

# Orange County Business Journal

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## Great Race

By Courtney Baird - 12/29/2008

Orange County Business Journal Staff

Anaheim-based Pacific Sports LLC, which puts on triathlons, marathons and other races around the country, has landed what could be its most high-profile gig yet.

Live Earth LLC, a Beverly Hills company that put on the Live 8 concert and other fundraisers, has hired Pacific Sports to oversee the races at one of its next big projects.

Pacific Sports is supervising hundreds of six-kilometer runs to be put on in 192 countries during one day in September, according to Jack Caress, Pacific Sports' owner and chief executive.

The event is designed to highlight the average distance that people in developing countries must walk to get clean drinking water by raising awareness and money for their situation.

"This is the biggest project I've ever been involved with in running," Caress said.

Pacific Sports, which has four employees, is hiring one or two more to help handle the planning process, according to Caress.

For events themselves, the company adds from 15 to 50 people, who either are contract employees or volunteers from charities, which receive donations in return for their service.

Pacific Sport's bread-and-butter work is putting on triathlons, an endurance sporting event consisting of swimming, cycling and running.

It helped set up some of the first triathlons, including what now is the Kring & Chung Newport Beach Triathlon, which Pacific Sports owns along with seven of the nine other events it puts on each year.

Irvine based law firm Kring & Chung LLP has several attorneys and employees who are triathletes and endurance athletes, according to managing partner Kyle Kring.

The firm usually fields several relay teams at the event and gives a trophy to the top male and female individual participant from their office, Kring said, who used to participate often in triathlons and other endurance events before he had children.

Caress declined to disclose Pacific Sports' annual revenue, which comes from sponsors and entry fees for races.

Some events, such as The Kaiser Permanente Los Angeles Triathlon, are big draws for athletes and sponsors.

The Los Angeles triathlon, which had an entry fee of \$200 per person, drew in about \$600,000 in entry fees. Sponsors such as Oakland-based Kaiser Permanente, Japan's Toyota Motor Corp. and Los Angeles-based Herbalife Ltd. also contributed to revenue.

Athletes swim about a mile, bike about 25 miles and finish up with about a six-mile run in the Los Angeles race. About 3,000 people took part in the 2008 race.

## Smaller Events

Other events, including Pacific Sport's Catalina Marathon, aren't as big. In 2008, that marathon had about 800 participants, who each paid about \$100 to run.

Putting on triathlons is expensive.

A good chunk of the revenue that Pacific Sports makes goes toward paying for city permits, street closures, security, medical staff and other costs.

But the business is profitable, according to Caress.

There's also a lot of competition.

Triathlon companies such as Pacific Sports, North California's Tri-California Events Inc., San Diego's Koz Enterprises and others may not directly compete with their events, but they all vie for the same group of sponsors, who often include makers of energy bars and drinks, bicycles, swimsuits and other products.

Caress became involved with triathlons in the mid-1970s, when the endurance event first became a sport. Back then, Caress jokes he was one of the few people who could even spell "triathlon."

During the sport's early years, there were only a few races around the world. The handful of people who participated in them were usually men—doctors, lawyers and other professionals who had the time, money and schedules that would allow them to train, Caress said.

### **Growing Base**

Now triathlons and recreational running have grown.

Membership in USA Triathlon, the sport's U.S. governing body, has increased by 600% since 1993 to about 115,000 members, according to the latest available USA Triathlon statistics.

The number of triathlons also has grown.

Next year, there are more than 100 slated for California alone, according to Active.com, a race registration Web site.

"You can't even schedule an event without it falling on someone else's date," said Kylee Belflower, director of marketing for Pacific Sports.

The sports' devotees make it appealing to corporate sponsors.

About 60% of triathlon participants make more than \$60,000 per year, according to USA Triathlon membership figures.

Twelve percent make more than \$150,000.

Nearly half have graduate degrees.

The average athlete at the Ironman World Championships makes \$160,000 a year, according to World Triathlon Corp., which puts on the event.

The group's affluence is one of the "biggest selling points," Belflower said.

Sponsors get their names on signs and take part in product giveaways, expos, contests and other promotions that surround Pacific Sports' triathlons and runs.

### **Winning Sponsors**

The struggles of newspapers and magazines have helped Pacific Sports win sponsors, according to Caress, as companies look for other ways to get their products in front of people with disposable income.

Kaiser Permanente sponsors the Los Angeles Triathlon as part of its ongoing “Thrive” campaign that encourages wellness, according to Caress.

The triathlon also is part of the Life Time Fitness Triathlon series, which offers professional triathletes up to \$1.5 million in prize money. The series culminates in the Toyota U.S. Open Triathlon in Dallas.

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