

An American Mogul in London

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In May 2022, it was announced that American billionaire Todd Boehly and a consortium of fellow billionaires had signed an agreement to purchase Chelsea football club for around £4.25 billion (US\$5.4 billion). Key figures included Mark Walter, co-founder and CEO of Guggenheim Capital with whom Boehly shares part ownership of the Los Angeles Dodgers (Major League Baseball [MLB]), Lakers (National Basketball Association [NBA]), and Sparks (Women’s National Basketball Association [WNBA]), and Hansjorg Wyss, founder of the medical device firm Synthes USA, along with investment firm Clearlake Capital. They bought Chelsea from Russian oligarch Roman Abramovich, who was forced by the UK government to sell the club after Russia invaded the Ukraine (Bowles, 2022; “Dodgers Owner,” 2022; Porterfield, 2022) [1]. *Forbes* noted that this deal was “the highest-priced sports team acquisition in history” (Porterfield, 2022, para. 2).

In some regards, the sale has been celebrated by the US and UK press, especially given Boehly’s success as owner of the Los Angeles Dodgers. For example, in an article titled, “Los Angeles Dodgers have Already Set the Blueprint for Chelsea under Todd Boehly,” *football.london* writer Lewis Pangratiou’s discussion concerning the success of the Dodgers in the last decade, ended with: “Now it’s down to Chelsea to strengthen the American’s reputation” (Pangratiou, 2022, para. 9). However, other sports media pundits within the UK, most notably former Liverpool defender Jamie Carragher, have been less receptive to Boehly’s explosive entry into the English Premier League (EPL). He (2022) argued that “businessmen like Boehly [are] waiting to seize the next opportunity to mould our game into an ill-fitting vision...suggesting English football is not generating as much cash as it should be” (para. 9). Carragher’s concerns about Boehly’s emphasis on commercial success echo other pundits’ concerns about the rapid influx of money into the sport (Bertram et al., 2022) and the globalization of the EPL (Ludvigsen, 2020).

In this commentary, we discuss Todd Boehly’s rise as a sports and media mogul, culminating with the purchase of Chelsea Football Club, arguing that the billionaire hedge fund manager embodies the globalized media-sports cultural complex (Rowe, 2013). Important here is Jhally’s (1984) conceptualization of the sports-media complex as a way of situating the symbiotic

relationship between US sports and broadcast media. Sports leagues rely on media for revenues through broadcasting rights, and media rely on sports for consumer and advertiser attention, Rowe (2013) recognizes that this market relationship is increasingly digital, mobile, and played out on a global scale. In the case of Todd Boehly, owning sports teams and recognizing the need to exploit media rights have led to great success for investor but not necessarily for the sport itself. It is not surprising that Boehly was interested in acquiring a team from the EPL. As Ludvigsen (2020) notes, “[it]is widely considered a giant in the global sports entertainment industry” (37). Boehly and his compatriots were looking beyond the large Los Angeles market to national markets worldwide with seemingly limitless possibilities.

Todd Boehly, The Dodgers, and Time Warner Cable

Todd Boehly is ranked #184 on the Forbes 400 list, is worth US\$5.3 billion [2], and is one of several part owners of the Dodgers. He is also the architect of an US\$8.35 billion deal with Time Warner Cable (TWC) (Kaufman, 2013; Shaikin, 2021). A graduate of the College of William & Mary who also studied at the London School of Economics, Boehly worked at Credit Suisse First Boston, an affiliate of Credit Suisse, a Switzerland-based global investment bank and financial services firm plus venture-capital firm J.H. Whitney & Co before joining global investment firm Guggenheim Partners in 2001 (Spangler, 2015). He has been described as an “[e]ntertainment and sports mogul,” as he managed media investments for Guggenheim Partners and continued his acquisition of financial stakes in media and sports properties after leaving Guggenheim (Hayden, 2022, paras. 1, 4). In 2015, the *New York Post* broke the story that “[i]nvestment banking heavy hitter and Dodgers co-owner Todd Boehly is looking to strike out on his own” and that he would take “some of the assets he helped Guggenheim acquire as president” of the firm (Atkinson, 2015, paras. 1, 6). That year, he left Guggenheim and founded Eldridge Industries, a private holding company for which he currently serves as chairman and chief executive officer (“LA 500,” 2017). Some of Eldridge’s recent acquisitions include the intellectual property of Golden Globe, the parent company of *Billboard* and *The Hollywood Reporter*, and the rights to a catalogue of music ranging from Bruce Springsteen to The Killers (Peoples, 2021).

