

October 29, 2013



Tim Leiweke

President and CEO, Maple Leaf Sports and Entertainment

CREATING A CHAMPIONSHIP-WINNING CULTURE

Chairman: **Noble Chummar**

President, The Empire Club of Canada

Head Table Guests

Tom McKaig, Adjunct Professor, University of Guelph, Author for McGraw-Hill Publishers, and Director, The Empire Club of Canada; Dave Cagadoc, Student, Monsignor Percy Johnson Catholic High School; Captain The Rev. Phillip Ralph, National Program Director, Wounded Warriors Canada, and 32nd Canadian Brigade Group Chaplain; Dr. Cheri Bradish, Associate Professor, Loretta Rogers Research Chair in Sport Marketing Management, Ted Rogers School of Management, Ryerson University; Chris Rudge, Executive Chairman and CEO, Toronto Argonauts Football Club, Former CEO of the Canadian Olympic Committee and Board Member of the Toronto 2015 Pan American Games; Paul Fogolin, Director of Stakeholder Relations, Ontario Minister of Health and Deputy Premier, and Director, The Empire Club of Canada; Harry Rosen, Chairman, Harry Rosen Inc.; and John Varghese, President and CEO, JV Venture Partners Ltd., and Chairman, Direct Media Technologies.

Introduction: Noble Chummar

Mr. Leiweke, I know that you have been here for quite some time, but let me first formally and on behalf of the Empire Club of Canada, welcome you to Canada and the city of Toronto.

Toronto is a championship city. We are champions in business, education, art, culture, science and sport. Professional sports are one of the reasons why Toronto is a world-class city.

The powerhouse of the sports industry in Canada is Maple Leaf Sports and Entertainment.

The company's vast holdings include the Air Canada Centre, the Toronto Raptors, Toronto Football Club, and our beloved Toronto Maple Leafs, one of the oldest and most valuable sports franchises in the world.

I have had the great honour of working with my good friend Mr. Chris Rudge during the bid process for the 2015 Pan American games. We travelled the world together selling the virtues of sport and the city of Toronto. In that process, I learned that sport is much greater than getting a puck in a net or a ball in a hoop. Sport brings people together. Sport makes communities healthy. Sport ignites economic development and inspires our youth.

In Canada professional sport is more than just a game that you watch.

In 1963, Clarence Campbell, the then President of the NHL, spoke at the Empire Club of Canada. At the time, there were only six teams in the league. He said, "Hockey fans in Canada are participants. They are not spectators. They are fundamentally participants. You go to a hockey game in Canada and watch the reaction of the crowd. Many of them need a rest when they go home."

Sport is also a catalyst for change. Urban life changes when our teams succeed. Hotels are built, restaurants emerge, international conventions are booked and urban residential communities are intensified.

Mr. Tim Leiweke brings a fresh beginning to the city of Toronto. As of this past summer, he is the new President and CEO of Maple Leaf Sports and Entertainment and is one of the most highly regarded leaders in the industry.

Mr. Leiweke was born in St. Louis, Missouri and, at the age of 24, he became the youngest general manager in professional sports. Mr. Leiweke was brought out to Los Angeles to become President of the Los Angeles Kings.

In 2001, he became the President and CEO of the team's parent company, Anschutz Entertainment Group (AEG). The company's properties include the LA Kings, Los Angeles Galaxy, and a significant stake in the LA Lakers.

While at AEG Mr. Leiweke was responsible for the overall development of the Staples Center and L.A. Live, a four-million square-foot, \$2.5 billion sports, residential and entertainment district.

Mr. Leiweke has received countless honours for his business acumen, including ranking fifth in the Sports Business Journal's most influential people in sports and for his tireless community work in the cities that he has lived in.

Ladies and gentlemen, please welcome the man whose job it is to decide if the parade will go down Yonge Street or Bay Street, Mr. Tim Leiweke.

