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In it . to win it

Success at sports complex
leads to team approach
in business growth

By Ray Glier
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Pat Alacqua is a fanatic about sports, especially basketball, so when he had the keys to his own gym he thought it was a wonderful thing.

“Be careful what you wish for,” Alacqua said.

In 2002, the New Jersey native, who sold a \$70 million a year event/management firm, bought a sports center in Suwanee, along with some investors. It was a warehouse, basically, with seven NBA-size basketball courts under one roof, along with space for a fitness center, a running track and meeting rooms.

Alacqua and his partners named it the Suwanee Sports Academy. It bludgeoned their bank accounts. Even with 400,000 people per year coming and going through the doors it lost \$600,000 a year.

Alacqua developed a model where they would not rent out the facility, which was the original business plan of the previous owners. They would create their own programming and become a center for athlete development in basketball and volleyball.

Lessons learned: After turning around a business that was losing \$600,000 annually, Pat Alacqua founded Blue Magnet Partners to help other entrepreneurs.

It will turn a profit for the first time this year.

“We were able to bring some business expertise and integrate it with the coaching expertise for youth sports. That’s why it works,” Alacqua said. “We are able to bring resources, meaning people, into the business and increase their bandwidth.”

Alacqua is taking his success with the Suwanee Sports Academy and looking to do similar work throughout the country through his new firm, Blue Magnet Partners LLC. It is a venture resource firm that helps entrepreneurs grow their businesses and increase revenues. While Blue Magnet will work in sports, it also specializes in companies in the media and entertainment, health-care and real estate industries.

“We asked our people to take some extra time to document what they are doing so we can replicate it,” Alacqua said. “You can find great people to help move the business forward, but how do you bring the next stage of people into the business if you don’t have that plan. We systemized the business so it could work without the current person.

“We were an R&D lab for six or seven years learning how to run one of these facilities and we knew we had to capture that knowledge.”

Among the lessons learned through the sports academy was the importance of offering variety to clients.

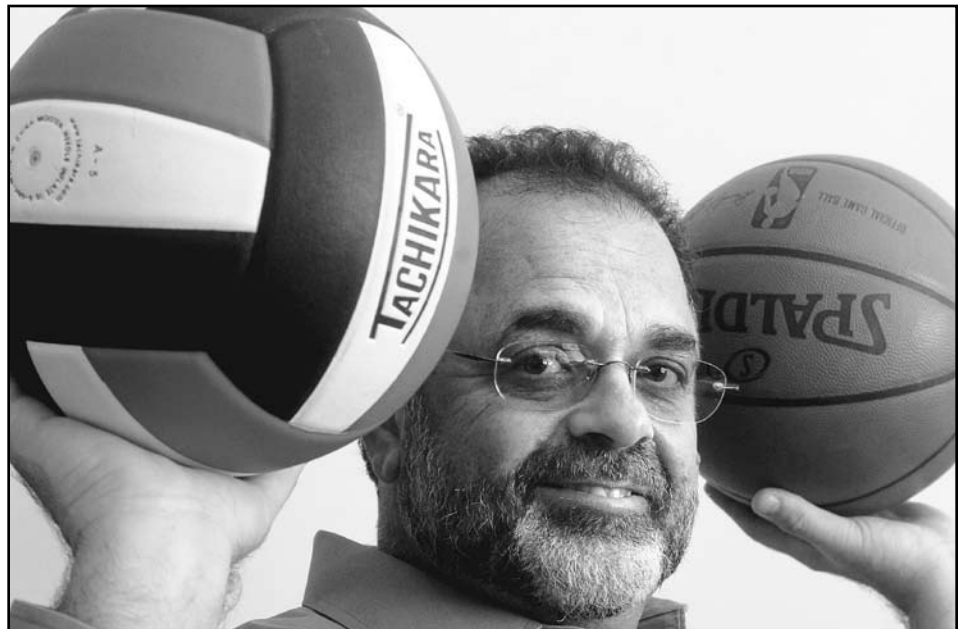
Suwanee Sports Academy has a successful after-school program, which charges 100 kids \$80 a week from 3 p.m. to 6 p.m. But the bigger part of the pie is working with children of all skill levels to develop their fitness and competency in basketball and volleyball.

The product, Alacqua stressed, had to reach a variety of customers.

“In today’s world, everybody is looking for an edge,” Alacqua said. “What we try and do is offer a full suite of programming so that whatever level your child is there is a place for them here.

“We had a child who lost 30 pounds and it helped his self-esteem. At the same time we were working with a kid who will sign a college scholarship.”

Blue Magnet director of business development Kevin Cantwell, a former assistant basketball coach at Georgia Tech, developed workout regimens and drills and taught other



JOANN VITELLI

Big fan: Pat Alacqua and his partners bought the Suwanee sports Academy in 2002 because of a love of sports.

coaches. The training model became the basis for Suwanee Sports Academy where parents would drop off children three days a week and pay for a multi-week program.

Cantwell said a facility could not survive by being rented out.

“The person that is having the event is making all the money,” Cantwell said. “He is working the gate, he is charging the teams. We might charge him \$12,000 to \$13,000, but that is not going to do it for us. You have to come up with your own programming. It’s the total key to having one of these buildings; run your own programs.”

The other key was in-house training. Alacqua said a small business trying to turn itself around cannot afford to hire senior management; it has to find skilled younger talent to try and shape and mentor.

Mike Eddy, 28, is the president and chief operating officer of Suwanee Sports Academy, and he was groomed from within.

“You have to make money, that’s what it is all about, but it is also about adding value to the management team and if you help them grow, the value of the business will grow,” Alacqua said. “The old-time venture capitalists, that’s what they did. There was more nurturing going on.”

The challenge, Alacqua said, was stabilizing the business while trying to grow it. He called it fixing an airplane while flying at 30,000 feet.

One remedy was going to a variable staffing plan where the number of full-time employees was cut and more people were put on an hourly wage. The academy had too many peaks and valleys in usage and Cantwell said once the staffing was changed the financial picture became brighter.

Alacqua tried to set up a full-time private school, but that failed after one year. “When growing something you have to stick to your knitting, we got too far outside our expertise,” Alacqua said.

“We got into something we didn’t understand and lost a lot of money. You make mistakes, but you like to say there is never a mistake you didn’t learn from.”

Alacqua is a gym rat, he loves being around sports, but he also likes to be around entrepreneurs and study how they make things happen in business.

“Business is his passion,” said Bob Strickland, a friend of Alacqua’s for 10 years and an investor in the Suwanee Sports Academy. “You walk into his office, he has every business book known to man.”