

## Mike Coughlin on how not to run and MMA promotion

"The Half-Guarded Truth"

By: Mike Coughlin

MichaelCoughlin@f4wonline.com

CounterStrikeMMA.com

For the week of 01/04/09

"A look at Bellator Fighting Championships and how to not run a promotion"

Starting out the new year with a column ripping apart the CEO of a new MMA promotion is probably bad for my karma. It's also cathartic. And since carthatic (there's gotta be a better word) is more immediate than whatever boulder's gonna fall on me in the future, snide comments win out.

mmapayout.com recent had an interview with Bjorn Rebney. Rebney is the CEO of the Bellator Fighting Championships. BFC is the new promotion that's set to air on ESPN Deportes\* in a few months. The full interview can be read [here](#).

I've edited the interview, as I don't want to steal the whole it all or anything like that (just most of it). Nothing has been edited in a way that takes remarks out of context.

\* How great would it have been if ESPN had the guts to call it The Ocho?

Here we go!

2008 may have been a year of historic growth for MMA, but in terms of the competitive landscape it remains a virtual UFC monopoly. EliteXC's spectacular failure last fall, despite a historic network television deal and a number of marquee fighters, begs the question: Can a viable competitor emerge? Can the market sustain another national promotion over the long-term?

Probably, but only if morons aren't running it.

Bjorn Rebney, co-founder and co-owner of Bellator Fighting Championships, announced to some fanfare last month, believes his new promotion will be the exception to UFC's rule. The key, he believes, is product differentiation.

OK. Different. That's fine. Different can work.

Unlike EliteXC, whose leaders openly criticized the UFC and aimed to challenge its supremacy, Bellator has taken precisely the opposite approach.

They intend to be inferior?

“There is no need to change the material aspects of the game established by the UFC,” says Rebney. “Our goal is to duplicate many of the things they offer but fill in some of the blanks that consumers are missing.”

So, they're not gonna be different.

The missing elements, he claims, are a “sense of legitimate objectivity,” which he says is found in boxing but not in MMA.

Mike faints, hits head on table, comes up bleeding.

Sorry. I thought he said he wanted to basically mimic boxing, but that couldn't be right. You 'd have to be a moron to want that and surely no one would let a moron run a major fight organization. I'll read that again.

The missing elements, he claims, are a “sense of legitimate objectivity,” which he says is found in boxing but not in MMA.

“

Bellator is not offering “a stale reality format” but a tournament that shows “an aspect of the game that is more pleasurable to watch. We let the fighters compete, track them and ultimately the best fighter wins.”

How do you reconcile the aim of being more legitimate with the tournament format? In 2008, Joachim Hansen won the DREAM lightweight tournament after he'd already been eliminated. Kazuo Misaki won the PRIDE 183 lb tournament after being eliminated. Hell, Steve Effen Jennum won the UFC 3 tournament; he only won one fight. He was also a ninja. I'm not making that up.

Btw, the best fighter wins? MMA has a ton of upsets, with Mir-Nogueira being the latest (not counting the upset-fest that was K1 Dynamite!!!). Bellator is going to keep this in check? When Matt Serra happens to catch George St. Pierre with a punch, you're going to step in and say, "Look, we've tracked everyone's wins in the past and GSP is obviously the better fighter, so, regardless of the KO, he wins."

But, I'm glad he's going to let the fighters compete. That'll be a nice change of pace.

The purse structure “ which Rebney believes is another key differentiator for Bellator “ is as follows:

- \* \$10K for the first fight with a \$15K bonus for the winner.
- \* \$25K for the second/ \$25K bonus
- \* \$40K/\$60K for the third.

How is this different than the UFC? Almost every single fighter in Zuffa sees their pay increase with each successive win. This is almost the exact same purse structure as the UFC. There's also no apparent rhyme or reason to how the bonuses (bonii?) are determined. 10/15, then 25/25, then 40/60? It's 1.5, then 1.0, then 1.5 again. Huh?

Rebney believes these "fatter" incentives,

Paying fighters more than their worth is stupid. It's also maybe the single biggest mistake new promotions make. I'm looking at you, Affliction.

"plus the chance to fight on national television three times in three months, will also allow the fighters to attract more lucrative sponsorships."

I take umbrage with categorizing ESPN Deportes as "national TV."

Also, how does getting paid more increase a fighter's ability to get a better sponsorship? Seriously, this sentence makes no sense. Without any interruptions:

"Rebney believes these "fatter" incentives, plus the chance to fight on national television three times in three months, will also allow the fighters to attract more lucrative sponsorships."

This is illogical. I understand that often there's a correlation between a fighter's salary and his level of sponsorship, but there's no causation between the two. The three times in three months "national TV" exposure might help the sponsorship money roll in, but that's all. BTW, three fights in three months? No way that happens smoothly. Guaranteed someone gets injured and has to pull out of the tournament. Then you'll have that pesky problem of legitimacy creeping up again.

And unlike the UFC, which has strict exclusivity restrictions, Bellator fighters will be free to sign with whomever they choose.

