

# The Power of NASCAR

An Interview with Brian France,  
Chairman and Chief Executive Officer, NASCAR

**EDITORS' NOTE** Brian France assumed his position in 2003 from his father, William C. France. The grandson of NASCAR's founder, William H.G. France, he has continued the family legacy and firmly positioned NASCAR among the most visible and successful sports and entertainment properties in the world. France's accomplishments have led to dramatic geographic expansion, financial growth, and the safest and most competitive era of racing in NASCAR's history. Among his achievements, France implemented the Chase format – the first elimination style playoff format in motorsports; negotiated 10-year deals with FOX and NBC – the largest in NASCAR history; secured more FORTUNE 500 partnerships than any other sports league; and most recently announced a historic Charter agreement to provide NASCAR owners with financial stability and the ability to build long-term enterprise value. France and his wife launched a philanthropic organization, the Luke and Meadow Foundation, to drive progress on issues that threaten the health and wellness of children.



Brian France

Given that kids don't play our sport in school means that it takes us a while to get people excited about auto racing. But we are doing the things that need to be done and expanding our reach through digital and social media so we can capture the next generation of Millennial fans.

This has been the safest era in NASCAR history and this season we have seen some of the most competitive racing in our history as a result of format changes and rules packages.

The industry is in a period of collaboration like never before. This has historically been a challenge to maintain because everybody is going in different directions but we are uniting everyone to work together for the common goal of making the best racing in the world even better.

**With so much fan loyalty and sponsorships, this is a strong brand and business. Is that well understood?**

People recognize the size and scope of NASCAR but at the same time we are constantly underserved by the media coverage. Looking at us on any given weekend, we're the largest sporting event of the weekend at number one or two by any metrics, yet we may not get as much coverage as other leagues. But that's always been the case with auto racing; we're an underdog but we keep going.

**Who is the NASCAR fan base?**

We have the most passionate fanbase in sports and we are working tirelessly to broaden our appeal. We've always been more gender neutral than any other sport. We see families making a vacation out of a NASCAR event. The average drive is 200 miles so they're often going to spend a few days with us. Everybody can relate to driving a car, but not everybody can relate to 300-pound athletes smashing each other.

**As you build the fan base, is it important that you continue to build diversity within the NASCAR community?**

We are investing significantly in our Drive for Diversity program, which is operated by Rev Racing. This program produced last season's NASCAR XFINITY Series Sunoco Rookie of the Year Daniel Suarez from Mexico, as well as Darrell Wallace Jr., an African American talent on the rise. We also realize that it has to be organic and performance based, and we don't have the constant turnover opportunities available. Jeff Gordon just retired and he had a 20-year career and it's not uncommon to have a career that long. With only 40 drivers competing in any one year, there's not much opportunity to break into those talented slots.

I always say our goal is to look more like America so we have to attract everyone in America in our cars, in our pit crews, in the stands and in our boardrooms. We're committed to that and that is something we have to continue to grow.

**What is the vision behind the Charter agreement you announced?**

The goal of the new Charter agreement is to provide financial stability and a better business model for our owners. As a result of the agreement, 36 Charter members are guaranteed entry into every Sprint Cup Series race for nine seasons. This provides long-term stability and owners can now build long-term enterprise value for the first time. This leads to more investment from current and potentially new owners and ultimately a better product for our fans.

**COMPANY BRIEF** Born in 1947, NASCAR (nascar.com) has grown to become the premier motorsports organization. NASCAR sanctions more than 1,200 races in more than 30 U.S. states, Canada, Mexico, and Europe. Known for its passionate fan base, one-of-a-kind elimination-style playoff format, development of the modern sports sponsorship, and commitment to enhancing auto racing through technology, NASCAR produces many of the most highly attended sporting events in the world.

**When you look at the state of NASCAR, how strong is the positioning today?**

We're in a good place but it's often missed how competitive the marketplace is in the U.S. and in North America in sports. There are so many leagues here that are well managed and well entrenched, and collegiate is so strong as well. Every weekend there is a mega event going on, and that is unlike anywhere else in the world.

Within that context, we feel really good about our current standing and upward trajectory. We are coming off one of our strongest seasons in 2015 – including our most-watched finale in a decade.



Another piece of the agreement, which will come later, is to control the cost curve for our owners and that has really never been done in big time auto racing.

Nobody has been able to really figure out how to de-incentivize teams from spending unlimited amounts of money chasing ever faster speeds.

I wish we'd been able to do it before but it's very hard to achieve and we never saw a real path to do that in the past, but a lot of smart people put a lot of work into that.

### **How important is it to maintain a culture of innovation?**

It's critical because we rely on technology more than any other sport when we talk about the on-track product. This season we unveiled the Digital Dash, which is sharing unprecedented real-time data between the driver, car, and crew.

For us to continue to be successful as the underdog, we have to be leaders in technology and we can be because it is such an important issue for our car manufacturers.

