

LES (Scotland) Meeting

“Innovation, Sport and Reward”

12th May 2011

Presentation Reviews

Brian Whittle, Athlete and Sports Coach – “Overcoming Fear and Grasping Opportunity”

Brian, famed for running the third leg of the 4x400 relay at the 1986 European Championships with only one shoe on, gave an enthralling insight into the events leading up to and beyond the race. Initially taken to Stuttgart as a substitute, Assistant Bag Carrier as he put it, Brian explained how, though a series of unexpected injuries, coupled with a positive showing in the semi-final, he was elevated to the team for the final showcase event of the championship.

Whilst a childhood dream, when Brian was “given the nod” to run, he claimed he would much rather have been anywhere else and comments from opposing teams on the weaknesses he would introduce to the team did not instil confidence, but on reflection facing up to the challenges and risks – overcoming fear and grasping opportunity were key to his success.

Brian challenged the audience to grasp every opportunity – if you don’t someone else will. He also stated that the closer you get to your goals the greater the fear factor and dealing with fear makes winners.

Turning to IP, Brian highlighted an increasing alignment of IP to the other sports related business he is involved in: IP in sport, Social Media Platforms and Internet Sport TV. With specific reference to IP rights attributed to the identity of sports people and teams, Brian suggested that more and more sportsmen and women and becoming educated in where their IPR can be exploited and commercialised and to expect a massive increase in the influence of IP in the Sports World.

Nathan Bombrys, Scottish Rugby Union – “IP Innovation in Sport – Is this worth protecting?”

Nathan outlined his responsibilities at SRU – generating revenues by exploiting the IP of Scottish Rugby with events and key partners. Nathan illustrated the challenges SRU face and cited the forthcoming Rugby World Cup 2011 as an example. In this instance the International Rugby Board (IRB), who control the event, restrict sponsors of Scottish Rugby ability to associate with the event and it is down to Nathan to develop alternatives that meet mutual obligations. That’s not to say that others have tried to get around the restrictions. Epi Taoine, a Tongan player changed his name by Deed Poll to “Paddy Power” during the previous RWC 2007 in an attempt to get a sponsor mentioned!

Nathan, having worked previously with Sale Sharks, outlined other IP opportunities he was involved with, demonstrating where IP protection informality led to lost opportunity. He spoke of the Premiership Rugby Academy, which started off as an experiment by Sale Sharks, shared with other clubs in the common interest of rugby development and ultimately, based on its success, was taken on board by the Premiership and is now branded entirely as a Premiership product. The other example shared was the “School of Hard Knocks” programme which again was a Sale Sharks concept that

expanded to other clubs and was ultimately taken on and branded by Sky Sports. In both cases Sale Sharks protection of their IP was weak and informal and as a result the successful ventures do not return Sale Sharks any benefit whether financial or in goodwill.

Ultimately, Nathan suggested that clubs should consider the long term benefit of IP in sport as well as the consideration of the impact of the exercise on the sport and as management of IP in sport continues to develop, those who innovate in sports need to protect their innovations.

Jonathan Kemp, AG Barr – “Brands and Sport - a Scottish commercial perspective”

Jonathan introduced his presentation by giving some background on the success of AG Barr:

- It's not a family business, it's a FTSE 250 company with family board members
- It's not just Scottish focussed business, >50% of business is south of the border
- It's not just Irn Bru, >50% of sales relate to other brands
- It's not just drinks related, AG Barr's own a state of the art production unit worth £100m

Jonathan suggested the core focus of AG Barr is on building brand equity. With initial association with Adam Brown, a highland athlete, as far back as 1901 and with endorsement of the Scottish boxer Benny Lynch in the 1938, sport has always been key to the growth of brand equity. Though sponsorship of Bolton Wanderers in the 60's through to the Scottish Football League today, association with football as the main sport of its customers has been key. Equally so however, AG Barr recognised the importance of other customer demographics and supports Sky Sports Super League (rugby league) and Sky Sports Cricket coverage (through the Rubicon brand).

Jonathan stated there are two moments of truth associated with soft drink sales: “The Chiller Moment” - when the customer needs to make a choice from a range of options and “The In the Hand Moment” - when the customer consumption starts. He outlined five activities than must be considered.

- Whatever is done it has to relate to brand equity
- Working with individuals is a huge risk
- Creative thinking saves millions
- Customers must be an integral part of the activities
- Disciplined evaluation of payback is necessary

These activities were illustrated using the successful “BRUZIL” campaign. Whilst Scotland were not at the FIFA World cup in 2010 Barr's ran a tongue-in-cheek campaign to maintain a high profile of the brand during the event including posters, TV ads and match-sized cans demonstrating how companies can meet the challenges of association with high profile events as raised by Nathan in his presentation.

In conclusion, Jonathan suggested that the control AG Barr has through their ownership of the brand, bottling and manufacturing processes, allows them to take a more maverick approach, linking their product to the Scottish sense of humour and do things Coca-Cola would not consider. As a result, Jonathan believes the brand equity of Irn Bru is in the custody of the Scottish People.