

**Title:** Elway's empire. (automobile dealerships of quarterback John Elway of the Denver Broncos)(includes related articles) (Company Profile)

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Denver Broncos' quarterback John Elway has discovered he can play as well off the field as he can on it. He's scoring big - with his auto dealerships.

The sounds are familiar.

The grunt of 300-pound, behemoth linemen as they explode into each other. The sharp concussion of their pads. It's pure cacophony to the uninitiated.

It's sweet music to Denver Broncos quarterback John Elway.

Number seven in your game guide. Number one in your heart -- at least, he is if you're a Broncos' fan. And if you live in Colorado, you'd better be.

These days there's a whole set of new sounds growing in familiarity to a tempered Elway, at 34 years old, a seasoned veteran in football but not much more than a rookie when it comes to selling cars.

The sound of a closing car door being tested by a customer. The whir and pump of air-powered drills in the back shop as mechanics work on cars. The ka-ching! of trunk-loads of change being counted at the end of a day at any one of the growing Elway Empire of automobile dealerships.

More sweet music to John Elway, auto dealer.

John Elway dealerships grossed nearly \$130 million in 1993, well over a hundred million dollars more than his annual salary for the Broncos. His dealerships sold 7,500 Hondas, Toyotas, Oldsmobiles, Hyundais and Mazdas. Elway Honda is the top seller in Denver and in the top 70 of the 900 or so Honda dealerships nationwide. The sales at his Hyundai and Oldsmobile shops place them in the top two in Denver. And Toyota, which was moribund when he bought it, has pumped its sales up enough to be the third largest seller in Denver.

The man who directs 11 people on the playing field, quarterbacks 300 employees off it.

The ka-ching! is expected to grow this year, with the addition of John Elway Nissan.

Elway's Empire should climb to between \$150 million and \$160 million this year, and his crew of employees to 350.

Success on the field. Success off the field.

Elway can play this game.

"The car business is a lot like football in that you've got to do it every day," says Elway. "You can go out and play a great football game on Sunday, the next week fall on your face against somebody you should beat and you're back into the mediocre level. You've got to stay on top of it and work hard, day in and day out.

"Plus, it's competitive. You've got six other Toyota dealers, seven other Honda dealers, and so you're competing in that, too, against them, to be the best. I enjoy the competition."

Understatement of the year, that. This from the man who created "The Drive," the famed fourth-quarter heroics that bounced Cleveland from the playoffs in 1986.

Elway, not surprisingly to some, was more than prepared in 1991 when he and partners Rod Buscher and Denver Broncos' owner Pat Bowlen bought into the dealerships.

For one thing, he held an economics degree from Stanford University. For another, since he showed up in Denver as a heralded rookie more than a decade ago, he knew his financial horizons were beyond merely Mile High Stadium.

"When I first got here, once I got settled in town and settled with my football career, I knew there was something I would eventually get into. I never knew exactly what it was," recalls Elway. "I was hoping that some day, it would jump up and grab me. I was fortunate. The car business kind-of jumped up and grabbed me."

It had to. Elway, never known for a flamboyant investment style, didn't dive in with the big bucks when offered a slice of the dealerships from Bowlen and Buscher. Indeed, until four years ago, Elway's most adventurous investment decision was whether to go long or short with CDs.

Instead of investing any upfront capital, Elway, at the behest of Bowlen, who wanted to teach his field general "about the business world outside of football," according to the Rocky Mountain News, cut a deal where he would do promotions in exchange for an ownership stake. "That was my introduction," he says. "No risk involved, and I got to know a little bit about the car business."

What he learned, he liked.

In January of 1991, the triumvirate bought a Mazda dealership in Westminster with Elway in for 40 percent. Four months later, Buscher, the only seasoned auto industry pro

of the three, was offered three more Denver dealerships. Bowlen bowed out, citing potential conflicts of interest because the financial stakes were reaching new highs between the Broncos owner and player. That left Elway and Buscher to make the single largest buyout in Colorado's automobile history.

