

Intrapreneurial Business Proposal for the Indianapolis Motor Speedway

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The company that I represent might be the most recognizable racing facility in the world, The Indianapolis Motor Speedway. We presently hold the distinction of the oldest automobile race in the entire world but the second oldest facility. To add to that, millions of fans flock from around the world to our facility to watch racing's best drivers and teams. I would also like to point out that we also hold the record for the largest venue in the world, in terms of overall seating capacity.

The founder Carl G. Fisher and his three business associates James Allison, Arthur Newby and Frank Wheeler wanted a "large motor-parkway." At the time, the speedway itself was never intended to be used as a racing facility. In the springtime of 1909, the facilities' original purposed idea was a proving ground for Indiana's booming auto industry. At the time makers like Stutz, Packard, Duesenberg, and Studebaker had helped the state move into 4th place, and by 1913 second. These original proving ground aspirations came from the need to improve not only the local roads, but tire technology as well. Daze (2010) states "Unfortunately, like many other dreams, the Speedway's debut was a little rocky. The oval featured a 2.5-mile distance and a packed gravel road, but the gravel was susceptible to potholes and dips." (p. 3) While the history of the speedway surrounds cars, its first race was actually a hot air balloon race in 1909, followed by a motorcycle race the same year. The race that we became famous for, the Indy 500, wouldn't come until 1911. The ownership would change hands again in 1927, however, as World War 1 ace pilot Eddie Rickenbacker would purchase the facility for \$750,000.

Rickenbacker's ownership for us was consistent. One of his biggest contributions for us being the 18-hole golf course that resides just next to the back stretch, which hosts the LPGA. Sadly, our former owner's tenure ship would end because of the second world war. Rickenbacker

would sell the speedway to an Indiana native in 1945. Tony Hulman to date has arguably been our greatest owner. Under his ownership things like the famous scoring pylon and the road course would become lasting staples. The greatest improvement would come in 2000 with the creation of the Japanese style pagoda tower. This is to date, the largest control tower in any form of racing presently. Under the Hulman ownership the speedway would see unprecedented heights with the Indianapolis 500. One name would stand out above the rest, Roger Penske. Penske while never a winner himself, his team holds the distinction for the most wins at 18 in the greatest 500-mile race. It was this love and stewardship that led Penske to purchase the speedway in 2019 under Penske Entertainment Corporation, a subsidiary of the Penske Corporation.

Today the speedway operates as IMS LLC, under the Penske Corp family. While our parent company is publicly traded, we as the IMS LLC are not. The speedway takes elements of not only business to business but business to consumer as well. The speedway offers a chance for race teams and other companies to partner and sell their own services and goods. Owner Penske stated in (2020) "We want to take existing marketing and people, the sponsor supporters we have, and continue to build on that. We've got a good deck of customers in B2B that we'll get in the loop to talk opportunities with not only IMS but primarily for the IndyCar series." (p. 5) We the speedway cater to millions of race fans each year with the on-track product, as well as holiday themed shows like the Brickyard Lights in the holiday time of year.

The speedway and motorsports industry has been able to return to steady growth levels post the recession of 2008. This growth has translated to our facility directly. According to Market

Data (2022) “The global market of Motorsport, which was predicted to be worth US\$4.8 billion in 2021, is expected to expand to US\$7.8 billion by 2026, with a CAGR (compound annual growth rate) of 7.2% between 2021 and 2026.” (p. 1) As it stands now, we have the highest attended event in the world, the Indianapolis 500. Our event, known as the greatest spectacle in racing, regularly sells out, and has done the last 5 years. This includes not only the reserved seating but our general admission viewing mounds on the infield as well. This is a number close to 500,000. While we have had competitors before that try and duplicate our race. What we have, that others do not is the historical significance. Our track is considered one of the three triple crown tracks globally. Each winner no matter the series is enshrined as mortal legends. There will always be various forms of tracks around the world, and that’s what makes this industry diverse and great. Where the competition starts is on the fan engagement. How well each of our guests no matter if they are local or out of state, enjoy our facilities. We, ourselves with the help of Penske’s ownership have done things like improved seating, food, bathroom facilities, fan access areas, and 5G towers inside the track. Our fans globally have rated our track as one of the 25 you must visit in your lifetime.

While we take our fan engagement as a crucial demographic in which we measure our strength. The threat we face is the development of the cars that we see on our track. Not all cars are suited for every track. If this happens, not only are the teams upset with the competitive racing, but our fans are too. We have selected each series carefully to provide the most entertainment possible for fans. This also translates to our on-track competitors. We are looking for ways to improve the racing we see at our facility. There also just so happens to be an addition that fans and teams have been asking for years. Pure endurance racing at the famed speedway. One of

our biggest undertakings is provided a unique form never seen before at the speedway. This will see cars race at night for the first time in our history. As stated by our president Doug Bowles (2022) "There has been mutual interest and many conversations between IMSA and IMS leadership for quite some time to bring our brand of premium endurance sports car racing back to the Speedway and our collective fans." (p. 2) The future for us is positive and bright. This future and uncertainty were shown for us in 2020 with the global pandemic. Us, as industry leaders led efforts to focus the first large scale vaccination effort for the state of Indiana, working with the Indiana Department of Health.

We are stewards, champions, and community members of the motorsports industry and the racing family. We will continue to operate and improve for not only our fans, but for the world of motorsports.

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