

minnesota

BUSINESS

INFORMATION & INSIGHT FOR GROWING COMPANIES

LEADERS IN HEALTH CARE

The 2012 Winners p. 21

OCTOBER 2012



IN THE
ZONE *with*

TIMBERWOLVES

President

**CHRIS
WRIGHT**

p. 30



**PLOTTING
YOUR DIGITAL
DEFENSE**

p. 17

\$3.99US



minnesotabusiness.com



BEHIND THE SCENES AT THE MINNESOTA TIMBERWOLVES

Steven Schussler sits down with Timberwolves president Chris Wright

BY STEVEN SCHUSSLER



"You've got to hire right, train right, connect with people," says Chris Wright. "I don't think about being the president, I think about being a partner to every member of the staff."

With most sports franchises, the stars of the team are the athletes that play on the court or field. Traditional thinking is that a winning team fills the seats, but that is not the case with the Minnesota Timberwolves. Theirs is an incredible business story of how they exploded on the scene as an NBA expansion team and approached the business as an entertainment venue, rather than simply as a sporting event.

The behind-the-scenes history of the organization revolves around a team of superstars who weren't ever showcased on the basketball court and who are the unsung heroes of an against-all-odds scenario. It is a tale of an army of young executives that literally built the team from the ground up with marketing smarts, a lot of passion, spirit and a 'we-can-do-it' attitude. The founders of the Minnesota Timberwolves created an atmosphere of entertainment and a philosophy that entertainment would fill the seats; success was not dependent solely on the athletic talent and their wins and losses.

From holding the NBA record for the most seats filled at the Metrodome during the inaugural season and for having sold the most merchandise of any NBA team, the founders of the Timberwolves discarded the old way of thinking "that if you win, they come, if you lose, they don't."

The original Minnesota Timberwolves executives were the behind-the-scenes celebrities because of their common bonds, camaraderie, passions and enthusiasm to be the best that they could be, knowing that they could not control the talent on the court. This entrepreneurial fire burns on and is carried forward by president Chris Wright and his current executive team.

In June, I was fortunate to be invited to Minnesota Business Magazine's awards ceremony honoring "100 of Minnesota's Best Companies to Work For". The evening was

truly inspirational, featuring some of the brightest business leaders in our community. The keynote speaker was Chris Wright, president of the Minnesota Timberwolves and Minnesota Lynx, and as luck would have it, I was seated next to him at the event. The wisdom Wright imparted during his keynote speech was so impressive that I spent the rest of the evening talking to him. He shared a wealth of information about himself and the

and have played a major role in our business communities, both locally and nationally.

THE EARLY YEARS

When I sat down to interview Chris Wright, I was immediately struck by his warmth and genuine passion for the game of basketball—the fans, his co-workers, the team's sponsors and anyone who is connected to the Timberwolves and the Lynx. Within the first few minutes of our interview, it was clear to me that Wright is truly a humble man who bestows credit on the organization and believes it is all about teamwork in every sense of the word. This season marks his 22nd year with the Timberwolves and his eighth as president. In his words, he believes his mission as president is about, "having the best staff, embracing a fans-first attitude, embodying the Timberwolves brand, being an active member of the community, being a good steward of budgets and always remembering to have fun."

Wright also offered some significant history about the evolution of the Timberwolves, which began with two amazing businessmen, Harvey Ratner and Marv Wolfenson, both born and raised in Minneapolis. Most people simply referred to them as 'Harv and Marv' and they became well-known figures in Minnesota for their business ventures. They applied to the NBA and got an expansion franchise for \$36 million for a team now worth over \$400 million.



Harvey Ratner and Marv Wolfenson, original owners of the Minnesota Timberwolves, greet fans.

many entrepreneurs that were involved in the Timberwolves and their incredible contributions to businesses worldwide. I decided to dig deeper into the story of the magic of the Timberwolves and to study the secrets of their success so that I could share this amazing story with you. The Timberwolves have served as a true incubator for entrepreneurs

“It was a start-up. High pressure. High profile, but every one of us had the passion to work in the entertainment business. It is a huge tribute to the founders and to Chris Wright.”

