

# FOUNDING FATHER

CHRIS BRITCHER TALKS TO PATRICK NALLY, CO-CREATOR OF PIONEERING SPORTS MARKETING AGENCY WEST NALLY

Patrick Nally is the former Dean of what many still regard as the 'university of sports marketing' - the seminal agency West Nally. When he joined forces with Horst Dassler, the son of adidas founder Adi Dassler, they formed a relationship which has had a lasting influence on the way international sport markets its product. Once a recognised world leader with a staff of over 400, West Nally was the training ground for many of the best-known figures in the business, among them the IOC's Michael Payne, Peter Sprogis of Prisma Ventures, MLB marketer Jack Sakazaki, sports lawyer Stephen Townley and sponsorship consultant Karen Earl.

## Beginnings

From his offices in London's West End, 55-year-old Nally shows no sign of the ravages of a career which began in advertising and quickly moved into sport. Teaming up with BBC cricket commentator Peter West in 1969, he formed a public relations agency with sport as its USP. West Nally was born. "I've had one of the most extraordinary lives you could possibly imagine," he says. "In some ways I am quite fatalistic. It could have killed me. I had people dropping dead next to me on a plane and was left thinking that that could so easily have been me." On one occasion it very nearly was. Landing in Argentina prior to the 1978 FIFA World Cup he spent precisely 40 minutes in the country before being hurriedly put back on a plane. The man he was there to meet had just been killed in a bomb attack during a military coup.

But despite his obvious talent, it was his remarkable association with Horst Dassler that would not only open doors to the likes of FIFA, UEFA and the IAAF, but herald a period of revolution in sports marketing. Dassler believed Nally's sponsorship concepts would mix well with his own and, having been introduced to Dassler through a mutual friend at adidas, the two clicked. Says Nally: "Here was the opportunity of putting the two of us together. Horst could help us get access to sports bodies and federations for creating the programmes and we could bring in commercial partners."

Few would disagree that without Dassler, West Nally would never have matured into the powerhouse it eventually became. Yet without Nally's marketing nous, it seems unlikely Dassler would have been able to cast such magic.

Explains Stephen Dixon, formerly West Nally group administrative director, and who went on to not only be managing director of ISL, but form and become CEO at Prisma: "Patrick was an incredibly hard worker, had a good eye for detail and was probably one of the best salespersons/presenters that I have ever

## FASTRACK

- Marketing agency West Nally was a crucial part of the creation of the sport industry as it exists today, courtesy of its relationship with Horst Dassler.
- Sixteen years after it ceased trading, and following a reunion in London, founder Patrick Nally reveals the story behind the agency and how the touring of his relationship with Dassler resulted in the creation of ISL.
- Described as the 'university of sports marketing' it was where many of the industry's biggest names started their careers; among them Michael Payne, Stephen Dixon, Jack Sakazaki and Peter Sprogis.

seen. I loved to watch him in major presentations. He was so good and so alive and would always know the question that was about to be posed and have an answer ready for it."

Dassler had befriended the newly-elected FIFA president Joao Havelange in 1974, after he almost turned the election the way of incumbent Sir Stanley Rouse. Identifying Dassler as a man he wanted on his side, Havelange recruited him to raise the funds needed to execute the promises on which his election campaign had been based. In turn, Dassler directed him to Nally.

Expanding from his native UK onto the international scene, Nally set about putting proposals on the table of a number of the biggest federations. His sales patter, coupled with Dassler's contacts, proved an irresistible mix.

With FIFA onboard, West Nally set about talking with Coca-Cola about the possibility of being the first brand to use sport as a global communication platform.

"Up until then, Coke's involvement in sport was at a local level," says Nally. "There was no central budget. When I first went to Atlanta to offer Coke the opportunity of a global package, I was treading a path that had never been trodden before."

"So we created a more global industry - working with the international sports federations - and allocated global budgets for global programmes.

"If we hadn't broken the trend for localised deals, there would never have been the budgets for the Olympics, soccer and all the other things."

Following a successful 1978 World Cup in Argentina, West Nally was awarded FIFA World Cup and UEFA rights, together with an agreement for a football 'Gold Cup' in Uruguay. These events were marketed together as a four-year programme - and the innovative InterSoccer 4 was born. The package was simple - extract mega-bucks from a small group of multi-nationals. It was to become the lingua franca of sports marketing for the next 20 years.

West Nally was also involved in the first World Athletics Championships in Helsinki in 1983 and the first Rugby World Cup. It looked after the World Hockey Cup, the World Games, the Davis Cup in tennis - subject to a major overhaul - as well as international swimming, rowing and skiing (the FIS World Ski Cup). When anyone had time to count, it was between 20 and 30 world events each year. A handshake in a London car park with Chris Brasher also saw it become the marketing force behind the first London Marathon.

Says Lauren McMullen, once creative director of West Nally and now with Infront - formerly KirchSport: "It was a time of intense, exciting innovation. We were far

too busy getting on with the job to realise we were setting up an industry. But almost everything we did was being done for the first time."