While at Guggenheim, a group of investors, led by Boehly, purchased the then struggling and mismanaged LA Dodgers in bankruptcy court for US\$2.15 billion. At the time, this was the record sale price for a North American sports team, beating the US\$1.1 billion for the National Football League’s (NFL) Miami Dolphins in 2009 (Graham, 2022). The general result was headlined “one of the most dramatic turnarounds in North American sports.” The Dodgers went from a debt-ridden team “looted” by its previous owner Frank McCourt for US\$189 million while missing the playoffs three years in a row, to one which made the postseason nine years in a row from 2013. This period, which included a World Series win in 2020, reinvigorated the fan base (Graham, 2022; Shaikin, 2021). Additionally, outside the baseball field, Boehly was successful in shifting the Dodgers’ dismal economic prospects, in part due to his spearheading of the 2013 deal with TWC.

In late 2012, the ownership group that included Boehly established American Media Productions LLC (AMP) to create a new Dodgers regional sports network called SportsNet LA. In January 2013, it was announced that the new network would be the exclusive home for Dodgers games as well as “behind-the-scenes Dodger programming, featuring more insights, analysis and commentary about the team than ever available before” (“American Media,” 2013, para. 1). AMP and TWC agreed to a long-term affiliation deal to carry SportsNet LA, in which TWC would “be

the advertising and affiliate sales agent for the new network and [would] have certain branding and programming rights with respect to the network” (para. 2). At the time, Walter, chairman of the Dodgers, said:

We concluded last year that the best way to give our fans what they want—more content and more Dodger baseball—was to launch our own network...we want the Dodgers to be exhibited on the very best sports network in the country—one that will provide an unrivaled fan experience (para. 3).

However, by making TWC the exclusive Dodgers content provider, only TWC consumers could access games, to the dismay of many fans. Nonetheless, Boehly, the principal owner of AMP, also noted that TWC, as the charter distributor of SportsNet LA, “will be invaluable in helping us serve Dodgers fans and our community with excellence” (para. 4; Kaufman, 2013). And the president of TWC said: “This deal, like our Lakers’ deal, furthers our efforts to attain greater certainty and control over local and regional sports programming costs” (para. 5).

The Lakers’ 20-year, US\$4 billion deal with TWC in 2011, as *Forbes* reported, was “the richest local television rights deal in the NBA.... Last season the team took home its first payment worth \$122 million, the most money earned from a local TV rights holder in any US sports league” at that time (Settimi, 2014, para. 1). The deal helped to increase the Lakers’ value to US\$1.35 billion, making it the second most valuable team behind the New York Knicks (Settimi, 2014). Interestingly, in 2021, Walter and Boehly bought a 27% minority stake in the Lakers for approximately US\$1.35 billion (Stephen, 2021). Walter, Boehly, and others also share ownership in the Sparks, the LA-based WNBA team, which they purchased in 2014. The minority stake does give Walter and Boehly “a say in how [viewers] will watch the Dodgers and Lakers for years to come...in what would be the only must-watch sports package in the second-largest media market in North America” (Shaikin, 2021, para. 6). And as more people cut the cable cord and turn to streaming “the Dodgers and Lakers could be poised to offer the undisputed killer app for local sports, with interactivity and community surrounding the games of the most popular teams in town” (para. 11).

