

Patient, Selective, and Disciplined

An Interview with George Pyne,
Founder and President, Bruin Sports Capital

EDITORS' NOTE Throughout his career, George Pyne has created billions of dollars in shareholder value for NASCAR and IMG combined. He has been recognized as one of the most influential people in professional sports by Bloomberg Businessweek, The Sporting News, and Sports Business Journal. He is a member of the Sports Business Journal's Hall of Fame and the National Football Foundation's Leadership Hall of Fame. He has been hailed by Advertising Age as one of its "Top 100 Marketers." He received the NCAA's Silver Anniversary Award for lifetime achievement and was recognized in January 2015 by the Ivy League Football Association for lifetime achievement. Pyne is the former President of IMG Sports and Entertainment. Prior to IMG, he was Chief Operating Officer of NASCAR and the second non-family member in 50 years to join its board of directors. Before NASCAR, he worked at the Portman Companies as a project director. Pyne is a graduate of Brown University, where he majored in Political Science. He is currently on the Board of the National Football Foundation.



George Pyne

COMPANY BRIEF In 2015, George Pyne announced that he would launch Bruin Sports Capital, a media, sports, marketing, and branded lifestyle company, which would acquire, build, and operate businesses on a global basis. Bruin Sports Capital's investor base consists of multiple global families and WPP, the world's largest communications services group, who, along with Pyne's reputation and global network, provide Bruin Sports Capital with unique deal flow, flexible, long-term capital, operational excellence, and a heightened speed of execution. The firm has already concluded more than a quarter-billion dollar equity fundraising round, providing it with \$500 million in buying power.

Looking back on what you created, have things developed as you expected and is the business going as you had hoped?

What one thought and what happens are not always the same thing but, in this case, it has played out this way. We thought that having a family office backing from highly successful global families that had long-term flexible

capital would be an asset and be attractive; and having the ability to take a long view on business would be attractive to entrepreneurs and businesses that were looking for strategic growth capital and wanted to stay in the business. We thought that would be a real asset and it has really turned out to be one.

The second thing we thought was given the chance of working with someone who came up through the industry – who bought and sold sponsorships, licenses, media rights,

and tickets; represented people, properties, and federations; who knew how to operate events – that people would find that caliber of experience attractive.

Combining the long-term capital with the experience in the business that we're in has been an asset.

The last advantage is that having a global company like WPP as a strategic investor has been quite helpful as well, and really helpful in terms of deal flow, strategy, and trade knowledge. They also have great knowledge of the ad market and what corporations want, and trends as they relate to consumers.

When we put all three of those together, we thought that would be a compelling package and, of course, it has turned out that way.

The other thing we now know that we didn't originally is that there are a lot of opportunities out there. I didn't know when I started if there would be but I'm now very satisfied there is more than enough opportunity. The key is to be patient and to be selective and disciplined, which is what we have done.

When you say opportunities, how broad is the scope of what fits into your wheelhouse? Many think of you in the sports field but are there also media and other angles?

Last year, we signed 80 NDAs in a 12-month period and looked at 50 companies at a meaningful level of depth. We made four acquisitions over the past 13 months. We also started Courtside Ventures, which is a digital venture company that invests in early stage companies backed by Dan Gilbert and WPP. We have made eight investments through that company. On the digital side of the aisle, we see four or five deals of week. There is also a steady deal flow on the Bruin side as well.

Many things we see are proprietary because if an entrepreneur or a great CEO wants growth capital that is user friendly, we're a very attractive option.

Are those four on the Bruin side at different stages?

On the Bruin side, we acquired a business called On Location from the National Football League. We have a partnership with RedBird Capital, Jon Bon Jovi, and 32 Equity, which is an investment vehicle owned by the 32 owners of the National Football League. It is a premium experiential hospitality company that today serves the Super Bowl, Pro Bowl, international games, and the NFL draft.

To run that business, we have recruited John Collins, the former Chief Operating Officer of the National Hockey League, and we're very bullish on that business. We bought that business and made two other acquisitions as well – a company called Anthony Travel, which provides travel services to 65 universities for the teams, their fans, and many board of trustees, and Jon Bon Jovi's company, Runaway Tours, which creates high-end entertainment experiences with unique artists and acts. We bought Runaway Tours from Jon last year, added him to our board, and expanded On Location's portfolio to include all of Runaway Tours' service offerings.

Our fourth acquisition was a company called Engine Shop, which is a digital engagement company that works for brands in helping develop live engagement, social engagement, and digital engagement. It also works to develop owned and branded content on behalf of brands and it has a very progressive and innovative group of people that run that business.

