

OPINION

A 1980s Olympic adventure: An expensive experiment takes shape

BY ROB PRAZMARK

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Editor's note: This excerpt is from "The Olympics Don't Take American Express; The Birth of Mega Sport Sponsorships," by Rob Prazmark (Page Publishing, February 2024). The story picks up in 1985 with Prazmark and Bill Breen (newly resigned VP of news sales for ABC) arriving in Lucerne, Switzerland, for a meeting with ISL, which had been awarded global rights to the IOC, Calgary Olympics and Seoul Olympics.

Juergen Lenz is one of my all-time mentors. He was stubbornly driven to succeed, and although there was a jovial side to him, he could turn serious on a dime. In 1981, along with Klaus Hempel, Lenz was handpicked by Horst Dassler to create ISL Marketing.

Lenz's appointment was the culmination of decades' worth of marketing. Here is the brief history: During World War II, Adolph Dassler was a German shoemaker who made shoes and boots for the German Army. After the war, he formed a company called Adidas. Adolph had one son, named Horst, and four daughters. After realizing that there was a large opening in the market for athletic shoes, Horst focused the company on sports (mostly soccer) and athletics. During the 1960s and 1970s, Horst built the Adidas empire by providing shoes free of charge to athletes. He observed that, when winning athletes wore Adidas shoes, Adidas sales exploded. Adidas soon became a global brand because of its total dominance in soccer and athletics.

In the late 1970s, Horst formed a sports marketing partnership with a Brit named Patrick Nally. Together, they created a marketing arrangement with FIFA and helped market the World Cup and European Championships to fledgling international brands like Coca-Cola, Ford, Fuji, and Gillette. Just prior to the 1982 World Cup in Spain, a disagreement arose between Dassler and Nally. On the eve of the event, Nally was sent packing. Frustrated, FIFA and its president João Havelange instructed Horst to figure everything out. Trying to end the marketing nightmare, Horst pulled two of his best marketing men, Klaus Hempel and Juergen Lenz, from the marketing department of Adidas to solve the problems. With this, ISL was born in late 1982.

The 1982 World Cup was delivered by an interim team and turned into a financial success. Hempel and Lenz then took over the program under ISL control.

Arguably the biggest event in international sports is the Olympic Games (some say it is the World Cup). Unfortunately for everyone involved, the International Olympic Committee had been plagued by disorganization and politics for years. The 1968 Olympics in Mexico produced protests by the Mexican people, dealt with riots just prior to the Games, and produced Tommy Smith and John Carlos and their Black power salute. Munich left an eerie cloud over the Games. The 1976 Montreal Games, along with their financial bankruptcy, were a train wreck. The U.S. boycotted the 1980 Moscow Games, the Soviets retaliated by not showing up in Los Angeles, and the IOC realized that its success depended completely on TV rights fees. The entire Olympic movement was in trouble.

As Juan Antonio Samaranch, president of the IOC, sat watching FIFA's World Cup Final from the tribune section of Santiago Bernabéu Stadium in Madrid, Spain, he sensed a solution to his desperation. Immediately following the World Cup final, Samaranch summoned his friend Horst Dassler to a meeting and asked if Horst could focus his attention on the Olympic problem.

At the same time, Gary Hite of Coca-Cola was becoming increasingly frustrated trying to create an International Olympic Program for his company. Gary had received worldwide rights from Peter Ueberroth and the Los Angeles Olympics but did not realize that he could only activate an Olympic promotion in other countries with the permission of those countries' National Olympic Committees (NOC). Every NOC asked Coke for more money, and things, in general, became a logistic mess. Gary was forever on the road or in the air and, eventually, ended up in Lausanne. In Lausanne, Gary got Samaranch and Horst to sit down with him and made the dream team a deal.

Gary said in his slow Southern drawl, "Gentlemen, the Olympic Games are a global brand, we are a global brand, but we do not have the time, energy, or power to pull off a global Olympic platform because we are spending too much effort negotiating for all of these rights. You figure it out, and we will buy it." With this offer, earth, wind, and fire combined.

If Horst could rally all the rights to create a global marketing program, it would attract corporations that would pay large sums of money to the IOC for extended periods of time. This, in time, would solve the IOC's longer-term financial issues, including allowing the IOC to become less reliant on TV revenue.

Horst was more than the ISL's marketing man; he was also the bank. He pioneered the concept of buying intellectual rights and paying up-front guarantees. Adidas was a global brand, and Horst knew the power that the IOC had with its Olympic brand. By the fall of 1983, Horst had split Klaus and Juergen into two groups. Klaus would continue with World Cup, and Lenz would head up the Olympic project.

In May of 1983, Horst and Lenz presented "The Olympic Programme" to the IOC membership and the executive board. At the time, the IOC's eighty members knew Horst Dassler was a miracle worker but weren't quite sure if Captain Planet's powers could handle this.

