PYNE'S PLAN

Five years in, well-resourced Bruin Sports Capital is making all the right moves. BY MICHAEL SMITH
T H A D E N E E D A  S T R E S S F U L 2 4 H O U R S F O R

George Pyne by the time he settled his 6-foot-5 frame into a chair at the Clement in midtown Manhattan’s Peninsula Hotel for lunch last month. The veteran sports executive, who’s accustomed to the high-pressure world of negotiating hundred-million-dollar deals as the CEO of Bruin Sports Capital, was still processing his son’s high school football game from the night before. Drew Pyne, a Notre Dame signee and one of the nation’s top prep quarterbacks, did not play for New Canaan (Conn.) High because of a shoulder injury, and the 42-0 loss in the state playoffs had brought an unfortunate end to his senior season.

Pyne, who was an offensive lineman at Brown before rising to become the COO at NASCAR and the president of IMG Sports & Entertainment, has done deals with strong personalities and demanding bosses, including Ted Forstmann, Bill France Jr. and Martin Sorrell. But watching his children — an older son, Brendan, recently joined Colorado as a graduate transfer from Brown — is a different kind of stress. “You have no control,” he said.

When the 54-year-old father of four sat down for a lunch of tomato soup and Dover sole at the Clement the next day, he was ready to decompress. Bruin Sports Capital turns 5 years old this month and it already has proved to be among the more successful investment firm launches in sports, given its portfolio of companies that span media, marketing, live events and hospitality, ticketing and technology.

Over the course of two hours, Pyne looked back at the five years since he created Bruin from scratch and what the next five years might bring. Normally understated — Pyne compares his risk tolerance to that of a 100-year-old man — he was bolder and more confident than ever over lunch. It’s clear that his vision for Bruin’s next five years is more aggressive than anything he’s dreamed in 2014 when the investment company first took shape.

“We learned a lot in the last five years, and I think we can apply those learnings going forward in a faster and bigger way,” Pyne said. “So, we’re going to take a couple of big shots in the next two or three years. I think we’ll do some big things. I would say that we would do two or three significant things in the next five to seven years that are much more meaningful than where we are today.”

A FTERAN often prosperous but sometimes turbulent eight-year run at IMG, which ended in 2014, Pyne began contemplating his next move. It was during several after-work conversations with Tony Crispino, IMG’s operating and financial chief, that the then 49-year-old Pyne became convinced he could raise the money to build a company like Bruin.

Pyne had earned a well-deserved reputation for his skills as an operator at NASCAR and IMG. Acquiring companies and putting them together is essentially what they were doing at his latter stop. IMG College, which was formed in 2007 with the purchases of Collegiate Licensing Co. and Host Communications — it later added ISP Sports — was a prime example that changed the college marketing landscape.

While researching the sports marketplace, Pyne got help from Allen & Co., and met with high-profile investors such as Forstmann, the founder and former CEO of WPP. Pyne brought another IMG alum, David Abrutyn, and added Jeffrey Roth from Allen & Co. as partners in Bruin along with Crispino.

Together, they crafted a platform strategy that led to five primary acquisitions: On Location Experiences; Delatre; Engine Shop; SoulSight; and the recently acquired Two Circles. Those companies became the anchors for each platform, and Bruin then went about adding acquisitions to fortify the anchor company, just like IMG did with the college business.

For example, Bruin acquired marketing agency Engine Shop in 2016 and later added smaller companies, like Terrence Burns’ brand marketing agency.

CONTINUED ON PAGE 18

BRUIN SPORTS CAPITAL

HEADQUARTERS
White Plains, N.Y.

FOUNDED
January 2015

FOUNDER
George Pyne

PARTNERS
David Abrutyn, Tony Crispino, Jeffrey Roth

PRIMARY ACQUISITIONS
On Location Experiences, Delatre, Engine Shop, SoulSight, Two Circles

TOTAL ACQUISITIONS
17

AMOUNT INVESTED
$285 million

LEAD SHAREHOLDER
The Jordan Company

BRUIN SPORTS CAPITAL

CONTINUED ON PAGE 18
THE STORY GEORGE PYNE

CONTINUED FROM PAGE 15

George Pyne's office at IMG from 2006-11 was next to Ted Forstmann's, so it's not surprising that Pyne, then the company's president, took several tips from his late boss. During a lengthy interview last month in Manhattan, Pyne often referenced Forstmann, the private equity mogul, when asked about his own investing strategies.

