



Presentation to WRU Board

25 April 2013



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- Setting the scene

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- PWC Report

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- WRU strategy

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- PRGB

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- Governance

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- Way forward





Chairman of the Strategic Working Group





WHAT'S GONE WRONG (not who's to blame) (Hindsight is a wonderful thing)

- The amazing success of the Welsh national team has dramatically increased the market value of our top players
- There has been an unprecedented increase in player market value driven largely by the French
- Football is a clear and present danger (2 premier clubs: 1.25 million; total professional rugby: 0.8 million). Participation almost double and turnover almost double.
- Benefactors have withdrawn a large amount of support because:
 - Disillusionment with continual conflict
 - Lack of European success
 - The financial crisis
- It is difficult to attract new benefactors/emotional sponsorship. See above





WHAT'S GONE WRONG (not who's to blame) (Hindsight is a wonderful thing)

- The P.A. doesn't work because:
 - It has no mechanism to be flexible, to evolve to meet challenges or to continually improve
 - It is a conflict model with no alignment of commercial interest
 - It has deadlock built in
- Decisions and positions are taken on a 'tribal' basis, not for the benefit of Welsh Rugby as a whole.
- It discourages development of Welsh players because:
 - Triple whammy when a player is called up
 1. He is lost for around half the year
 2. His market value increases
 3. His replacement cost
- On a purely financial basis it is not in a region's interest to develop Welsh players! This is crazy!





WHAT'S GONE RIGHT

- World class stadiums and facilities
- Success of national team
- Massive economic impact in deprived areas
- Improved professionalism in management
- Development pathways of Welsh players