It's also important for the millennial fans to be able to connect to the sport through their handheld devices. Some people are very uncomfortable about that – they don't like the idea that someone will be on a device while they're at the event. We think they're going to have to be open to all of these developments. People want to use social media while at live events and we're very well positioned for that. We broke records in 2015 with 1.1 million page views and 4.1 billion social media impressions. At the start of this season, we announced new deals with Snapchat and Twitter and this led to the most social Daytona 500 in our history.

### **It seems in recent years you have broadened the sponsors.**

We took it pretty hard coming out of the recession because our fans drive farther and stay longer. We're having a renaissance of new companies today, tech and others, who are finding what sponsors have always found about us, which is that we're not just a billboard in the stadium. Sponsors are a part of the game in some form or other. They get a chance to own things within NASCAR that can't be done commercially elsewhere in sports. Nearly one in two FORTUNE 100 companies rely on NASCAR to build their brand and we have seen a 66 percent increase in FORTUNE 500 technology partnerships since 2013.

### **For someone who doesn't know NASCAR, how would you describe it?**

We aim to create the most competitive, safe, and tight racing of any organization in the world. We do this better than anyone in the world and that is our obligation to our fans. There is nothing like the excitement of being at a NASCAR race. We don't always get it right but we understand where we're trying to go. We're not purist about that – our competitors around the world are often auto racing purists and they will not look at rules packages in the same way we might. We're going to look at things that balance the field – we want to give all the teams a shot. Other organizations believe that if a team out engineers the others and gains a technical advantage, then they've lapped the field and

that this is great auto racing. We believe that teams, the strategies, and ultimately the drivers should be the ones who decide the winner, not just the technology.

We will equalize those advantages when we can and that tightens the racing up and balances the field.

### **What are you doing to enhance the safety of the sport?**

I believe that innovation can solve almost any problem.

In our case, safety, technology, and innovation are combining to create safer barriers, safer systems, and safer helmets. We're a huge believer in this process and nobody has led or done more on this issue. We've created big gains with innovation in certain areas that many people thought we could not do. I believe that to be true even for our competitors. There will ultimately be a remedy for just about every safety challenge.

### **Is there opportunity to expand NASCAR into new markets?**

There is, and we have a good footprint in Mexico and Canada. We have distributed some of our events worldwide on TV and we have taken events to the Far East and other places.

The trick is that we have a very full domestic schedule and our style of racing is mostly oval – the rest of the world is mostly road course. We have a road course division in North America that is popular, but we can't be arrogant about this and think our brand will automatically be loved once we move into this.

The way America is into sports is not reflected in the rest of the world. There are only a few sports that are culturally accepted everywhere in the world. Soccer is one, and auto racing is one, as are cricket and golf. The NBA has also done a good job of promoting the game.

### **How do you balance the role of the commissioner with the rest of your stakeholders?**

Every league has to balance its stakeholders. How a commissioner handles that and their priorities may vary. However, they all want to keep their games competitive and, when they do this, the financial underpinnings work well. They're focused on making the game more exciting and we're very aggressively working on that.

Everybody wants a safe game, of course. Some have an easier challenge on that than others, so it may not be as urgent an issue for a lot of commissioners.

Traditionally, commissioners serve at the pleasure of the 30 owners who employ them. Our system is different with teams and drivers operating as independent contractors. However, a very important piece of the Charter agreement was the formation of a Team Owners Council that gives Sprint Cup Series owners formal input



Brian France, NASCAR senior leadership, and the 36 Charter Agreement members (opposite page); 2016 Daytona 500 photo finish – the closest in event history (above)

into the governance of NASCAR for the first time. The sanctioning body retains the final say but the level of collaboration is unprecedented and we are working together. This will allow all NASCAR stakeholders to focus on long-term strategic planning that will grow our sport for decades to come.

### **Is it important that the family culture of NASCAR remains?**

Our fans generally like the idea that they know what we're about as a family and our commitment to them is strong. We're in this for the long haul and our corporate sponsors like the idea of being part of the family thing – that is a bit of America.

### **In five years from now, what will be different for NASCAR?**

The Charter system will have long-term and far-reaching implications for our sport. We will have some different ownership and the technology we use to take NASCAR to our fans and the marketplace will be even more innovative. We have a very difficult challenge in coming up with a rules package that works for everyone because there are more than 40 teams. Their whole goal is to gain an advantage on any system we put in place. Our goal is to make sure every team is on a level playing field so that any competitive advantage is earned on the racetrack with skill and strategy.

Generally, we've gotten this right but not all the time. We used to assess the rules with all of our institutional knowledge by the seat of our pants; now we use metrics and data, and smart engineering people. With all of the work taking place at our state-of-the-art R&D center, we believe the most exciting NASCAR racing is still to come.

### **If I asked some of those who've worked with you about your style, what would they say?**

They would say I'm far more engaged than some of my critics like to think. They would say I'm fair, that I don't get too worked up over things. I want to do well. I always tell people to look for examples of who is the best at the doing their job and try to emulate them. Jack Welch is one of the best CEOs, as is Tim Cook. I always try to keep in mind if I asked Jack Welch to look at my work, what would he think? We're very self-critical, but we're respectful. ●