Elway bought in as the majority owner and chairman, while Buscher, the minority partner, became the dealerships' president.

"He had the financial ability and the name, and I had the background in the business, so our partnership was a good marriage," says Buscher.

Critics were everywhere and unabashedly vocal.

"There were guys around town who said he would sell (the dealerships) for pennies on the dollar, he'd never make it in this business and blah, blah, blah, blah," says Elway Foundation President and Stanford teammate Dennis Engel. "Those people had no idea what he was buying the deal for."

Once Elway bought the dealerships, his dedication to the businesses was as strong as his commitment to football.

He sought out the experts for advice --like Tony Argiz, a Miami-based accountant who specializes in automotive accounting. Elway and Buscher spent the first year-and-a-half in Buscher's office poring over numbers and discussing business philosophies. The two took classes and attended Toyota school. "John sat down and got real involved with the numbers," says Engel "You take your best case/worst case scenarios and see what you have to do to make money."

Adds Buscher: "There's a lot of guys with his stature and his accomplishments who would let their ego override their ability. That's not the case with John. He knows his limits within the car business and he doesn't extend himself until he's comfortable."

Indeed Elway is "a student of the business," Buscher says. "He understands what it takes to be successful on a daily basis. We've got to sell cars, and the parts and service, how all that works."

All in all, it's a good thing Elway knows his limits.

The demands on his time are daunting. For instance, Elway weekly receives calls from people wanting to buy their car from Elway himself. But he hardly has the time. Truth is, admits Buscher, Elway's not exactly the best salesman on the lot. "For John to go in when we need \$200 or \$300 more to make a car deal -- it's pretty tough for John to say: 'I need another \$300.' They all look at him like: 'Sure you do, John.'"

Certainly a great deal of the success of Elway the auto dealer is derived from his name recognition. To some people, the name Elway on a product is akin to the name Nicholson

on a movie -- it's bound to be good -- or at least it's worth a try.

But it hasn't hurt that Elway is far from camera shy. His toothy mug in the semi-comical television commercials playing all over Denver are endearing, self-effacing and image-making -- although he's no "Dealing' Doug."

Safely, the commercials veer away from mentioning the Broncos. Instead, they allow Elway to poke fun at himself -- "the way he really is," says Buscher. The spots were developed by Buscher's wife, Melanie, who headed the firm's in-house agency, JR Advertising.

The ad campaign gets passing grades from Tim Gonerka, a consultant with the Retail Resource Group. "It looks as if there's a persona being built and they're looking to maximize the impact of his relationships with the city and its consumers," he says.

Adds Elway, ever aware of the bottom line: "It gives us a little bit more bang for the buck."

Still, it's only the first step in selling a car.

After all, Elway's name is at stake here. The last thing you want to do is anger a guy who can order around 300-pound linemen.

"You've still got to do everything else right," says Honda General Manager Ray Cooper. "You still have to sell the cars, take care of people, give the customers a good deal."

"I always thought we were conscientious," says Cooper. "But when Elway's name is on the building, people expect more."

Elway, like most sports heroes, belongs to Coloradans. He earns their praise and their derision every weekend, sometimes on Monday nights, for about five months of the year. When he gets sacked or intercepted, they groan. When he scrambles for a touchdown, or heaves the long bomb, Denver neighborhoods unload cheers.

"I think that people feel they have a personal relationship with John because they see him every Sunday on TV," explains Toyota General Manager Chris Garrett.

Nobody has a more personal relationship with John than his Dad, Jack. Jack taught his son football skills when he was a runny-nosed, towheaded kid. Then Jack taught his grown son even more skills as his coach at Stanford University.

"We always talked about whatever you do, you want to do it to the best of your ability, working hard and giving it a sincere, honest effort," says the elder Elway. "Once you decide to start something, there's a start and a finish and there's no quitting along the road."

