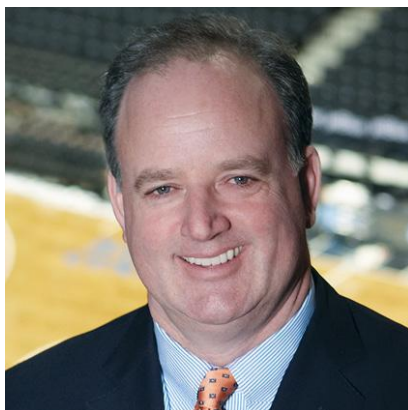


LEADERS

April 3, 2015



George Pyne

Growing Bruin

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.

COMPANY BRIEF

In 2015, George Pyne announced that he would launch Bruin Sports Capital (bruinsportscapital.com), 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 provides access to the best deals; long-term, flexible capital; extensive operating expertise; strategic capital and global resources, as well as speed of execution. The firm received an investment from WPP and has concluded a \$250-million equity fundraising round, providing \$500 million in buying power.

What was the vision underlying the creation of Bruin Sports Capital?

Bruin Sports Capital is the culmination of something that I wanted to do 10 years ago, but wasn't prepared for at the time. Now the time is right.

It is important to me to build a platform that reflects a culture that people can depend on and will last. Therefore, the idea of partnering with global family offices was very attractive to me. I hired Allen & Company to assist me in getting started and they did a fantastic job. I traveled all over the world meeting great families. This resulted in 70 percent of our investors being from outside the U.S. When meeting these families, it struck me that their consistent opinion was that if we have a good business, we should hold it and build it. This was consistent with what I wanted to do personally. We are partnered with wealthy families that can take a long-term view and provide me with access to much more capital, which provides flexibility.

We also partnered with WPP, who spends \$100 billion a year on behalf of their clients, which is a meaningful amount in sports. Having them as a strategic partner with roughly a third of the investment is a terrific asset for us. It also provides Bruin with a real knowledge of the advertising and digital spaces. Martin Sorrell, who started WPP, is a builder of businesses and has been very successful.

I'm an operator and not an investor. This model creates a unique opportunity for those who want to be part of something special.

How do you define the niche for the firm?

It is in a great segment for two reasons: Worldwide, media is becoming fragmented. The only thing that consistently aggregates large audiences is sports. This means the value of sports will continue to rise and to engage passionate consumers. Fragmentation in media intensifies the engagement of the consumer within the sports, entertainment, media, and branded lifestyle segments.

I will be looking for businesses that I think can grow, and I want to partner with entrepreneurs who want to build businesses from the ground up and grow them.

Will you be hands-on in running the company or will you look to put the right management in place?

Both. My job is to empower people and lend them whatever expertise I have. However, I have a proven record in recruiting talented people. We want to empower quality people to unlock their true value.

■

I'm an operator
and not an investor. This model creates a unique opportunity for
those who want to be part of
something special.

■

In terms of the process for putting this firm together, has it been what you expected?

Yes, it has been fast-paced and dynamic, and there are more opportunities in the market than I had initially envisioned. We're moving at a quick pace.

Do you see a lot of the growth coming from outside the U.S.?

I am going to go where I think the value is. We won't focus on a sport or a region as much as the opportunity that we believe is there. We also have a broader purview because of WPP's reach.

Did you know you had an entrepreneurial spirit early on?

Looking back, it is clear that I have always liked to build things. When I went to work at NASCAR, they had fewer than 100 people. When I left, they had more than 1,000. They just had one office when I started and nine or 10 when I left. I'm a builder. At IMG, we built up businesses that were not significant into ones that now are. For example, we created a new college business that did not exist and it has now become quite significant.

At IMG I had broad responsibilities that reached 30 countries and 2,200 employees across broad lines of business. At Bruin, things will be pared down. Now my responsibilities will be more consolidated so I can make a larger impact. I'm on the frontline of things in a more prolific way than I used to be. I am having fun and I am doing what I'm good at.

The power of sports is that it connects with people in a cultural way. Does it surprise you to see how critical sports has become in terms of driving the economy?

I took my kids to an Arsenal football match last year, and I watched 60,000 adults stand in the rain and chant the Arsenal fight song. Three weeks later, I went to the national championship Rose Bowl game and watched the Florida State Seminoles' fans wave their arms back and forth in unison.