Tim Leiweke

I am honoured to be here today and be amongst some of the great leaders who have been before this group. Looking at your speakers and the roster here, and understanding some of the great people who have stood here before you, it is a real honour, and something I am very proud of.

When I was with the Kings, ironically we talked a lot about Canada. Back in the 1960s when the great Jack Kent Cooke, who also owned the Washington Redskins, bought the Kings and the Lakers and created an expansion franchise in the National Hockey League out in Los Angeles, people came to him and said, "Oh, you're going to do extremely well out there. There are almost a million Canadians who live in and around southern California." At the end of the first season, the Kings did not draw very well. By the way, they had the worst uniforms in the history of the National Hockey League. They all looked like grapes or lemons. People asked Kent Cooke, "What did you think about your first year, and the support that you derived out of Los Angeles from all of those Canadians who live here?" He said, "I have figured out that Canadians move to LA because they hate hockey."

I have come from Los Angeles to the cathedral of hockey, although some will argue that there are other places more important, other places more historic, and other places that are more ingrained in the sport of hockey. They are wrong. Toronto is the heart and soul of the great game of hockey, and we at the Leafs clearly understand once and for all we must become the Yankees of baseball, or the Cowboys of football. The Leafs must become the greatest team in the history of the National Hockey League.

Before I tell you about how we get there, let me tell you a couple of quick things about when my family and I were considering the move. When I left AEG I was fortunate enough to get a call from George Cope and Nadir Mohamed, Rogers-Bell folks and Larry Tannenbaum. They brought me in for a couple of interviews. My second time in, we decided my family would join me, and they'd come in a couple of days after I'd been here. They called the first day I was here and said, "How's it going?" I said, "Oh, things are good. I really love the city." What they didn't know is there was an ice storm and it was miserable, to be honest with you. This is April, and I'm wondering, "What the heck is going on here?" I tell my wife, "Oh, what a lovely city. Honey, you're going to love it here." On the second day, the ice storm gets more vicious. "Oh, my God, if they come here I don't think they're going to stay." On the third day they finally get here and we still have the ice storm, and it's kind of miserable, so I said, "This is so unusual. It's been so nice here the last two days." I kind of think they might be buying it until we walk into the hotel room, and the overcoat I've been wearing for the last two days is over in the corner standing by itself, because it's still frozen. That's when they looked at me and said, "Are you sure about this?"

Amazingly, despite the ice storm, what we've realized is there is a reason in North America this great community is voted and considered to be the most tremendous place. The number-one quality of life in all of North America is found in Toronto. Absolutely. Thank God we haven't had any more ice storms since my family moved here. I will also tell you that as I was saying yes, we went into that infamous seventh game against Boston, and despite the ice storm, despite giving up the four goals, despite that seventh game, I couldn't be more excited to be here; couldn't be more excited about this journey and where we're headed together. I will say it front and centre with the cameras rolling.

So what do you do when you come from Los Angeles, where

you had the honour and fortune of being part of the Lakers' great runs of championships and you were taught by Jerry West and Phil Jackson and Dr. Jerry Buss, when you had a chance two years ago to win the hardest trophy in all of sports to win, with all due respect to the Grey Cup, the Stanley Cup with the LA Kings, and when you were fortunate enough to watch maybe the greatest soccer player on the face of the Earth, David Beckham, win back-to-back championships with the Galaxy? When you come here and look at the task at hand there are many people to say, "Well, why would you leave that to inherit this?" And what I tell them is, "We inherit this to become that." And that's exactly the task at hand. How do we take the culture? How do we take the tradition? How do we take the history that was created in Los Angeles with those winning programs and help ingrain them upon the teams here?

Now, every team sits around and talks about winning. Trust me, this is not a lack of desire or intelligence. Teams and professional sports anywhere in North America, anywhere in the world for that matter, want to win a championship. So what is it that suddenly we can do to inspire and introduce a culture that gives us an opportunity to change the mentality here? Well, I will tell you that I do believe that winning is directly associated with the environment we as an organization create for our players. I believe there is a direct correlation between the accountability that we demand out of our players, our team and our coaches, and the expectations that they believe they owe back to us, and in turn what we deliver back to you. What we needed is accountability.

