

Business Edge

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**Businesses cashing in on rising athletic stars
Companies scoring with sports sponsorships**

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Corporate sponsorship of young, relatively unknown Canadian athletes is on the rise, but there is still much room for improvement, say agents, players, parents and business leaders.

The 2008 Summer Olympics in Beijing and pro tennis and golf seasons are putting the spotlight on sports sponsorships.

Deals with young up-and-comers give companies a chance to market their firms at a lower price and get associated with a name that can strike it rich with millions of customers in the future.

"It's us taking a chance on them and them taking a chance on us," says Geoff Tait, co-founder of Toronto-based Quagmire Golf.



Bayne Stanley, Business Edge

Junior tennis player Rebecca Marino, right, and mother Catherine at the recent Vancouver Open.

Quagmire, a golf-clothing manufacturer, got lucky when Chez Reavie, a 26-year-old rookie from Arizona, posted his first PGA Tour victory at last month's Canadian Open at Glen Abbey in Oakville, Ont., near the firm's Mississauga headquarters.

Reavie sported Quagmire's line in front of thousands of fans on the course and viewers on CBS Television.

Taking bonuses into account, Quagmire pays Reavie \$10,000 per year in a two-year deal. Quagmire also received millions of dollars worth of media exposure that it could not otherwise afford in its advertising budget.

"It's been great," says Tait. "The phone's been ringing off the hook. A few stores have put in some orders."

Quagmire, which distributes through stores such as Nevada Bob's, was hoping the success it achieved with Reavie would convince Golf Town president and CEO Stephen Bebis to put the clothing in the chain's stores. Bebis has expressed interest and Quagmire is hoping Reavie's triumph will enable it to market globally.

"It just shows anything can happen," says Tait. "There's always room for the underdog."

But some underdogs are still waiting for their chance at sponsorship glory.

Vancouver's Catherine Marino, whose daughter Rebecca, 17, is among the world's top 55 junior women's tennis players, says she has not noticed a major increase in sponsorships of young athletes.

Rebecca's main sponsor is Marino General Contracting, her dad Joe's firm. So far, although she has

received lots of media coverage, she has only a modest deal with Yonex for complimentary racquets and clothing.

Marino's parents cover most of her annual expenses of about \$100,000 per year, enabling her to travel to major events such as Wimbledon and the French Open, where she has competed in the junior segments. This summer, she is transitioning out of the junior ranks and plans to compete in pro events, but she has retained her amateur status to remain eligible for a scholarship from Georgia Tech, which she may defer for a year.



Photo courtesy of Quagmire Golf
Quagmire Golf co-founder Geoff Tait, left, Canadian Open winner Chez Reavie and Bobby Pasternak savour Reavie's PGA Tour event title.

Any prize or sponsorship money would be held in trust to preserve the scholarship.

"We haven't really made enough money and nobody's sponsored us, so we haven't really been faced with that dilemma," says Catherine Marino.

No agents have called either.

"I call her my manager," says Rebecca, sitting next to her mom after a recent doubles match at the Odlum Brown tournament at West Vancouver's Hollyburn Country Club.

Marino was eliminated in the quarter-finals of both the singles and doubles segments at the VanOpen. In singles, she dropped a quarter-final match to eventual champion Ursula Radwanska of Poland.

Vasek Pospisil, 18, of Vancouver, who has ranked among the world's top three junior men's tennis players, used his father Milos as his agent up until the week of the Odlum Brown tournament, when he signed with U.S.-based sports marketing agency Blue Entertainment Sports Television (BEST) for what is believed to be a three-year deal. (Pospisil and partner Adriano Biasella of Italy were eliminated in first-round doubles action.)

Pospisil's new agent, BEST's Sam Duvall, says sponsorships of young prospects allow firms to grow with the athlete.

Corporate hospitality with a future star provides a big benefit to companies, he says, as well as the satisfaction of having aided a young player's development.