There are few things in the world that create emotions this powerful. Sports is about who I am and what I stand for. It's tribal and has a lifestyle element, unlike anything else, as well as having the drama of reality TV. Think about the Super Bowl: a kid from West Alabama changed the trajectory of the biggest game on TV – you can't make that up. That's what makes sports so great.

As you go through the difficult process of building your business, are you also able to pause and enjoy it?

I never take enough time to enjoy it as I should. I remember at NASCAR, we had quite a run. There was a dramatic difference between where we ended up in 2005 compared to where we were in 1995. I always knew the potential was there but we were undermanned. Knowing that fostered my drive to be competitive. I felt like we were fighting for truth, justice, and the American way in trying to give these guys their fair due. To answer your question, I'm not sure I enjoyed NASCAR as much as I should have, although it was really a great experience. I also enjoyed IMG, but when I was there, I was constantly in the fray. At IMG, there are so many countries and lines of business involved, which are all owned by different private equity companies. This leads to so much activity that it's tough to keep up with. There was never a dull moment there; there was always an opportunity and a challenge, and both had high velocity. All of this experience has made me better prepared to handle whatever comes my way today, so I am much better off now than I was 10 years ago.

With all the positions I have had, although I have done well financially, I can honestly say that I get even more out of my personal growth.

I had a great experience at both places. At NASCAR, I built things from the ground up, which prepared me for my current role. When I started there, there were only four people in the commercial division; when I left, there were hundreds. To build an organization from the bottom up is one thing; coming in at the top and building it from the top down is a different experience. Having both of these experiences behind me is very helpful going forward.



I want to partner
with entrepreneurs who want
to build businesses from the
ground up and
grow them.



How important will it be to remain selective in your growth?

Being selective will be an important element of our success going forward. I have to be convinced that we can really grow a business if we're going to buy it. A great part of our capital structure is that I feel no pressure to deploy money. I only feel pressure to do the right thing.

You like to grow the people around you and assemble a strong team. Are you bringing people in that you have known?

I really want to get the best athletes. Bringing in all new people is like being a head coach with assistant coaches who I don't know and asking them to do things that don't come naturally to them.

It is much easier if we have people who are great players and coaches who already understand our system. We can then ask them to do extraordinary things, which may involve changing cultures and strategies. It is a lot easier to do that with someone who already trusts us rather than with someone who doesn't know us.

We did it the hard way at IMG. That does not reflect that it can't be successful doing it the way we will be doing it. However, we have to make sure that we have the right cultural dynamics behind it.

You equate a great business to a great sports franchise. Will you discuss this?

At NASCAR, we built a great culture. I think culture is important to ultimate success. Going forward at Bruin, I want to be around employees, team members, and colleagues who are talented, but who are also great people. That is who I am interested in having on our team. It is important to me to surround myself with people who share my values. If someone is talented and willing to work, then we are going to be able to achieve great things together.

Bruin Sports Capital will have a culture of excellence, which attracts people. In some areas, it can be a challenge to get things done. In our case, there are no excuses allowed, and I find that to be terrific.

You could have taken time to relax after IMG, but you dove right back into the fray. Are you always looking for the next challenge?

My friends suggested I should take some time off. However, when I realized that I could raise an increasing amount of capital, that opportunity became a real driver for me.

I feel that I have an incredible opportunity now and I realize that things are constantly changing. Situations change and markets change, so while I find that I can raise capital with the quality of people I have been able to align myself with, I will go for it.

One of the results of this move for me will be a better quality of life. For better or for worse, I will be able to influence the outcome and, with that knowledge, I can sleep well at night. It would be difficult if I could only influence the outcome 60 percent more than anybody else, but here, I can influence 100 percent of it. That's a real asset in terms of being nimble and in control. A guy like me from Milford, Massachusetts who went to Brown University does not become the Chief Operating Officer of a family business like NASCAR unless he's really trustworthy. Delivering on what I say I'm going to do is really important to me. I know I have the ability to do so Bruin Sports Capital. •

http://www.leadersmag.com/issues/2015.2_Apr/ROB/LEADERS-George-Pyne-Bruin-Sports-Capital.html