Now, with all of the teams, one of the amazing things is we do not talk about winning championships. I asked a couple of the general managers, one who's no longer with us, why we do that. And they said, "Well, we don't want to create those expectations." I heard, especially on the basketball side, "The great players won't stay here. Look at the guys we've had. Look at Carlo, look at Bosh, look at all of these guys. They have all left. And the

players that we want to get here won't come here because it's Toronto." I'm thinking that that's interesting. You look at the culture, you look at those expectations, and you look at the desire to create accountability. We talked to the best players I knew in the NBA who were elsewhere. I said, "Tell me what you think of Toronto. Tell me about the Raptors. Do you think it's going to be hard for us to keep great players or attract great players or keep great players?"

We talked to a half dozen guys who are in the league and a few guys like Shaquille, Magic and Charles Barkley who aren't in the league anymore, and to a person every one of them came back and said, "The best place to play in the NBA. My favourite city outside of where I played. I love going to Toronto." They told me all the reasons they like coming here, some of which I didn't want to hear but others were really good reasons. What was very clear, very evident, to me were two things. First and foremost, we do not have an image problem here, ladies and gentlemen. This is a great place to live; this is a great place to be part of a sports organization; this is a great place to win championships. Be proud of your city. I'm blown away by not just the quality of life, the people and the friendliness of this community, but by the dynamic nature.

Do you know that if you take the second-, third- and fourth-fastest growing city in North America—New York, Los Angeles, and Mexico City—and add up all their construction, that construction combined does not equal what is going on in our great city of Toronto. When you talk about quality of life, when you talk about a place you want to bring up your family, let me tell you something—I learned very quickly players want to come here; players want to stay here. Look at Clarkson and Bolland with the Leafs. They want to be a part of this city and this community. What we had were excuses. We found reasons why we would not succeed. That's why they didn't want to talk about championships. They didn't want the pressure; they didn't want those expectations.

Well, now we're in the expectation business. That's what we do for a living. That's why we ask you for as much as we ask, and we know that it's a lot. You buy tickets to ultimately come and watch us win. That's your end game and your hope. That's what you expect out of us. We in turn must make that not only a policy and part of our culture. We must have accountability with the players to help them understand we're here to win championships; we're here to win trophies; and we'll do whatever it takes in order to get there. We're going to put it front and centre and let everyone know from now on "championships" is not a nasty word. It is not an excuse; it is not an unreasonable expectation. It's what we live for, what we think about and what we work for each and every day from now on out.

So how do we get there? For some of these teams, it is a quick journey and for others it is a patient journey. The Leafs are close. Dave Nonis has done a phenomenal job with this club. I thought and still do think we had the best off-season of any team in the National Hockey League. As you sit back and look at the success we've had in the early part of the year, including for most of the month of October, the best record in 20 years, look at who got us there—the guys who were the core of that success despite the injuries we had. We had more injuries to our key guys than almost any team in the National Hockey League our first month. But if you look at who got us here, it was Raymond, it was Bowen, it was Bernier—three kids picked up this summer. And now Clarkson's back. I think the reason we created this environment is that this team now has the commitment towards doing something special, with no disrespect to the history and tradition of the 100 years of the Toronto Maple Leafs, or to any of the great players who have put on that jersey. But these players know now it's time to put their pictures up on the wall; it's time for us to hang up Stanley Cup banners; it's time for us to honour them and the tradition that we can now create for this generation. Bowen, Clarkson, Bernier, Raymond are those guys who are going to be

heart and soul of understanding that. They've won championships. Bowen has two rings; Bernier has a ring; Clarkson was in the Stanley Cup two years ago. They are going to help teach us from a culture standpoint what it is we need to do to create those expectations, create those accountabilities, and make sure that we deliver to you a team that's capable of winning the Stanley Cup each and every year.