"I was 40 years old when he hired me at IMG, so I knew I was going to learn a lot and I did," Pyne said. "I quote him almost every day." Forstmann constantly referred to the risk-reward ratio on any deal and Pyne does the same.

"What's the upside and what's the downside?" Pyne said. "The minute Ted could eliminate the downside, he was all in."

Pyne said the risk-reward ratio has even made it into his home in discussions with his four children. Whenever there's a big decision to be made, Pyne will ask, "What's the upside and what's the downside?"

"Ted structured everything around the risk," Pyne said. "He was always thinking, always analyzing."
was the case at NASCAR and IMG and even before then. It’s one thing to have a vision, it’s another to execute that vision.

“Looking back at his entrepreneurial vision and the way he is driven, it all makes sense now.”

Through those early years, Pyne became known by another common nickname: “Bull in a China shop.” As NASCAR’s COO in the early 2000s, Pyne would bring the sanctioning body’s management team together once a month at a hotel in Orlando, not far from the Daytona Beach headquarters. He would sit quietly and listen to reports from different divisions of NASCAR’s business. At the end of each report, the questions would start — and continue. Pyne is notoriously curious and if something isn’t working, he wants to know why.

“A lot of people claim to be good listeners, but if you’re a good business person who listens, you’re going to have a lot of questions,” said Burns, who was a NASCAR staffer in those meetings in 2003 and sold his brand marketing shop to Bruin nearly two years ago.

“In those meetings, it could feel like you were on the firing line,” he said. “You gave your report and then you had to withstand the scrutiny. And if you weren’t prepared, that could be a tough experience. But I always liked the intensity George brought to business. You could see the football player in his style.”

Deltatre’s Rinaudo put it another way: “George is a business guy and he can be tough. But he’s also a friend.”

Pyne said there were two pieces of advice that have guided him as an operator. When he left NASCAR in 2006 to run Forstmann’s latest acquisition — IMG — Bill France Jr. and Jim France took him to a going-away lunch at Steak ’n Shake.

Pyne asked the France brothers for advice on his next move. Bill Jr. replied, “Know when to squeeze and when not to squeeze.”

Pyne, later as IMG’s president, ran into former Coca-Cola CEO Doug Ivester at Wimbledon. Pyne again asked for advice. Ivester told him, “You’re going to have somebody who wants to get from point A to point B, but they want to do it in a different way than you’d do it. And you’re going to have to give them the latitude to do it, as long as they’re getting from A to B.”

Bruin’s portfolio now puts it in 30 different countries with 1,900 employees. There is clearly not a one-size-fits-all solution with Bruin’s range of businesses, geography and cultures.

“There are times when you have to modify your approach, but you still have to have a certain discipline,” Pyne said.

So, as Pyne said, this is his shot. Five years ago, the sports executive with the risk tolerance of a 100-year-old man took a chance. The returns after the first five years have exceeded his expectations. Now, the expectations go up.

In projecting the next five years for Bruin, Pyne did what he never does — he went way out on a limb by saying he wants Bruin to be the Berkshire Hathaway of sports. That reminded Pyne of another inspirational message, this one from IBM CEO Ginni Rometty, who recently told a group of business leaders that you’re only growing if you’re outside your comfort zone.

“I really think that’s true,” Pyne said. “Have I changed? Things maybe bother me less than before. I’m more reflective, maybe more patient. But I’m no less determined. ... It’d be easy to look back five years ago and say that Bruin was high risk, high reward, and I’d say the rewards have been pretty good so far. I’d say it was the best bet I’ve ever made.”

When a new company is brought into the Bruin Sports Capital portfolio, it begins the relationship by creating a three-year plan. Within the plan will be goals for revenue and profit growth, as expected, but also goals for stretching the company’s capabilities.

Bruin partners David Abrutyn and Tony Crispino typically meet with the companies monthly to review their progress. “We want the company’s senior management to be part of that process,” Crispino said.

Two Circles, a data analytics company acquired last year, literally took its three-year planning to new heights. Two Circles CEO Gareth Balch took his senior management team to Switzerland and they crafted their plan while looking across Lake Geneva.

“We have a team where the average age is 27 years old, so I think it’s really important to make them feel engaged from the outset,” Balch said. “We actually voted on most aspects of the plan and presented it to George.”

(http://www.sportsbusinessjournal.com)