We began from a standing start in January of 2015 and we're sitting here now having raised two funds, and made four investments in Bruin and eight in Courtside.

When it comes to the investment side for Bruin, do you always take over the majority ownership?

Primarily. On Location is unique but we will mostly be the majority investor moving forward.

Is it important for you to have management in place when you acquire a business?

It's preferred. We partner with great CEOs who know their industry and are looking for capital to scale their success. I don't see us buying businesses where the CEO wouldn't stay on. We want to support strong CEOs and help them build.

I think consumers today value experiences over material things more than they did in the past. Shared experiences and special events are going to have more value in the future. Our job is to help great management teams expand their opportunities and successes within that market by deploying crucial capital or utilizing the solid knowledge we have acquired from our years as operators in the business.

People who know you might assume that everything will have a sports connection but is it broader than that?

It's sports, entertainment, media, and branded lifestyle. The potential to go beyond sports would be in the media space and also in the branded lifestyle space.

In Courtside, we are looking at investments that are smaller and outside of sports but where there will be technology that applies both inside and outside of sports.

How did the partnership with Courtside and Dan Gilbert develop?

Dan built an incredible company with Quicken Loans. It's also amazing what he's doing in Detroit, and he feels passionately about giving entrepreneurs in the tech space a chance to build disruptive technologies.

Eventually, Dan came to the realization that combining his knowledge in technology, our understanding of sports, and partner and investor WPP's knowledge of what advertisers and consumers want, particularly within the digital space, would make a formidable offering.

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At Courtside Ventures, we have the collective experience and "know how" to make a tremendous difference in an entrepreneur's chance of success. We can take an innovator's idea, support it, incubate it, and leverage our network and industry knowledge to put it on a real path towards market success.

You mentioned starting the company with a global focus. Is the deal flow global?

Yes. We will be developing things on a global basis.

Will you be raising additional capital?

We're focused on what is in front of us right now and we'll take it one day at a time. But we're very pleased with where we are.

For somebody who is known to get deep into the business operations, do you find it harder to get as engaged as you would like?

Looking back, I had a great experience working at IMG. One thing I learned from Ted Forstmann was financial discipline. My office was next to his for six years: we made acquisitions, we analyzed businesses, and I learned a lot. We learned what works and what doesn't work, and how to acquire and how not to acquire.

IMG was also unique in that while I had seven businesses and 2,200 people that worked for me, not one of them was in the office I worked in and many weren't even on this continent. I was in a situation where I had seven CEOs who were running meaningful businesses in their industries and that experience prepared me well for what I'm doing now. We're here to help and we have to bet on the CEO, empower the CEO, and back the CEO.

It's really not dissimilar to what I did before. It was good proving ground for me.

Was it challenging to adjust to the entrepreneurial environment?

A year ago, I was operating out of a temporary office. We started with nothing but an idea. We assembled an incredible group of investors and we built from there. I had to hire a team of people and get office space. I had to put systems in place. I had to get an outsourced team of people. We have had to run hard but it has been invigorating and I have enjoyed it.

The other great part of what we're doing is it has put me on the frontline again, which is good for me because I can impact things in a way that I was not able to before. I'm front and center; I know what is going on.

I also learned lessons from the past on how to approach things and how to get ideas across in an effective way that is motivating for others.

I feel comfortable with where we are and what we've done from that standpoint.

Although it has been a short period, do you reflect often on how best to build a long-term growth culture?

I love to build things and grow things and we are really doing that and it's been fun.

The other good part of this is I have to be accountable to myself and whether it's a good or bad day is in large part due to my actions. I need to have great people around me and motivate those people. I'm nothing without them,

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because one person can only do so much. We are building a culture here that reflects my values and I enjoy that.

You've built special relationships over your career. Is this all a relationship business?

Relationships are huge. In business, they are the successful outcome of trust plus trust. Everyone can do the right things when things are going well but you need to know who reacts well under pressure. A relationship is based on knowing that one can count on that person and trust them, and they will do a good job in good times and bad.

Experience is also key. I had 11 years at NASCAR and nine years at IMG and, as I get older, I find myself leaning on my experience in terms of how to approach something. I may not have had that direct experience but I now approach it with confidence, whereas 10 years ago I might have taken the same approach but with less confidence than I have now. I react to situations differently due to the perspective I have acquired over the years.

Trust is also key to any successful relationship. I'm grateful to the six families and WPP for trusting and supporting me when I launched Bruin Sports Capital. I'm grateful to the NFL and all of our partners for the opportunities we can create together; and I take it personally and I feel a real responsibility to those people who invested in me and believed in me. ●