

Pfingsten Partners suits up

Private equity firm adds sports marketing company TSE to its diversified portfolio

By [Matthew Schwartz](#)

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Pfingsten Partners, a private equity firm that invests in middle market manufacturing, distribution and specialty media companies, just became a major player in the sports marketing arena.

The firm recently acquired TSE Sports & Entertainment, a full-service sports marketing company that provides brand-building programs for *Fortune* 1,000 clients. Financial terms were not disclosed.

TSE will operate as a division of North America Sports Media, a holding company formed by Pfingsten in 2005 as part of an initiative to build a broad multimedia sports platform. TSE is the first acquisition made under the holding company's umbrella.

Pfingsten said one reason TSE was selected was because of its impressive customer base, which includes American Express Co., Microsoft Corp., NBC and Novartis.

The deal is the "tip of the iceberg in what we're planning to build," said Thomas Bagley, senior managing director of Pfingsten. He added: "The market is growing at twice the size of the GDP and has been for some time. But because it's so big, we're going to be focused more on the amateur/lifestyle/enthusiast markets."

TSE's existing practice areas include corporate hospitality for major sporting events, meetings and incentives, sweepstakes and promotions, golf destination programs, and athlete/celebrity marketing. The meetings and incentives component has ample application for b-to-b markets because it often involves a *Fortune* 1,000 company inviting a group of employees, customers, distributors or suppliers to a retreat where they can schmooze with an athlete between strategy sessions.

Bagley said he wants to create marketing synergies between the meetings and incentives and athlete/celebrity components of the business. What's more, he's hoping to take TSE to the next level by creating new content, Web sites and events that can provide more scale for amateur sports markets.

"There are people in the space, but at this point it's much less served than professional sports," Bagley said, adding that Pfingsten will be on the hunt this year for additional media properties that could complement TSE.

"The acquisition speaks to a larger trend of [amateur] athletes and sports being integrated into mainstream marketing strategies for major corporations," said Dean Bonham, CEO of the Bonham Group, a national sports and entertainment marketing company whose clients include Federal Express Co. and IBM Corp., as well as several professional sports teams, such as the Arizona Diamondbacks, Cleveland Indians and Houston Rockets. "That said, it's still a niche area. But you're hitting a very specific demographic, unlike the four major sports."

Pfingsten, formed in 1989, has a b-to-b division that includes print products and Web sites serving three markets. Those markets are: financial services (*American Agent & Broker*, *Life Insurance Selling* and *Mortgage Originator*), arts materials (*Art Business News*, *DECOR*, *Framing Monthly* and *Volume*) and industrial materials (*Contractor*, *MRO Today* and *Progressive Distributor*). Since its first investment in 1991, Pfingsten has acquired a total of 44 companies.