THE IMPACT OF NIKE PROJECT 40/GENERATION ADIDAS PLAYERS ON MAJOR LEAGUE SOCCER

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Research Problem

The purpose of this paper is to determine the value Nike Project 40 and Generation Adidas players have on Major League Soccer (MLS). Established in 1997, the Generation Adidas program aims to keep the best young talented soccer players in the United States, but little information has been published on the effectiveness of the program, especially when comparing Generation Adidas players’ performance in the MLS to MLS players who are not part of Generation Adidas. Therefore, analyzing how well players are performing compared to their non-Generation Adidas counterparts is of importance to the league and to the program’s sponsors. Managers and administrators in other professional leagues who are involved in analyzing the performance of athletes might also have interest in this article.

Issue

MLS in the U.S. has been growing and thriving over the past few years. Established in 1996 with 10 teams, the league has grown to 18 teams in 2011, with two more teams set to be added in 2012. Additionally, nine of those teams have their own soccer-specific stadiums, with two more currently under construction, showing the expected longevity of the league. That said, professional soccer in the U.S. still offers little competition for the European, African, and South American leagues across the globe.

In an effort to grow the game of soccer in the U.S., not only in regard to talent and international competition, but also fan popularity, Nike Project 40/Generation Adidas was created in 1997. Originally a venture between MLS and U.S. Soccer, and sponsored by Nike, the program’s sponsorship was transferred to Adidas in 2005 (and will be referred to solely as Generation Adidas from this point forward). The program encouraged players to leave college early, forgoing collegiate eligibility to sign professional contracts with MLS teams. Encompassing approximately 10 underclassmen per year, Generation Adidas guarantees players a 3-year salary with a MLS team with two one-year options. Aside from the ability to draft the best young players, the league also benefits from the Generation Adidas program, as these players do not count against team salary caps, which often means that they are the first ones drafted in the MLS SuperDraft each year. Additionally, players in the program are offered college scholarships to continue their education after their professional careers end.

Though the hope of the Generation Adidas program is to grow American talent and keep the players here in the United States when they begin their professional careers, there are still benefits to these players taking their talents overseas, namely, transfer fees from international clubs. Perhaps the most internationally recognized Nike Project 40 signee was Freddy Adu, the 14-year old phenomenon who signed a Nike Project 40 contract in 2004 with MLS’s DC United, worth over three million dollars. The signing Freddy Adu at such a young age paid immediate dividends for MLS, through media coverage and increased revenue and exposure on the field where he was an amazing draw, boosting home attendance by ten percent, as well as averaging more than 6,000 additional fans per road game.
Although Adu’s stardom is debatable, his value to MLS is not. In 2007, at the age of 18, Adu signed with the Portuguese club Benfica who paid MLS two million dollars in transfer fees for his rights. Other Generation Adidas players who were purchased by European clubs include Demarcus Beasley in 2004 ($2,500,000 transfer fee), Clint Dempsey in 2006 ($4,000,000 transfer fee), and Jozy Altidore in 2008 ($10,000,000 transfer fee). The grooming and sale of the United States’ most talented players may seem counter intuitive, but for a league as young as MLS, this return on investment represents stability and growth, increased infrastructure, league expansion, and further partnership with major sponsors and media members.

It seems that the creation of Nike Project 40 and Generation Adidas is a crucial aspect of MLS’s current plan to find young American talent before the major European clubs do. However, little information has been published on the value, effectiveness, and longevity of the Generation Adidas program. Is it working? Have these players been outperforming their non-Generation Adidas counterparts once they become MLS players? These questions and more are those that motivated the authors to undertake this research.

**Summary**

By statistically measuring the impact of the Generation Adidas players compared with the other, non-Generation Adidas players with whom they are drafted, the authors sought to evaluate how well the program is working. Utilizing the years 2002 – 2006, authors compared to the top MLS draft picks from the Generation Adidas program with those who were not a part of the program. Overall, a total of 102 players were included in the study. The statistical categories analyzed for each player were age when drafted, position played, games started, appearances, minutes played, goals, assists, shots taken, shots on goal, penalty cards, ejections, total number of MLS seasons played, and whether or not the player played in a European league. The statistics were converted into a per season variable, to account for the fact that some had played in the league longer than others.

In summary, upon initial glance, the Generation Adidas players were outperforming others on the field, as their average starts, games played, minutes played, goals, assists and shots were higher than the non-Generation Adidas players, and their draft slot, cards per season and ejections per season were lower than the non-Generation Adidas players. However, upon further analysis, the only categories that resulted in statistically significant differences were age, assists per season, and ejections per season, meaning that in every other category (games started, appearances, minutes played, goals, shots taken, shots on goal, penalty cards, total number of MLS seasons played, and whether or not the player played in a European league) the difference between the Generation Adidas players and non-Generation Adidas players were so small, they essentially had no effect on measuring which group performs better in the MLS.

In regard to the three variables that did result in statistically significant differences, even those might not be enough to say that one group is outperforming the other. Age does not have much bearing on the game and player performance itself, and given the inherent nature of the Generation Adidas program, it is obvious that those players would average a lower incoming age than the others (18.9 and 22.2, respectively). Generation Adidas players did average a statistically significantly lower number of ejections per season, but the averages were 0.1 and 0.2 ejections per season, respectively. The number is so low that is it not a statistical category that would have too much bearing on the game itself. Finally, assists per season was the final category where there was a statistically significant difference between Generation Adidas and non-Generation Adidas players. The Generation Adidas players were outperforming their counterparts, 1.5 to 0.9 assists per season. This is the only true category where the argument can be made that the Generation Adidas players are having a better impact on the league than the other players.

**Analysis**
The purpose of this study was to test whether players who signed Generation Adidas contracts had more of an impact on the MLS than non-Generation Adidas players. The results of the study, in general, do not indicate that one group is outperforming the other. Although Generation Adidas players did have better mean statistics in every category analyzed, only three categories showed a statistically significant difference (age, assists, and ejections per season). In assessing impact within the league, among the three statistically significant findings, assists per season is the only one that has much bearing on the game itself.

Hopefully the lack of difference in performance shows that all highly-drafted MLS players are performing well in the league. But, as Generation Adidas players are handpicked as the top young players in the country, should they be outperforming those drafted in the same year to the MLS? The successfulness of Nike Project 40 and Generation Adidas can be measured in many ways, and if one looks at it since its inception, the majority of players who have been a part of the program have had an impact on MLS and other leagues around the world. Therefore, it is not fair to say that because Generation Adidas players are not outperforming non-Generation Adidas players on the field in the MLS, they are not well selected or the program is not successful. The authors would suggest that more research be conducted, and the effectiveness of the Generation Adidas program be measured in other ways in order to draw a broader conclusion on whether the program is accomplishing its goals.

**Discussion/Implications**

By determining a current Generation Adidas player’s worth through statistical analysis and comparison with other players, Major League Soccer can better determine that player’s value when it comes time to take the option on his Generation Adidas contract, create a new contract, or negotiate transfer fees. Realizing these values could help the league increase revenue, with the goal being the ability to match contract offers from clubs in Europe and South America. Ideally, this could be true not only of the Generation Adidas program, but of all players in the league. Measuring players’ effectiveness statistically is a useful way of determining what factors are the most indicative of future performance, which could not only help in the selection process of Generation Adidas players, but also in the draft selection process in general for all MLS teams.