassroots. It can be little surprise that school-age and college participants, busily creating local growth opportunities, are restless.

After Tom Billups' finale, the US ranked 14th in the IRB standings. USARFU then overhauled its board, twice reset its priorities, and redefined its vision for elite player pathways. The Eagles stood 18th following Peter Thorburn's last game, 19th after Scott Johnson's exit, and 17th at the end of Eddie O'Sullivan's tenure.

The past five years, spanning two World Cups and the birth of Olympic 7s, demonstrates that transforming the US national team's performance as well as USARFU's commercial prospects first of all requires board-level improvement. The management team has been far less accomplished than the Eagles on the field, and effective change will require more than simply hiring an American coach.

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