## Demise

With West Nally firmly established as the global leader in offering such innovative packages, it was also deeply entrenched in the politics that consumed the federations. "It was a nightmare at times," says Nally. "The politics, the battles, the manipulation, the elections and juggling all these federations. I was young then and could cope with it!"

But by the early eighties, Nally was about to set off a chain of events that would eventually lead to the end of his company. With offices around the world, West Nally looked to capitalise on the emerging Asian marketplace.

Nally funded ex-IMG man Jack Sakazaki - now CEO of J. Sakazaki Marketing in Japan - to the tune of \$250,000 (£236,294) and set up a joint-venture as West Nally in Japan.

Explains Nally: "We went to Dentsu originally and got them to support us on the initial InterSoccer, Davis Cup and Federation Cup, but Dentsu were pretty arrogant and didn't really support us. So in our surprise we went to Hakuhodo [rival Japanese agency].

"We signed a number of deals and became very powerful in Japan to the upset of Dentsu. In around 1982, coming up to World Cup in Spain, Dassler was going through big turmoil with his family and suddenly he needed to get some money, and get it very quickly."

For Dassler, wrangles over money were to be a familiar theme. He was constantly rowing with his family in Germany, while at the same time ploughing his available funds into his other sportswear projects in a bid to safeguard himself, should he lose his grip on the adidas fortune.

Nally moved to protect Dassler, financially, by pre-selling a number of major sponsorship deals for the World Cup in 1986. Dassler needed Chf35m (\$26.5m) and Nally raised it.

But just as the deal to pay-off Dassler was about to go through, advertising giant Dentsu put an offer to Dassler he 'could not refuse'. Nally only discovered the full story later when a French tax inspector began probing Dassler's accounts. His long-time partner had been taking Dentsu's money - and all his key contacts with it.

Explains Nally: "Dassler and I fell out on a business level and Horst took his money and set up ISL."

"So really what Jack and I did was awoke a giant, Dentsu got scared. Here were mega-million projects going through Nally, Sakazaki and Hakuhodo who were bitter

enemies of Dentsu.

"ISL suddenly appeared to be an enormous company with enormous projects but all it did was take on our properties which Dentsu then slid alongside and pulled the clients in through them rather than Hakuhodo."

"Its roots were West Nally."

It was to be the beginning of the end for West Nally. With its major clients now being serviced by ISL, and facing the financial might of Dentsu and political influence of Dassler, the writing was on the wall.

But events took an unexpected turn when, at only 53, Dassler died. "Apparently he knew he was dying and spent 16 months putting his house in order," says Nally. "He sorted out long-time relationships with FIFA, the IAAF, and with Samaranch, almost trading off the fact he was moving on - an extraordinary man to put that in place."

"He left ISL with this amazing legacy and they still messed it up!"

"After ISL, we tried to stay a player but it was difficult. We didn't have the resources."

But in retrospect, some of those closest to him also played a part in his undoing.

Explains Stephen Dixon: "Patrick was clearly ahead of his time and when he came together with the likes of a Horst Dassler they would feed off each other to the point that they could take on anything or anyone. Perhaps being around Horst, and people like him, was Patrick's biggest problem. He thought that he could emulate the great Horst Dassler and anyone that knew Horst will tell you that this was impossible."

It was at this stage the first of the defections began. As West Nally staff saw the projects they had created and developed leaving for ISL, many followed, Michael Payne remembers 'not being very popular' when he became the first executive to quit and join ISL.

Klaus Hempel and Jurgen Lenz - who worked closely with West Nally over the years, joined ISL and would eventually form TEAM Marketing. Stephen Dixon and Peter Sprogis both followed to ISL, becoming joint managing directors, before eventually splitting and establishing Prisma, which became KirchSport and now Infront.

Adds Nally: "Karen Earl span off because there was a conflict as to whether or not we were rights owners; were we working for federations selling rights to the likes of Coke? Or were we advising Coke as a consultant, because we came out of the PR roots? It got to the point where I felt that was a bit tenuous and I didn't want to be what everyone perceived Mark McCormack as, which is all things to all men."

But West Nally battled on. "I thought the best thing to do was to become part of a bigger group and try to get the muscle to fight on more of an equal footing."

"So I sold the business into what was then [the advertising agency] WCRS."

"It started quite well, but they were backing into Carat - a big French media group - and I think they were more



Top of the class... (left to right) Michael Payne, Stephen Townley, Patrick Nally, Karen Earl and Peter West

MCC/Patrick Eagar

interested in media than sport and sport rights.

"At that point I thought unless I can team up with a big agency, there is no point being a small player. Either I had the commitment of a big agency or shift gear." And shift gear he did - out of the fast lane. Since its demise, Nally has been involved in a number of projects in sport - ranging from a failed bid to take over Wembley Stadium to producing Theatre of Dreams, a musical based on the story of English Premier League soccer club Manchester United.

Today, his main focus is his firm Stadivarios. The firm concentrates on the financing, construction and ownership of high-tech multi-purpose sport and entertainment arenas and stadia.