Elway the younger is no quitter.

But he's still got to impress the boyz in his hood -- in this case an opulent Stanford community where business success is commonplace.

Says Elway the elder: "I think John always kind-of felt like they look at him like this jock that just got this money thrown at him and: 'You really haven't earned anything.' Now John can shake their hand and say: 'Oh, I've got car dealerships that are worth millions of dollars and football is just part of what I do in my financial world.'"

Last season, John Elway had his best season quarterbacking the Broncos. It was also his best as John Elway, car guy. This season, pundits predict an even better year for Elway on the field. Off the field, he's likely to top last year also.

Any way you play it, it's sweet music to Elway.

Elway's Other Empire

Last season, Denver's QB 7 put up his best numbers ever. This season, he is primed to do even better.

After wracking up more than 4,000 yards in the Elway Air Force last season, John Elway is geared up for even better numbers.

He's got new jets.

Firing up off the runway at Mile High Stadium will be such stellar receivers as Anthony Miller, the Broncos' off-season pick-up from the San Diego Chargers, and Mike Pritchard, an off-season steal from the Atlanta Falcons. Put them with tight end Shannon Sharpe and you get one of the best receiving corps in the NFL.

But Elway's the gun. And even he knows that his on-field performance could translate into increased sales at his five Denver auto dealerships, although he doesn't like to tie the two together.

Elway comes into the 1994 season with 34,246 career passing yards, seventh best all-time in the NFL. His other totals, 36,681 total offense is sixth best; 2,345 rushing yards, which is eighth.

But 1993, Elway's best season ever as a quarterback, was also his best ever in business as a Colorado car dealer.

"If he tops both of those, he'll probably be a happy guy, especially financially," says Jim Saccomano, Broncos' spokesman.

Are his empires in sync? They seem to be.

In 1993, Elway was named the AFC's Most Valuable Player by the National Football League Players Association, AFC Offensive Player of the year by UPI, and AFC Player of the Year by Football News. He was also the starting quarterback for the 1994 Pro Bowl.

That same year, Elway had his best performance off the field.

At his dealerships, Elway earned the number-one slot for customer satisfaction for Hyundai and received Honda's "Master of Total Customer Satisfaction Award." He also won the "Toyota Touch President's Award."

It was also a top season for sales. The Elway auto empire grossed \$130 million, compared with 1991's \$100 million. He sold 7,500 cars.

"Playing quarterback," he says, "you develop leadership qualities...because you're kind-of the guy in charge when you're out there on the field on offense, the same way in the car business in the position that I have. I've got to be a leader for everyone else and show them how we want to treat people."

As far as Saccomano is concerned, Elway's performance on the field will have an impact off the field.

"He's practically a demigod anyway," says Saccomano. "When the Broncos win on Sunday, we know how happy we all are the rest of the week. Let's face it, the more people love you, the more they will do business with you."

#### Measure of Success

Elway's dealerships rank among the top in customer satisfaction.

John Elway's dealerships are among the top in the highly regarded CSI, or Consumer Satisfaction Index.

Indeed, his dealership walls are plastered with awards for sales and service.

But it's the CSI that means the most.

The CSI is an industry index comprised of customer responses to a survey rating the dealerships. Dealers who rank well in the CSI are those that are serving their customers' needs well. Of all the industry ratings, the CSI is the most valued by dealers.

"Customer satisfaction is probably the most important measurement in the car business," says Tony Argiz of Miami-based Morrison, Brown, Argiz and Co., one of America's largest accounting practices that specializes in the automobile industry. "If you continue to outperform other dealerships, when it comes to satisfaction of your customer base,

you'll always outperform the market."

All Denver Elway dealerships rank first or second in CSI. Hyundai was named the western region's number-one CSI dealer. Elway's is one of 10 dealerships nationwide to receive Honda's "Master of Total Customer Satisfaction Award." And his Toyota dealership is the western region's only dealer-ship to net Toyota's most prestigious honor: "The Toyota Touch President's Award," in its first full year of business -- and now the dealership has won twice.