Dave Nonis has done a great job. We have work to do. Injuries and luck play a part of it, but I'll tell you this is an organization that has a chance of being great. It's one of the younger teams in the NHL, and we're going to continue to do whatever we need to do to fill in the pieces and continue to add to the puzzle to win you a cup. The Leafs are on the road and on their way. They get the expectations, we understand the accountability, and we're prepared to look you in the eye and tell you in short order unless we win a cup we did not have a good, successful year. We're not far away from being able to look you in the eye and create that accountability going forward.

The Raptors are different. We live in a system where we have a salary cap and a luxury tax. We live in a system where the entry into the NBA is mostly done through two major vehicles—drafting and trading. The unique beast in the NBA is that you can't trade a player for another player unless their salaries are within 90 per cent of one another. You can't offload salaries. You have to find equal value. The NBA is very difficult to go and build on the fly. You will not build a team quickly. You either get very fortunate and you don't have a good year like San Antonio when they were able to get the key nucleus of that team by having a bad year and getting a great draft pick. They built that team with those draft picks.

You look at Oklahoma City. You feel for the fans in Seattle because they were not very good in Seattle and they were able to go out and draft what I think today is the centerpiece and one of the best players in all of the NBA—Kevin Durant. You need to be in a position where you get lucky with the draft. You need to

draft extremely well. You need to enter into good contracts that give you the room to ultimately fill in the rest of your roster. To be honest with you, we haven't done that here. I'm not blaming anybody. The blame is on us. This is our team, no one else's team; these are our decisions, no one else's decisions. We inherit the good and the bad, and what we have now is an organization that is in the past. I sat in the draft room this year and if there was ever a team that wanted a draft pick this year, it would have been the Toronto Raptors, especially with the Canadian kids that came out this year into the NBA through the draft. And we had no draft picks. None.

Now, think about this for a second. We haven't been in the playoffs forever; we weren't in the playoffs this past year. And we had zero draft picks. That is hard to do. That is really good work right there. And yet I sat there and watched our general manager, and I saw the staff that he put together—one of the youngest management teams in all of professional sports, and certainly in the NBA. They never gave up that night. They tried 20 different scenarios to try to buy into the draft, trade into the draft and get a pick. They had six key kids whom they wanted to get all the way through to the end of that second round, and they never gave up. I felt terrible. I walked out of there saying, "We just sent a bunch of new, young, exciting, brilliant executives into a war, and they had a BB gun and everyone else had nuclear bombs. And yet the next morning, they all came in and said, "Don't worry. This is where we turn it around. That is our low point. That's the worst you'll ever see. And it taught us a very valuable lesson: we'll never let that happen to this organization again, and we'll go from there." And from that day on I've never seen them make an excuse. I've never seen them look back and complain. I've never seen them point fingers. Masai and his team have concentrated on one thing and one thing only: how do we win a championship?

Now, it's going to take a little time with the Raptors, and I

know the cameras are rolling. This is where I always get into trouble. By the way, when I came we had zero media guys. Now we have five media guys who just run around and tell me what I cannot say. They don't sit there and say, "Here's your speech today." They give me a piece of paper and say, "Don't say any of these 10 things, whatever you do." And I say nine out of the 10, usually.

You're going to be surprised by this Raptors team. I think this will be a classic case. We did not change a lot with this team. We have some bench players, including Psycho (I'm not allowed to call him Psycho), who is going to come off the bench, and give us the energy that we need. But you will see a different team with a different culture, with a different spirit. And we're all on the same page. The coach, his assistant coaches, the front office, the players, and management are all on the same page. We know exactly where we're going. We communicate brilliantly on a daily basis about what lies before us, and these players are ticked off that people aren't looking at them, and ticked off that they talk more about our mascot and his Achilles' heel and his rupture of the tendon than they do about our basketball team. They're out to prove something this year. I'd go out and buy tickets. You're going to enjoy this club. They're going to try hard every night, and I think we're going to shock a lot of people.