## Retrospect

"In some ways, after the ISL situation and



**THE WHOLE PACKAGING AND PRESENTATION OF SPORT WILL COME TOGETHER. IT WILL BE MANAGED BY HIGH-QUALITY, STREAMLINED FEDERATIONS AND PROFESSIONAL LEAGUES. WITH A LOT MORE PEOPLE IN-HOUSE**

the takeover, I was a little relieved. I spent so much time and effort on these projects. I was under enormous pressure to perform. "It was only later in life I suddenly started thinking 'wow, look at those billions that I created and how they messed it up.' You get a little nostalgic. Maybe things could have been a little different."

It is the closest you will get to Nally admitting to any real regret about how West Nally eventually ended. It officially ceased trading under that name in 1987. Yet Nally is still strongly opinionated and believes the industry has reached a point of transition.

"My view is that the industry will inevitably undergo a major change over the next few years because it has to."

"The whole packaging and presentation of sport - the teams, the players, the dressing, the stadia, the corporate hospitality, the TV will all come together. It will be managed
















## West Nally Group

Coined the 'university of sports marketing' by its former staff, West Nally played one of the biggest roles in the early days of the sport industry in shaping and developing the way it would operate, with its influence still keenly felt today.

With a team of young and gifted individuals, spearheaded by the talents and drive of founder Patrick Nally, the agency pioneered the packaging and exploitation of rights for the biggest federations and events.

Formed in 1969 as a public relations firm specialising in sport, it bloomed - courtesy of its relationship with Horst Dassler (adidas) - into a marketing powerhouse whose influence is still felt as much today as ever before. It ceased trading in 1987.

 <b>PETER WEST</b> Founder and former BBC commentator Now: Retired	 <b>PATRICK NALLY</b> Founder Now: Managing Director, Stadiovarios	
A broadcaster of great renown - in particular as the BBC's cricket anchorman - Peter's reputation and knowledge was crucial to getting the business off the ground.	Founder and the major driving force behind West Nally, Patrick's relationship with Horst Dassler (adidas) created one of the most pioneering partnerships whose influence would radiate across the sport business world.	
 <b>MALCOLM BEATTIE</b> West Nally: 1985-'87 Director, Australia and New Zealand Now: Managing Director, Sportsworld Pacific	 <b>DENISE NORMAN</b> West Nally: 1970-'87 Head of PR and MD West Nally Visions Now: Director and marketing consultant for Airwaves Media	
 <b>STEPHEN DIXON</b> West Nally: 1977-'83 Group Administrative Director Now: Formerly with ISL and Prisma, now an independent consultant	 <b>MICHAEL PITNE</b> West Nally: 1979-'83 Account Executive Now: Marketing Director of the IOC	
 <b>KAREN EARL</b> West Nally: 1973-'83 Director & General Manager Now: Managing Director, Karen Earl Sponsorship	 <b>JACK SAKAZAKI</b> West Nally: 1978-'87 President, Japan Now: Founder and CEO of J.Sakazaki Marketing (USA)	
 <b>ANDREW MACONIE</b> West Nally: 1977-'80 Head of Worldwide Licensing Now: Managing Director, LMI UK	 <b>PETER SPROGIS</b> West Nally: 1985-'86 Director, Soccer & TV Now: Formerly with ISL and Prisma, now an independent consultant.	
 <b>STEPHEN TOWNLEY</b> West Nally: 1979-'83 Legal advisor Now: Consultant with Hammond Suddards Edge. Co-founder Active Rights Management.	 <b>TONY WEBB</b> West Nally: 1971-'76 & 1977-'87 Projects Director Now: Account Director (athletics), Octagon	 <b>TERRY BLAKE</b> West Nally: 1984-'87 Projects Director Now: Recently departed commercial director of the England and Wales Cricket Board

by high-quality, streamlined federations and professional leagues, with a lot more people in-house as opposed to a dominant agency like an ISL, IMG or Dentsu. The era of dominant agencies is gone.

Which brings us back to the present day. Sixteen years after West Nally went out of business, its former graduates met again in London at a special reunion. For Nally, the memories of those halcyon days are still strong.

"It got tough, but it did engender a lot of fun," remembers Nally.

"We all sensed we were creating something. Everything we were doing, all

the programmes we were creating, were completely new."

"It's an interesting cast of characters as to where they all are now," says Michael Payne.

"We used to joke about it being the 'university of sports marketing.' But if you go back to the late seventies and early eighties, West Nally was the only event agency in terms of bundling rights together for the big event. It was a concept of exclusivity and packaging that went beyond just 'here's your advertising'. That whole concept came out of West Nally and Horst Dassler."

Concludes Nally: "It was buzzy, exciting and challenging because everything we started was new and an adventure.

"I enjoyed the creation more than the politics, power and money issues. Brown envelopes handed to people in car parks was ingrained in sport.

"The creation of the product was what fascinated me and it fascinates me that it hasn't really gone on much further, but it could do."

**FEEDBACK**  
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