"The car business kind-of has a bad reputation," Elway acknowledges. "With my name on the building, we're going to take care of the customer first. And we're not going to worry about the extra dollar. We're going to worry about taking care of them and having them as a customer for life."

It's a philosophy Elway and his partner, Rod Buscher, share.

"We were really on the same page," in terms of service and responsibility to customers, Buscher says.

Adds Honda General Manager Ray Cooper: "Everybody was singing the same tune. They kind-of thought the same: 'We want to sell a lot of cars, take care of the people and give good service.'"

Still another key to Elway's off-the-field success has been how he treats his employees, a valued part of his auto dealerships.

Indeed, the best advice Elway ever received came from his father, Jack; a very simple, common philosophy to treat others the way he would like to be treated. Because he follows that advice, turnover is very low at the Elway dealerships.

At least 10 employees got major promotions with the expansion, including Toyota's General Sales Manager Mark Johnson, who is now the manager at Elway's Nissan dealership. In January, two other Elway general managers became a part of the ownership team.

"Good people are going to find a way to get an opportunity for themselves, so if you don't give it to them, somebody else will," says Buscher. "Once they take that person away from you, then what are you left with? You're left with starting all over again."

He adds: "If you're going to spend the time and effort to invest in getting somebody trained and doing it your way and being satisfied with it, then you need to take that extra step and give them an opportunity where they have some security and long-term relationships, where they know if they work hard and build this, then it's not going to be taken away from them."

Although Elway is scoring in droves off the field in the auto industry, it doesn't mean he

will forsake football when he finally scrambles out of the game. In fact, Denver's QB leaves the door open for a career in coaching or some other aspect of administration in football.

"Because I'm in the car business (that's not to say that) when I get out of football that I'll never be back in football again," he says. "But it gives me a chance to get involved and learn something in the off-season and be a part of a business, which is really a lot of fun - especially if it's a successful one.

### Master of the Drive

It seems only natural that John Elway should find himself in the position of selling cars. After all, when it comes to driving under pressure, not many can claim his level of experience or expertise. Elway has, over the course of his 11 full seasons with the Broncos, masterminded 32 fourth-quarter game winning or tying drives.

The most dramatic Elway-orchestrated comebacks seem to have a way of happening in the AFC playoffs. In 1989, he led the Broncos over Pittsburgh with a nine-play, 71-yard drive that culminated in a one-yard Melvin Bratton touchdown at the 2:27 mark for a 24-23 win. More recently, in the 1991 playoffs, Elway conquered the Houston Oilers when it took him 12 plays to travel 87 yards and set up a David Treadwell 28-yard field goal that made the score 26-24 with a mere 20 seconds to play.

But in all his years of last minute heroics, The Mile High Magician has saved his biggest escape acts for the Cleveland Browns. In the 1986 AFC Championship game, in the hostile environs of Cleveland Stadium, he muzzled the Brown defense with what will forever be known as "The Drive," with emphasis on the word "The." Elway took his team 98 yards, almost the entire length of the field, in the space of 15 plays. A five-yard TD pass to Mark Jackson with 39 seconds remaining sent the game into overtime, where Elway again took the ball down the field, this time 60 yards for a Rich Karlis field goal and a 23-20 win.

In 1987 he did it again, and again to the long-suffering Browns, albeit in slightly less dramatic fashion. This little "d" drive was a mere 75 yards, the winning touchdown pass coming with 4:01 left to play.

It's gotten to the point that Bronco fans consider a game all but won when Denver is down by a few points and Elway is calmly trotting out onto the field with only minutes or seconds to play. If Elway could transfer that same public confidence in his ability to drive an offense into his ability to sell a drivable car, failure in the automobile business seems about as likely as a goal-line stand in Cleveland.

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