**- JASON LAFRENZ, CURRENT
ASSOCIATE ATHLETIC DIRECTOR
AT THE UNIVERSITY OF
MINNESOTA**



PHOTO BY TATE CARLSON



THEN AND NOW

During the Timberwolves inaugural season (1989-1990), in the Metrodome, the club set the NBA attendance record for a single season: 1,072,572 fans, averaging 26,160 per game.

TOP-SELLING JERSEYS

1989-1990

Pooh Richardson and
Tony Campbell

2012-2013

Kevin Love and
Ricky Rubio

HIGHEST SEASON PER-GAME TICKET PRICE

1989-1990

\$50

2012-2013

\$1,380

SOURCE: Minnesota Timberwolves





WHEN WE STARTED

First-season coach Bill Musselman talks strategy with original Timberwolves players including Doug West, Pooh Richardson and Tony Campbell.

“You observe how they behave when the cameras aren’t watching and that’s what I mean when I say Chris Wright is a man of great character.”

— JOHN THOMAS, MEMBER
OF WRIGHT’S PBD

Before bringing the NBA back to Minnesota, Harv and Marv were partners in managing several apartment complexes. They also launched the popular chain of Northwest Athletic Clubs, health and fitness centers in the Twin Cities which have since been acquired by Lifetime Fitness.

In fact, the story of why they created Northwest Athletic Clubs is a great example of “following your passion.” Harv and Marv loved the game of tennis. Out of their mutual passion for the game, the health club empire was created.

“They wanted to grow the sport in the market and felt that there were a lot of tennis players that enjoyed playing the game in the summer but had nowhere to go during the Minnesota winters,” says Jerry Noyce, president and CEO of Health Fitness Corporation. “They built a whole health club empire

around figuring out a way to cover the tennis courts so people could play year-round.”

It is impossible to delve into every detail of the history of the Timberwolves without writing a novel. Suffice it to say, an unbelievable management team was put together. Various members of the team have achieved great success as a direct result of their roles with the Timberwolves, such as Bob Stein, the team’s first president and CEO.

Stein, a former football linebacker for the Kansas City Chiefs, was originally hired by Harv and Marv. People were skeptical at about Stein’s qualifications at first. What did a pro football player, an attorney and the son-in-law of Marv necessarily know about building an NBA expansion team?

Stein later told Wright how he and his team grew the Timberwolves franchise from the ground up into a full-fledged company. “We worked smart and had the infrastructure of the team at the Northwest Clubs, which is really how we got started. We knew that as an expansion team, we were probably not going to have a winning team,” said Stein. “What we did know was that sports is entertainment. We focused on the entertainment piece of the business. Our competition wasn’t the North Stars or the Gophers. It was dinner and a movie. We needed to make the experience of going to Timberwolves’ events worth the fan’s time and money.”

According to Stein, the organization felt that if they could make games fan-friendly and deliver a good value, they were offering something that was being overlooked in the sports industry.

“I had represented players in football and basketball as a lawyer, but I hadn’t been in the operations part of the business or the sales and marketing areas. That turned out to be a positive thing because that allowed me to look at the business with new eyes,” Stein explained to Wright. “I talked to other successful people in the sports world and gathered every idea I could.” Stein sought advice from Norm Sonju, president of the Dallas Mavericks and Pat Fallon, chairman of Fallon Worldwide.

“The Timberwolves were coming in with 41 home games, including pre-season, and that’s a lot of games to see,” Stein added. “So we got creative with how we priced the tickets. We worked very hard to make the games user friendly.”

At that time, the Minnesota Timberwolves management examined who was really making the buying decisions. According to Stein, the traditional logic stated that the man makes the decisions and if the team is winning he’ll buy tickets, but that’s not what was happening. Instead, the organization observed that women and spouses were very important and underserved.

As a result, Target Center offered more women’s lavatories than any other public facility in America (proportionally) at the time it opened. “When I would make a presentation- and I probably made 100 in a year going into our opening season- I would get standing ovations from women,” Stein told Wright. “We figured that if a woman had to stand in a line coming out the door like she did at the Metrodome, she was not going to want to go to the event. And if she is standing in a line, she certainly isn’t buying food or merchandise or anything else.”

