

Few sporting comebacks have been as successful as Ross Brawn's but by selling a majority stake in his team just eight months after buying it he has also secured his place in business history

Record return

By Christian Sylt and Caroline Reid

Ross Brawn already had a glittering career in Formula One before returning to the sport with Honda in 2007. Having steered Michael Schumacher to seven world championships many F1 analysts wondered what was driving his move to the ailing Japanese team. There was more head-scratching when he took it over for £1 in a management buy-out in March this year but all became clear when the team took to the track.

race. The Japanese car manufacturer pulled the plug in December last year after finishing in penultimate place in the standings. Although Honda left F1 in a bid to cut costs it now faces the accusation that it quit at the wrong time since its investment never led to a world championship for the car company.

Under the incarnation of Brawn GP, named after 55 year-old Manchester-born Brawn, the team won more points

establishment in Oxfordshire but his passion was racing and in 1976 he quit the atomic industry to take a factory job with the March racing team. He soon moved over to Frank Williams' fledgling F1 outfit rising through its ranks to become an aerodynamicist just as the sport began to use wind tunnels to design cars. He was later head-hunted to take the top job as chief designer at Arrows and although its fourth-place finish in 1988 made Brawn's reputation,

“Ross Brawn is the guy that runs the teams' technical committee and probably knows what's going to happen before other people, or is in a position to guide things.”

Brawn's performance this year was so far ahead of the field that not only did it win both world championships with a considerable margin over its nearest rivals but it made the team the most attractive investment opportunity on the grid. By selling a 75.1 percent stake in his team to Mercedes and the Abu Dhabi wealth fund Aabar for an estimated £45m Brawn got 45 million times his money back. It is the biggest return on investment (ROI) F1 has ever seen in under 12 months. We all knew from his days at Ferrari that Brawn is a master of race strategy but over the past two years he had to put this skill to use off-track. There were more twists and turns than in any Grand Prix.

You really couldn't make it up. If ever there was a tale in sport which deserved this description it is Brawn's turnaround of Honda's F1 team. After four years as a team owner Honda had poured £683.8m into F1 (see box) but had only won one

in its first race than Honda won in the entire 2008 season and it ended this year with eight victories under its belt. The contrast couldn't be more stark for Jenson Button who was facing early retirement just 12 months ago but has now made history in 2009 by becoming the ninth British F1 world champion. Likewise, Brawn's constructor's title is the first ever won by a team in its debut season and the first in over a decade won by a team which isn't owned by a car manufacturer.

The Brackley-based team's success, and its very existence, are down to a series of prudent decisions made by Brawn in 2008 as he was charting a course forward for the team through a tumultuous year. Brawn was the ideal man for the job since strategic decision-making has become his hallmark in F1.

His career began as a trainee with the British Atomic Energy Research Es-

his fame was yet to come.

Brawn became a household name in the sport after becoming Benetton's technical director in 1991 where he steered Michael Schumacher to two world championships in 1994 and 1995. He followed Schumacher to Ferrari where he won a record five consecutive world championships. Brawn was seen as the architect of these victories through his race tactics which often involved gaining a time advantage through pit stop strategy. This kind of foresight has been crucial to his success as a team boss.

Brawn followed Schumacher out of F1 in 2006 but he was lured back in November the following year. Honda tempted him with the role of team principal and a blockbuster salary, estimated at £6m. However, he had an uphill task. The team had finished second from the bottom of the standings in 2007 and the outlook for 2008 was equally bleak. Honda's en-



Ross Brawn and Nick Fry salute the hordes of supporters during their open-top parade in Brackley

gine was reportedly underpowered and, to make matters worse, it is understood to have done little aerodynamic work on its 2008 car. It is thought that the reason for this is that the team was struggling to get used to its new windtunnel which brought with it changes such as the use of a 60 percent scale model.

Brawn joined Honda too late to have any influence on the 2008 car but early enough to realise it wasn't competitive. It seems like a disastrous situation but Brawn made a silk purse from this sow's ear.

Mirroring a tactic he used at Benetton, where he sacrificed development on the 1993 car to ensure it had a race-winner the following year, as soon as Brawn arrived at Honda he diverted all resources into its 2009 contender. Honda left him wanting for nothing.

According to Brawn GP's accounts to 31

December 2008 the team spent £166.5m last year – the highest costs ever recorded in the accounts of any UK-based F1 team. Its highest paid director, believed to be chief executive Nick Fry, had a £26,000 pay rise, bringing his total take to £565,000, and, despite the worsening economic climate, the team took on 50 staff, giving it a total of 717. In stark contrast, 4,800 employees at Honda's plant in Swindon had to be laid off for two months earlier this year in a bid to cut costs.

Honda footed almost all of the team's costs as it lacked sponsors due to its poor performance. Instead the car was covered with the image of a charity which Honda established and the accounts reveal that £54,896 was donated through it in 2008. It is a far cry from the £51.5m which the team's livery generated in sponsorship in 2005 but by its final year in F1 the Japanese car company's focus was certainly not using

the team to make money. It was going all out to give Brawn the budget to win the world championship and it ended the year with a shareholders' deficit of £5.3m and £41.4m of net debt. The accounts state that "the financial performance of the team in 2008 was in line with the budgets approved by Honda Motor Co."

To maximise lead time, F1's cars are usually designed and built the year before they are introduced. However, by getting to work on the 2009 car in November 2007 Brawn gave himself a huge head start. "We had the luxury of 15 months to produce the best car we could," says Brawn and the significance of this savvy strategy was magnified by two unique factors.