After a brief introduction by President Samaranch, Horst and Juergen cued up a videotape. The tape touched on the current-day challenges of the Olympic movement, such as funding the sports development programs of underprivileged nations, the rising costs of the Games, the concerns about boycotts, and the total dependency on television rights fees all coming from the United States. The video, which is now referred to as "The New Delhi Tape," was written and spoken in an intentionally European tone. At its conclusion, the tape reinforced the power of the five Olympic rings and highlighted the commercial potential of the Olympic brand. Companies would pay top dollar for access to the rings; the need for commercial branding on the field would remain pure by the directive of the Olympic Charter. There would be no commercial branding allowed in view of the television coverage.



“It is time for the Olympic movement to develop an alternative source of revenue while it can, while the Olympic movement can dictate the terms because, if the Olympic movement waits until it becomes desperate, then the terms would be dictated to us,” the tape stated.

The plan was to combine the assets of the Summer Games, the Winter Games, and all the National Olympic Committees (NOC) who wanted to participate and then grant companies the right to use the Olympic rings for marketing. This was a much more complicated task than simply deciding to do something and then doing it. The five rings were the IOC’s holy grail; they had never been used for commercial purposes. Dassler and Lenz anticipated the group’s stunned reaction.

The tape continued to persuade. The IOC would only solicit “like-minded partners with excellent trading records.” Images of underprivileged young Africans training in very basic (to say the least) conditions flooded the screen. The lights went up, and the room remained silent. Dassler and Lenz opened the floor for questions, which predictably all focused around money: who, how, how much.

Lenz explained that each NOC had the right to participate or to not participate and that a formula for revenue share would be worked out. After some internal debate, the IOC executive board approved the next phase of the plan. ISL could begin to contact each party and attempt to put together the global rights, but it was not allowed to venture into the marketplace until it had returned to the IOC and satisfied all questions. After all, the IOC, not ISL, was going to be responsible for the program.

The plan called for gigantic changes, universal consensus, and a gargantuan amount of work. Dick Pound could not get his mind past these obvious difficulties and, along with Samaranch, was sure that it just would not work. By the end of 1983, it seemed as if the naysayers’ whispers would come true. Lenz had traversed the world looking for support but was not having much luck. In the spring of 1984, with his tail not quite between his legs, Lenz delivered the defeating news to Dassler, who refused to hear anything of the difficulties and immediately sent Lenz back on his way.

Good thing. During the Games of L.A., the barriers began to fall. NOCs suddenly realized that they (gasp) needed cash. Problems still existed with Seoul, Calgary, and the United States Olympic Committees, all who thought that they could raise their own monies. We don’t need no stinkin’ global program! The USOC was going along for the ride, but it was not happy that the majority of the prospects were U.S. companies.

By April and May of 1985, solutions to two major obstacles, money and markets, had been found. Horst put up \$5 million (a ton of money back then) to guarantee a nine-month experiment. Seoul Olympic Organizing Committee (SLOOC), Organizing Committee for Olympic Games 1988 (OCO ’88), and the United States Olympic Committee (USOC) granted ISL the ability to pitch eighteen global industries representing forty-four product categories, including everything from soft drink to insurance to food. Auto, a very national business and very emotional in some countries, was not included in the deal.

And this is where I, a naive, impressionable, unfairly uninformed piece of clay, come back into the picture. When Bill Breen hired me, he conveniently left out the word “experiment.” I may have been young, but I wasn’t completely nuts; had I known that if, by the end of March 1986, ISL had not made any progress toward securing partners in these categories, the individual parties could take them back, I may have balked at the idea. Had I known that individual parties could arbitrarily bolt from the program at their own sole discretion, I may have questioned Bill Breen’s suggested career change. Luckily, I knew none of these things.

Back to Lucerne. When Bill Wardle and George Miller finally made it to the correct location with the proper papers, the Marketing Committee Meeting (MCM) could finally be brought to order. First, Dick Pound, who had just inherited marketing and TV duties, explained the IOC’s recent housecleaning. Then, George Miller reminded everyone that the clock was ticking. It was July, and the program was set to explode, implode, expire, retire at the end of March. This was the first I heard of it.

What! I looked at Bill, who, sitting right next to me, refused to show me anything but his right ear for the next hour. Thoughts of an abrupt ending to my underdeveloped career led to intense anger; Bill had betrayed me, big-time. For the first time, at thirty-one, I realized how much I didn’t know and how much I didn’t even know that I didn’t know. Koreans, Japanese, Americans, Canadians, Germans, Swiss — this was the U.N. with skis, javelins, bobsleds, and ice skates. There were only two parties present that wanted to see the plan succeed: ISL and the IOC. Everyone else, all part of this shotgun marriage of minds, was there for the nightly Cognac and Cubans.

On the flight back to JFK, Bill apologized for his “omission.” Giddy as a schoolgirl about the potential of this plan, I forgave him, celebrated with free beers, and dreamed up the prospects for the forty-four product categories. *Switch the free grapes and cheese for some French fries and ketchup, and I could get used to this life*, I thought.

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