TIMBERWOLVES TRAILBLAZERS

A key member of the Minnesota Timberwolves marketing team, recruited early on by Bob Stein, was sales and marketing expert Tim Leiweke, who now serves as president & CEO of AEG Worldwide, which owns, controls or is affiliated with managing properties including the STAPLES Center in Los Angeles and The Colosseum at Caesars Palace. Leiweke and others were responsible for assembling an all-star team of sales and marketing people for the Minnesota Timberwolves and it is amazing to see where they are today:

- » **Len Komoroski** is president of the Cleveland Cavaliers.
- » **John Thomas** is former senior executive VP of business operations for the Houston Rockets and former president of the Sacramento Kings. He is currently the director of external affairs for the University of Central Florida DeVos Sport Business Management Program.
- » **Shawn Hunter** is currently co-chairman and CEO of the USA Pro Cycling Challenge and former chief marketing officer and president of AEG Sports, as well as former executive vice president of the Colorado Avalanche and Denver



Nuggets. He also served as president of the NHL's Phoenix Coyotes.

- » **Matt Colford** is director of marketing & product management for Old Dutch.
- » **Brenda Tinnen** is the general manager and senior VP of Sprint Center- AEG, Kansas City.
- » **Jason Lafrenz** is the associate athletic director at the University Minnesota.
- » **Bryant Pfeiffer** is the vice president of club services for Major League Soccer.
- » **Ethan Casson** is the VP of sales for the San Francisco 49ers.


THE SECRET SAUCE

Chris Wright expressed his admiration for those who had such a powerful vision for the future of the Minnesota Timberwolves.

"Harv and Marv created the franchise and their primary mission was to give back to Minnesota. They did it from day one and that was the core of the value system of the organization. Everybody who has been in a leadership position at the Timberwolves shares that primary inner drive to give back and contribute to the great quality of life in Minnesota," says Wright. "If you're looking for the secret sauce as to why that group of people went on to the success that they had, I think it all starts there. All of us wanted to make the world a better place, all of us wanted to make our state and our community a better place. That was central to who we were as people and as an organization."

For insight into what Chris Wright has brought to the Timberwolves organization, I spoke to Joel Waller, former chairman and CEO of Wilson's Leather, a past major sponsor of the Timberwolves. "Chris has one of the most brilliant marketing minds I have ever seen. He truly understands how to build great relationships, especially with sponsors," Waller says. "Chris works hand-in-hand with sponsors to ensure they receive the maximum benefits, making it a win-win for everyone involved."

In addition to his management team, Wright has a group of trusted advisors that he refers to as his own "personal board of directors (PBD)" where he goes to seek advice for both business and personal matters. At the top of that list is Glen Taylor. Taylor has amassed an incredible business empire and Wright is grateful to him for adding the Minnesota Timberwolves and Minnesota Lynx to his vast array of interests and keeping the teams in Minnesota. Other members of his PBD include Bob Hoffman, Len Komoroski, John Thomas, Bob Stein and Tom Duffy.

When asked how to sum up the success of the Timberwolves, Wright replies, "You've got to hire right, train right, connect with people. I don't think about being the president, I think about being a partner to every member of the staff. I know that if the Timberwolves are going to be successful, my staff needs to be successful. If I can get them to reach their goals, then we are going to be successful for our brand, for our image and for our franchise," he continues. "The values of the Midwest are incredible. It's a great place to live, to raise your kids, a great place to develop relationships. I think I have died and gone to heaven because I've found a market where people's morals, ethics, loyalty, integrity and respect for everything is real. That's what it's all about." 



« Timberwolves president **Chris Wright**, pictured with **Steven Schussler**, the chairman and CEO of Schussler Creative, Inc. Creator of Rainforest Cafe and several other restaurants, Schussler is also a consultant, branding expert and author of "It's A Jungle in There: Inspiring Lessons, Hard-won Insights and Other Acts of Entrepreneurial Daring." To learn more, visit www.schusslercreative.com. Photo by Emily J. Davis.