Our soccer team is in complete disarray, and so, as an optimist who gets up every day saying, "That ice storm was nothing, honey," the soccer team needs work. But the funny thing is in major league soccer we have a wonderful rule called the "designated player (DP)" rule, and I helped write it, so I know it well. We were able to get David Beckham and Landon Donovan and Robbie Keane in Los Angeles to win championships using that rule. We know how to use this rule, folks, I promise you. We're really good at using this rule. When you take the young nucleus that they've built, you're going to see about 15 of these young kids who have grown up here in the past year come back to be the

nucleus, seven of them by the way having come through either our academy or through Canada. We're going to take that nucleus and we're going to add to it these three DPs. We have about a third of our salary budget still left to add two or three key veteran Major League Soccer (MLS) players.

The team we turn the quickest will be Toronto Football Club (TFC), and we'll turn them next year. Mark it down, write it down, film it. Go ahead and yell at me next year. Talk to me about the ice storms. We're going to turn TFC around. We've got to make the playoffs next year. We know where we're headed. We know how to get there. We have been given the resources of this ownership group, and we'll get to the right place.

Before I take questions, I have been asked two things, "What are the lessons you've learned, and what will you not do in Toronto?" Don't come and do a recruiting trip with your family in the middle of an ice storm is a really good lesson. Do not ride the subway back to my home after a terrible Leafs' loss, because you're trapped like a rat in the corner. They get really mad at you, but I don't need security. Make sure you have breakfast with the mayor; don't go to dinner with the mayor. That's the other thing I have learned.

I love your mayor. He's cute. He's like Tommy Boy; he's a good guy. What we need to do for this city is to get more aggressive here. This economy matters. We are an organization that at the end of the day can move the needle here. You're all business people, so you know this. We're going to get into the event business, first and foremost. We have a great staff. I was very impressed by the management team at Maple Leaf Sports and Entertainment. You heard about the people I let go. Well let me tell you there are a lot more people we didn't let go.

Believe me, I was not afraid of firing people. We came in and cleaned house. But the core nucleus of this organization is brilliant. They're very good and this management team is going to get us into the event business. We have just landed the NBA All Star

game for 2016. Folks, let me tell you something. Those who say the greatest players in the NBA don't want to come to Toronto—B.S. They're coming to Toronto in February of 2016, right in the middle of our winter, and they're looking forward to it.

When we announced that, we announced a new partnership with Drake. And we created 2.2 billion impressions in about 48 hours for Toronto, the Raptors, and Drake with that announcement. Think about that: 2.2 billion impressions. That's what we can do to move the needle for this community. The introduction was right. Noble was exactly right—we are your conscience. We are what gets you excited and what makes you passionate about this community. We're what makes you smile in the morning and going to bed dreaming of parades at night. We get that and we're going to do a better job of that, because we can move the psyche of this town and this region like nothing else. From an economic impact standpoint, our job is to take a risk, and we're going to do that now.

That's not the first all-star game we're going to get. We're going to get an NHL All-Star game and an NHL draft here in the near future, but we want to bid on things that ultimately fill up more rooms, fill up restaurants, fill up retail and help move the economy here. That's our job, and we're going to be very aggressive about it. But we also know we need to win. We need to go out now and make sure that Noble's introduction was correct— Toronto is a city of champions. It is, but we're not yet. He is, but we're not. We understand the mantle, the pressure, the expectations and the impact of what we could do if we could win for you. We think about it every day, we think about it every night when we go to bed, and we think about it every morning when we get back up and come into work. And that is the cultural change that is occurring at Maple Leaf Sports and Entertainment.

The appreciation of the meeting was expressed by Paul Fogolin, Director of Stakeholder Relations, Ontario Minister of Health and Deputy Premier, and Director, The Empire Club of Canada.