Media rights are critical to the worth of sports teams and are quite lucrative. As Bloomberg reported, “From 1980 to 2023, the five largest professional US sports leagues will have earned more than \$210 billion from domestic media rights alone” (Smith et al., 2022, para. 2). With online giants such as Apple and Amazon competing with traditional broadcast and cable networks, the commercial value of media rights will only increase. Before 2000, the highest total cost of media rights in the United States was US\$3.6 billion; in 2023, broadcasters and streaming services will pay US\$15.4 billion (Smith et al., 2022). Amazon, for example, agreed to pay US\$11 billion for exclusive rights to Thursday night NFL games through to 2033 (Shaikin, 2021). Apple signed an exclusive ten-year, US\$2.5 billion deal with Major League Soccer (MLS) so that, starting in 2023, subscribers can watch all MLS games on a new MLS streaming service through Apple TV (Gostomelsky, 2022). Sports are, as Smith et al. (2022) noted, the “king of TV content.”

Why purchase the Chelsea Football Club?

Boehly’s consortium’s interest in buying Chelsea, then, perhaps stems from the value of the club’s parent league’s media rights. Chelsea Football Club is a member of the EPL, the top-flight of competitive English football (soccer) that broke away from the rest of the English football pyramid

in 1992. The football pyramid refers to the hierarchical structure of professional leagues in most European countries. At the top sits the first division, or most competitive, visible, and lucrative league, then the second division, the third division, and so on. In England, with the Premier League at its head, the top four divisions are considered professional and everything below this in the pyramid is semi-professional. Chelsea's breakaway allowed the Premier League to negotiate its own television rights deals independently of the other levels of the pyramid in England, thus paving the way for the league to rapidly increase the value of its teams and media offerings (Killingstad, 2022). Furthermore, Chelsea is one of the most influential clubs in the Premier League and known as part of the "Big 6" set of clubs that are the most well-funded and, subsequently, the most successful in the league. The Big 6 also includes Manchester United, Manchester City, Liverpool, and fellow London clubs Tottenham Hotspur and Arsenal Football Club. Apart from Leicester City's magical run in 2015–16, a Big 6 club has won the league title every season this millennium. For their part, Chelsea has won the Premier League five times in that span and Europe's elite club competition, the UEFA Champions League, as recently as 2020–21.

Today, the EPL is widely regarded as the most competitive and entertaining first division in the world, and as a result, is the most valuable sports media property among the five major football leagues in Europe with a value in the billions. For the 2022/23 campaign, the Premier League's value dwarfs that of the other leagues with the English game being valued at 7.1 billion euros (US\$7.2 billion) ("Revenue," 2022). La Liga in Spain is reportedly worth 3.7 billion euros (US\$3.8 billion), the Bundesliga in Germany is valued at 3.6 billion euros (US\$3.7 billion), and Serie A in Italy and Ligue 1 in France are thought to be worth 2.4 and 1.8 billion euros, respectively (US\$2.5 billion and 1.9 billion) ("Revenue," 2022). In 2021, EPL media rights, both domestic and international, were worth US\$3.9 billion ("Premier League," 2022). Recently, the Premier League extended its media rights deal with NBC Sports in a deal worth US\$2.6 billion over six years for just the right to broadcast the games in the United States ("NBC," 2021). For the first time, the Premier League's international media rights will be higher than domestic media rights. Between 2022 and 2025, international media rights will reach £5.05 billion (US\$6 billion), a 30% increase over the previous three years, while UK broadcast rights will be worth £5 billion (US\$5.9 billion) ("Premier League Overseas," 2022).

