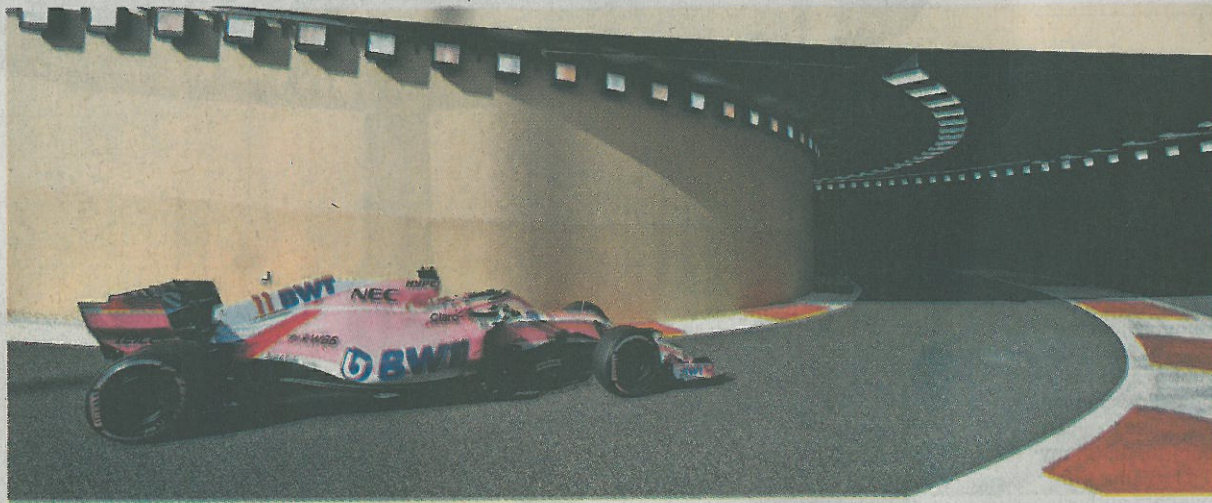


# New hope, and money, for Force India



PHOTOGRAPHS BY MARK THOMPSON/GETTY IMAGES

SÃO PAULO, BRAZIL

## A group led by the investor Lawrence Stroll is making big plans

BY IAN PARKES

Lawrence Stroll says he believes that he can achieve a rare feat in Formula One by turning one of its teams into a profitable business.

On Aug. 7, Stroll, a Canadian billionaire, along with a consortium of his “closest, dearest friends and business associates,” saved Force India after it had been placed in administration on July 27. That was done to protect the team against the threat of a winding-up order because of increasing debts.

It was felt that the Stroll group presented “a highly credible offer to save the company and restore solvency,” said Geoff Rowley, one of the joint administrators at the time from

London-based FRP Advisory.

Stroll — who made his fortune with investments in retail, in particular, Ralph Lauren, Tommy Hilfiger and Michael Kors, and whose son, Lance, has driven for Williams for the past two seasons and will join Force India next season — claims that he previously had no interest in becoming a team owner.

“I’ve always believed Formula One is a sport where you need to be a large manufacturer, such as Ferrari, Mercedes, Renault, in order to justify the expenditure to make it work,” Stroll said in an interview.

“From a pure business perspective, there isn’t a team that makes a profit like a traditional business. It’s more a manufacturers’ game, or a marketing exercise, like for a fizzy-drinks company, or it’s been a rich man’s trophy. I have never really fallen into any of those categories.

“While I’ve been a great admirer of the sport, a great fan of the sport, and obviously a great supporter since my son has been a driver, I never really anticipated owning a team, wanting a team. But, put simply, this was a phe-

nomenal business opportunity that presented itself.”

Stroll said the team had “punched way above its weight” for many years. It finished fourth in the constructors’ championship in 2016 and 2017, despite operating on only a third of the budget and less than half of the personnel of the three teams ahead of it: Mercedes, Ferrari and Red Bull.

“If this team had been running last, it wouldn’t have worked,” Stroll said. “It is because of how they have performed, on the budget they have had, that this opportunity has been realized.

“I’m not in this for ego. I’m not in this to lose money. I’m in this for the long term, as I have been with every other business I’ve owned, be it Tommy Hilfiger, Michael Kors or whoever.”

Sergio Pérez, who has driven for the team since 2014, said not many people realized what the team had been going through, but was upbeat about the arrival of Stroll and his group.

“We had no budget, no improvements, and we didn’t know if we were going to make the rest of the season,” Pérez said. “It was very critical, both in

and out of the car. It’s great we managed to come away with such a good future for the team. It should be a promising future.”

Stroll is the managing partner of the consortium. The group includes the Canadian entrepreneur André Desmarais, Jonathan Dudman of Monaco Sports and Management, the fashion business leader John Idol, the telecommunications investor John McCaw Jr., the financial expert Michael de Picciotto and Stroll’s business partner Silas Chou.

“We’ve done many other deals together that they’ve been part of,” Stroll said. “Those deals do not get the fanfare Formula One gets, so therefore they’ve never been announced or published, but this is not the first time we’ve all invested together in business. They are all very close friends who share my view of the opportunity.”

Stroll’s due diligence before the purchase of Force India included conversations with Chase Carey, chief executive and executive chairman of the Formula One Group.

A new agreement on the financial governance of Formula One and its

teams is scheduled to go into effect in 2021. Carey wants the agreement, which has not been drawn up yet, to include a more equitable distribution of prize money and a budget cap so the teams do not spend beyond their means.

Believing that such financial fairness will help Force India, Stroll said: “After looking at the numbers I said ‘O.K., where is the direction of the sport going?’ It’s no secret there’s going to be some sort of a budget cap and better cash distribution to the smaller teams.

“That is still to be clarified how well that works out, but there are all the right rumblings, and I’ve had enough conversations with Chase to understand that is the direction they want and need to take the business. For me, that spells financial opportunity, and looking at 2021 onwards, a profitable business opportunity.”

Stroll expects Force India to break into the top three in the constructors’ championship.

In laying the groundwork, the work force of 400, which has been divided between two facilities in England, at Silverstone and Brackley, will merge next March, before the construction of a new factory at Silverstone. Stroll anticipates the building will be ready by the end of 2020 or early 2021.

“That’ll be a major step for this organization, to move to a modern facility and be all under one roof,” Stroll said.

“Although the team I purchased is not one that hemorrhaged money, or lost a lot of money, it was constantly underfed. It’s not a tremendous amount of money we’re talking about, just reasonable sums, and hiring a few more people in the right places where they were previously starved because of financial reasons, so filling that appetite.

“With the right funding, the right leadership, the right motivation, there’s no reason we shouldn’t have high expectations and be able to punch even higher above our weight, to hopefully be fighting for that third place.”

### A tough business

Far left, Sergio Pérez of Mexico drove for the Force India Formula One team during final practice for the Abu Dhabi Grand Prix on Nov. 24 in Abu Dhabi. Left, Lawrence Stroll at the qualifying for the Hungarian Grand Prix in July.