"Those are my main selling points when I'm trying to sell a younger player, somebody that's not top 50 or top 20 (in world rankings)," he adds.

Duvall, who also represents young tennis player Peter Polansky of Thornhill, Ont., says it's difficult for unheralded youngsters to get "off-court" sponsorship deals until they become big names.

But they are likely safer bets compared to some stars, whose legal problems - both civil and criminal - have cost firms millions in endorsements that went wrong.

For example, after former Atlanta Falcons quarterback Michael Vick received a 23-month sentence for operating a dogfighting ring, Nike and Reebok suspended sales of his shoe and apparel brands.

Several other companies, including the Royal Bank of Canada, also sought creditor protection after Vick filed for bankruptcy. Some of the actions were based on alleged breaches of sponsorship contracts.

However, not everybody is motivated by money.

"I'm really not looking for a huge financial reward on my end," says Sam Boguslavsky, president and CEO of Calgary-based **Sable Developments** Inc., whose company Sable Resorts has sponsored Pospisil for about five years. "I am of a different mindset - as long as he needs the help and we're capable of providing it, he's got it."

Following the Odlum Brown event, Pospisil was slated to sign autographs during a promotional event for a Sable development at **Mara Lake near Sicamous, B.C.**

Boguslavsky says Pospisil fits his own and his company's ideals of a healthy lifestyle, but his support has more to do with a personal relationship than corporate image.

He says many other companies are quietly supporting young athletes as well as charities, but firms have a responsibility to do more.

Milos Pospisil says obtaining sponsorships has been tougher than expected. "(Companies) are hesitating to support young athletes, because they just don't know what will happen," he says. "We didn't really promote too much. Maybe that was a mistake."

However, some big-name U.S. companies are still taking flyers on largely unproven Canadian youngsters.

James Love, 25, of Calgary, who competes on both the Canadian and Nationwide golf tours, has sponsorship deals with U.S.-based golf-equipment supplier Titleist Foot Joy and British clothing company Sub Seventy - but no Canuck firms.

"They're pretty much investing in me, thinking that I'm going to make it to the PGA Tour one day," he says.

Love, whose family pays most of his expenses, says Canadian Tour players don't get many lucrative sponsorship deals, but companies here still have a willingness to support young pros.

"Of all my friends that play on the Canadian Tour, I think I might be the only one that doesn't have a Canadian company on their shirt, hat, bag or the other clothes they wear," says Love.

That's probably because his agent, Peter Webb of Gaylord Sports Management, is based in Scottsdale, Ariz., he adds. Most of his buddies on the Canadian Tour have Toronto-based agents who are pushing to promote products sold north of the border.

Philip Bester, a 19-year-old rising tennis star from North Vancouver, says he is in a unique situation because he has been represented by one of the world's top agencies, IMG, since he was 12.

IMG has secured sponsorship deals for him with Nike and racquet manufacturer Wilson. IMG's support and the sponsorship deals allow him to live and train out of the Bollettieri Tennis Academy in Florida and meet most of his \$150,000 in expenses.

"Everybody is fighting out there, trying to get points and rankings and money for expenses," says Bester, who lost in the opening round at Odlum Brown. "They don't have the ability to switch shoes every week when their soles have worn out."

Agent Webb says companies have to base sponsorships on their business plans and decide whether they just want to get their name out, or be associated with events such as the Olympics or other pro

athletes. "We've had some success (in Canada), but everybody's going to be a little stand-offish if you haven't even heard of the player's name," he says.

Small companies have a harder time, he adds, because they usually have to rely on personal relationships to secure a big name.

But relatively small Canadian firms, such as Quagmire and Dunning Golf, which benefited from their support for unexpected 2007 Masters champion Zach Johnson of Iowa, can still reap big gains by latching on to up-and-coming stars.

"I think Dunning and Quagmire have hit home runs," says Webb.

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