Boehly's consortium's foreign investment in the Premier League is nothing new, however. Foreign investment in the league, largely driven by its media value, has increased from 15% in 1992 when the EPL broke away from the rest of the English pyramid, to 50% over the last ten years (Killingstad, 2022). Recent acquisitions by foreign oil states such as Abu-Dhabi, whose Sheikh Mansour Bin Zayed Al Nahyan bought Manchester City in 2008 ("Manchester City 10 Years On," 2018), and the Public Investment Fund of Saudi Arabia, which recently purchased Newcastle United in 2021 (Magowan, 2021) has raised legitimate concerns about sportswashing and how a league with local roots might be used as a global PR vehicle for countries with questionable human rights records. Boehly is not the only American owner in the Premier League, either; there are other American ownership groups in the English top-flight [3]. Uniquely, however, he is the head of the first foreign ownership group that finesses the interaction between successful sport franchise ownership and media rights acumen. Indeed, unlike other US-based owners, Boehly has already made waves with his provocative proposals for Chelsea and the EPL. At a time when the once parochial English game is one of the most valuable sports brands in the world, Boehly is poised to reshape the way fans consume Chelsea Football Club and, by extension, the EPL itself. Will Boehly seek local deals for Chelsea broadcasts in the same way he did for the Dodgers? If so, how will this

affect local fans? Will he police how Chelsea is consumed around the globe? Would such a move create a media restructuring ripple effect for the most lucrative sports league in the world? These are the opportunities that likely caused Boehly to jump at the chance to snap up one of the most valuable clubs in professional soccer (“Premier League—Club Market Value,” n.d.).

In fact, Boehly has already started plotting ways to monetize the Premier League, American style. He noted at the 2022 SALT conference [4] that “Ultimately I hope the Premier League takes a little bit of a lesson from American sports,” suggesting the implementation of an All-Star game to increase revenues since the MLB All-Star game is commercially successful (Humayun, 2022, para. 3). And though he has been referred to as more “Ted Lasso” [5] than the former owner, it appears that the purchase is much more about making money than about the love of the sport. Maloney (2022) reported that “Boehly told an audience of private equity investors in June that England’s top football league is significantly undervalued... ‘They don’t realize how big their opportunity is,’ Boehly said at the Berlin event. ‘We are starting to realize the power of these platforms’” (paras. 11–12).

Concluding remarks

Todd Boehly, already flush with lucrative sports franchises in the United States, has expanded his sports and media empire to include London’s Chelsea Football Club. Having revitalized the Los Angeles Dodgers while simultaneously reshaping their media offerings, Boehly and his consortium are part of a wave of foreign investment that has taken English soccer’s top-flight by storm since its breakaway from the “football pyramid” in the early 1990s. Boehly has already ruffled feathers with his uniquely American take on the team and the League (Kay, 2022), and it remains to be seen whether he will further do so by attempting to reshape the Premier League’s media landscape. It also remains to be seen whether he can return Chelsea to the standard expected of their history and status as he had done with the Dodgers. Presently, the men’s side sits in eighth place out of 20 teams in the Premier League. What is certain, however, is that Boehly is an exemplar of the shifting tectonics that define modern globalized sport industries. Yet, he also exemplifies the inherent repercussions of the media-sport cultural complex. Record-breaking investments in teams and the acquisition of media rights alongside other strategies to increase revenues for sports teams and leagues, occurs at the expense of audiences, sports fans and athletes.

Author bios

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Endnotes

- [1] Other members of the consortium included “American PR executive Barbara Charone, British businessman Jonathan Goldstein and Times journalist Daniel Finkelstein” (Bowles, 2022, para. 16).
- [2] <https://www.forbes.com/profile/todd-boehly/?sh=7b0f71a620f1>
- [3] For example, Manchester United is owned by the Glazers; the Tampa-based family made their millions in real estate. Stan Kroenke is owner of Kroenke Sports and Entertainment and is perhaps most famous in American sports for moving the St. Louis Rams to Los Angeles. Kroenke Sports and Entertainment also owns London’s Arsenal Football Club.
- [4] SALT is, according to its website, “a global thought leadership and networking forum encompassing finance, technology and geopolitics.” <https://www.salt.org/>
- [5] Ted Lasso is the eponymous protagonist of the critically acclaimed Apple TV+ series. Unfailingly optimistic and kind, Lasso is an American college football coach who is put in charge of a floundering London-based EPL club. Throughout the show, Lasso is out of his depth and has trouble adjusting to the cultural landscape of a different sport in a different country.

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