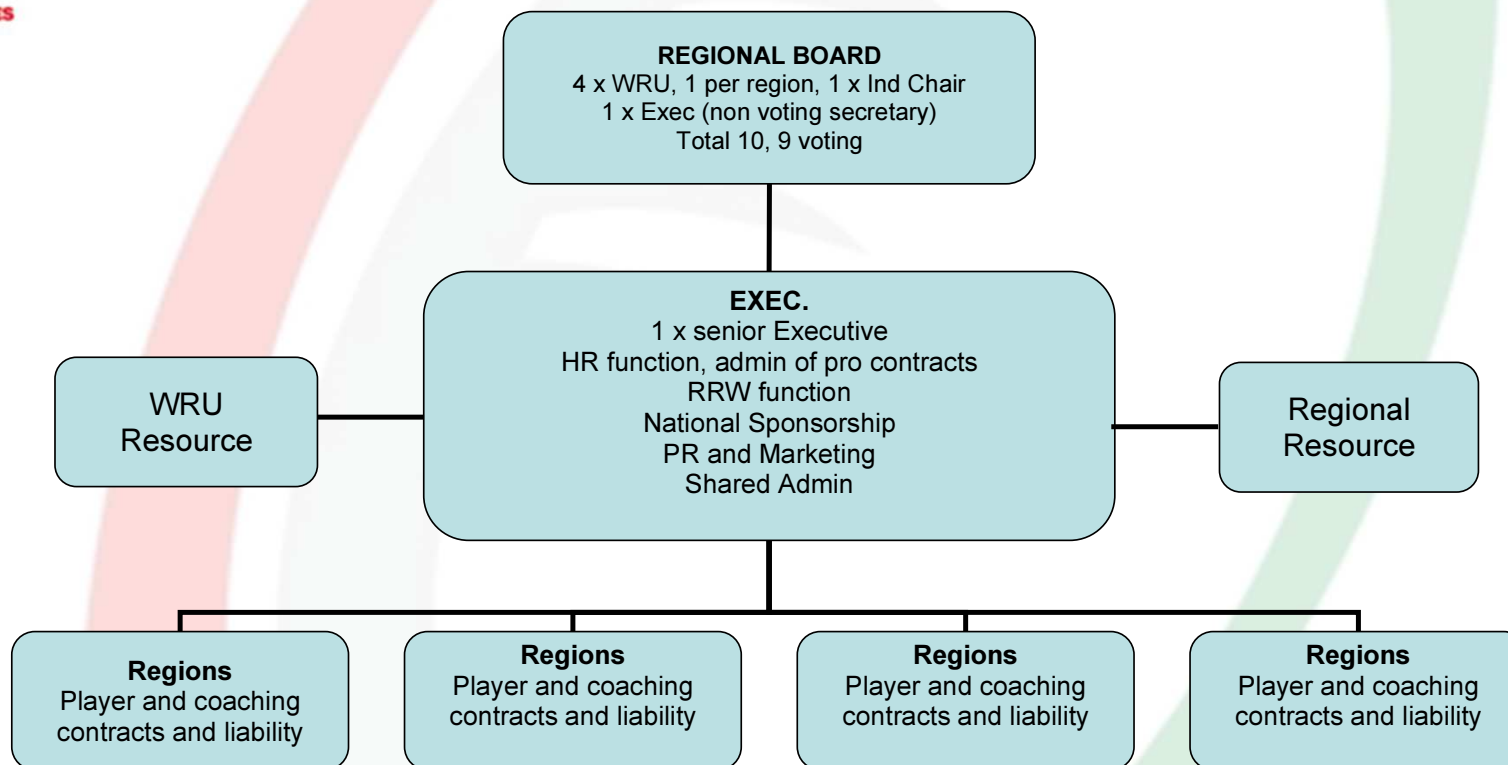




STRAWMAN EVOLUTION

A NEW BEGINNING – REVOLUTION AND SIMPLICITY

STRUCTURE – NEW MANAGEMENT BOARD





NEW RUGBY BOARD OBJECTIVES

- To underpin, support and maximise performance of the national team
- To achieve strong, sustainable and competitive professional rugby in Wales
- Ensure continued support and development of the community game
- Retention of senior Welsh Internationals
- (Region to supply list of players out of contract in the next 12 months)
- To achieve four regions within HC competitive squads within five years
- To maximise development of Welsh Internationals.
- Improved premiership performance





ADVANTAGES

- Only a modification of existing PA and structure – simple
- Most overhead already exists in regions and WRU
- Business risk stays with operating company of regions – they can fail
- Speed
- It's a structure that can evolve
- Retention of benefactors and emotional sponsors
- Attraction of new benefactors/emotional sponsors by removing conflict
- Retention of Welsh players
- Aligns commercial incentive to develop players





ADVANTAGES

- Increase commercial revenues by selling Welsh rugby as a whole for the first time.
- Limited potential for future ticket revenue increase for internationals but substantial at regional level. We should look at this as a £100+ million business.



RECOMMENDED URGENT ACTIONS

Establish small working group to review the MOU and establish the PRGB with reserved matters over international game but with authority and a voting chair over ALL matters regional.

Suggest David Pickering, Sir Wyn Williams one WRU Exec, One WRU non-exec, one Regional exec, Stephen Harrison, and one regional non-exec.



PRGB Agenda (not an exhaustive list)

- Review WRU strategic plan for Regional Rugby and ensure it aligns with the objectives of the PRGB. We must have the same agendas.
- Apply 'Gatland's Law' as do other countries but with grandfather rights for international players already outside Wales
- Review current competition quality and options. Does our product compare with football?
- Review potential structures for central contracts



RECOMMENDED URGENT ACTIONS

- Put in a commercial incentive for development – senior and under 20's
- Establish a 'Welsh Qualifying Programme' with the regions to ensure future strength in depth for the national team in key positions.
- Agree joint press release on the way forward.

Is there any reason this cannot be done by the end of next week?

...lock-in until it is achieved.



ALL OF THIS WAS PLAIN COMMON SENSE 12 MONTHS AGO AND IT STILL IS TODAY

- If the union want total control of the regions then say so and we know where we stand
- If the union want independent regions then we must start working to the same agenda
- The alternative is another five years of conflict, slow decline and a sleepwalk into Wales as a football nation!

Carry on as we are and there will be little left over which to fight!