The first of these was the fact that the top teams, McLaren and Ferrari, were fighting for the 2008 title right down to the last few races. It was the clos-

Money to burn: the price Honda paid to power Brawn's world championship

Acquisition cost: £149.5m

TOTAL ANNUAL TEAM COSTS:



est season ever in F1 with the championship being decided in favour of McLaren on the last corner of the last race. The upshot of this was that by the time that the season ended in November the front-runners had not had a chance to begin serious development work on their 2009 cars.

decisive factor than ever when it comes to winning races. Secondly, not only did Brawn spend months developing a car to fit the new regulations but he was even involved with writing them.

Brawn is head of F1's Technical Working Group which frames the sport's techni-

Likewise, Brawn decided from the first race not to use Kers and, according to insiders, this allowed the team to move ballast further forward in its place. The front wing on an F1 car is around ten times as efficient as the rear wing so every unit of downforce on the front wing creates one tenth of the drag which would be created by applying it to the rear wing. Accordingly, moving the centre of gravity forward allowed Brawn to take best advantage of the benefits of the front wing which were particularly significant this year since its size was widened.

Given that Brawn had put in the groundwork for this throughout 2008, and accordingly sacrificed the team's performance during the season, it makes it easier to understand why he was prepared to take on the risk of team ownership. "We knew we had a good car, we knew we had sacrificed 2008 to give us the best car we could have," he says adding "there were many things driving the management group forward to rescue the company – one of them was obviously to save as many jobs as we could – but there was also the fact that we had put this huge effort into a car, and not for it to race would have been

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This lack of development work proved to be particularly significant since this year the most drastic changes in decades were introduced to F1 with the aim of cutting costs and levelling out the playing field. Slick tyres were reintroduced after an 11-year absence; the rear spoiler was narrowed in order to reduce down-force and improve overtaking; the front wing was widened; and the Kers system was implemented to use energy created under braking to give a boost under acceleration.

Brawn had the biggest budget to spend and the maximum time to get the most out of these new regulations. His success was also fuelled by two other big advantages. Firstly, Brawn is the only F1 team boss with specific expertise in aerodynamics which is now more of a

cal rules and so significant is this that it caused Formula One Group chief executive Bernie Ecclestone to say before the season-opening GP that "Ross Brawn is the guy that runs the teams' technical committee and probably knows what's going to happen before other people, or is in a position to guide things."

With his in-depth knowledge of the regulations Brawn decided to use a two-stage diffuser from the first GP this year whereas it took some teams a few races to implement it and a protest was even lodged over its use. However, Brawn's knowledge of the regulations won through and his use of the two-stage diffuser survived scrutiny by the Fédération Internationale de l'Automobile (FIA).

very, very frustrating." The roadblock in Brawn's way was that he lacked funding to buy the team.

The situation came to a crossroads when no bidders approached Honda with a viable business plan for taking over the team. The car company faced the prospect of closing it down but this would have led to it paying around £65m in redundancy to its 747 staff. Instead, this money, and the team, was handed to Brawn to ensure that the proud Japanese company did not have to lose face by putting all the staff out of a job.

Brawn used this budget to do a deal with Mercedes and bought its engines for 2009 for an estimated £7m. It sowed the seeds for a partnership the likes of which



The three magic B's of Button, Barrichello and Brawn delighting in one of 2009's many successes

could not have been contemplated at the start of the 2009 season.

Using Mercedes' power plants was perhaps the real driver of Brawn's success. Since the specification of F1 engines is frozen, Brawn used the same engine which took McLaren to world championship glory last year. Ironically, Brawn then used it to beat McLaren in 2009.

Nevertheless, even with Honda's funding, Brawn still had one of the smaller team budgets in 2009. It started the season with an almost clean slate of sponsorship due to Honda's legacy and the team's only significant partner has been Virgin which was reportedly paying just £3m.

Brawn managed to scale back by laying off 270 staff soon after the first few races and Brawn admits that "if we'd kept so many people, we wouldn't be around very long. It would be impossible." Even Button wasn't immune and took a 50 percent pay cut to £5.5m in order to get the team

to the first race. Surprisingly, success didn't go to his head.

Soon after the sale to Mercedes and Aabar was announced, Button signed a contract with McLaren to join Lewis Hamilton in an all-British driver line-up. It seems like an astonishing kick in the teeth to the team which had given him a drive for the past seven seasons culminating in a world championship however, he didn't move for the money. McLaren will reportedly pay Button £7m - less than Mercedes and Brawn were offering. Nevertheless, his loss isn't likely to derail Mercedes' plans as Brawn may reportedly replace Button with his old friend Schumacher.

The sale was a no-brainer for Brawn. Without further funding he would have struggled to keep the team's doors open yet again. Investment is also essential to fuel his 2010 campaign since he is in no position to repeat his early design start having been battling for the title until the penultimate race this year.

Brawn told the Independent newspaper in November that he had considered remaining a privateer team: "it was tempting to try to repeat this year's success but it would have been an awful risk. We were already working with their [Mercedes'] engine group and all the stars aligned. It was an opportunity to give the team a very strong future."

The team will be re-branded as Mercedes Grand Prix and Brawn also admitted to the Independent "it's sad to see the team only in existence for a year, but what a year! We've had a wonderful time, and in many ways it was a difficult decision, but now we've joined the most prestigious brand in the automotive world."

However, although the owner is changing, Brawn's place in the hot seat will not. The deal commits him to continue as team principal and this was a condition reportedly demanded by Mercedes. Money can buy an F1 team but Brawn's track record is priceless. ■