Why is this a smart business move?

Microsoft Manager Mark: Bob, you've done some amazing work here. You're completely revamped our product line and found a way to instill consumer confidence in Vista. I'm really glad we hired you right out of MIT, paid to train you in the ways of computerizing, and gave you a foot in the industry door. Truly, you are an indispensable asset.

Bob: Hey, just wanted to let you know that I'm working nights at Apple.

MMM: Oh?

Bob: Yeah, they wanted me to take a look at their new operating system. Maybe touch it up, give them a few pointers. Basically, I'm going to do the exact same thing I'm doing here, but also with them.

MMM: â€

Also, EXC did this â€ it's the reason you've been able to sign Eddie Alvarez.

Rebney also believes he can learn from EliteXC's mistakes.

Uh, but, you just, wait, ummâ€

â€œIt was glaringly obvious,â€

That Pro Elite spent a buttload of money buying promotions like Cage Rage for no apparent reason?

â€œthat there was a lack of focus on promotion of legitimate world class talent."

Oh.

"Pay per view revenues are the #1 growth driver in this business, and fighters like Kimbo don't sell pay per views.â€

When was Kimbo ever on PPV? Did I miss that show or something? Also, he seems to be implying that people will pay to see world-class talent. People were thinking, "Look, I'm not gonna watch Jake Shields for free; I'll only watch him if I have to pay."

â€œWhat's missing,â€ he says, â€œis legitimate storytelling. Who are they? Why are they competing?â€ He cites CNBC Rich Franklin as a benchmark for his production.

A CNBC piece on Rich Franklin is the benchmark? Not the UFC Countdown shows, or the MULTIPLE EMMY-AWARD WINNING HBO 24/720SPECIALS!?!?!? Shit, 24/7 is pretty much the only thing boxing has done right in years, you'd think THAT would be the benchmark. Nope, it's an obscure piece CNBC once ran on Rich Franklin.

Bellator has signed â€œa good numberâ€ of fighters from Japan, Brazil, Russia, the U.S. and Western Europe, including 155 pounder Eddie Alvarez and light heavyweight Dave Herman.

I'll bet he has no idea they both just lost. Hell, Herman lost to Choi Mu Bae, who sucks.

“UFC’s done a terrific job,” says Rebney, “but the fact that highly talented fighters like Eddie, who are charismatic (Eddie’s black?) and dedicated, are available is a misstep that we’ve been able to capitalize on.”

Despite his loss to Aoki, I agree with this. Alvarez is a good talent and the UFC would've been better off having him. That said, technically, Alvarez still has a contract with EXC, and the UFC isn't going to do business that way. Plus, they've got a U-Haul full of guys every bit as talented, charismatic, and articulate.

Also, sucks to be Herman, not getting a mention.

Despite the slowdown in bank lending that has impacted virtually every industry, Rebney claims that Bellator has met all of its capital requirements for its inaugural tournament, having raised money from “hedge funds.” &nbsp; He declined to provide any further specifics.

Translation: we have enough money for one tournament and that's it.

Plans beyond the tournament are sketchy (nonexistent) at this point, though Rebney does expect to bring back champions to fight in what he describes as “special events.” Given the recent track record of UFC’s competitors, it seems Bellator’s “one tournament at a time” approach is probably best.

I think they should use the YAMMA.

Here's the thing: I don't have anything against BFC. I hope it succeeds. (I also hope my cable company picks up ESPN Deportes “NATIONAL NETWORK!”) The more promotions, the more MMA, the more I have to watch, the happier I am. And, being amidst the ESPN family of networks can't hurt.

However, I hope folks aren't looking at what happened to EXC and thinking it was their promoting that did them in. EXC was run by idiots, no doubt. Thinking it was EXC's style of promotion that hurt them misses the point. EXC is like a movie that cost \$300 bajillion dollars to make. The film wins 54 Oscars, rejuvenates Tom Cruise's career, and thrills audiences worldwide. It still lost money because the director decided that the scene set in Fort Knox needed to have real gold, so they went out and bought real 5,000 gold bricks. Just because the movie was ted money doesn't mean it wasn't good.

EXC did a shockingly decent job with what it had. Kimbo was never going to be a long-term solution, but he ABSOLUTELY kept that company afloat as long as it was. They'd begun to develop Gina Carano into a legitimate drawing card and had a stable of quality fighters, like Robbie Lawler and Jake Shields. Kimbo was a life raft. No, you can't use it to paddle all the way to shore, but you can sure as hell take advantage of it until the next boat comes along.

EXC's problem was they bought too many gold bricks. (I'm mixing metaphors. Life rafts, gold bricks – no wonder EXC

sunk.)(Ouch.) They went out and bought Cage Rage, ICON Sports, and interest in King of the Cage. Yes, Pro Elite ended up losing something like \$800 bajillionmillion, but it wasn't Kimbo's fault.

And, despite all that, EXC would exist right now if Seth Petruzelli had kept his mouth shut. CBS was going to go forward with EXC until the mini-scandal broke about an alleged, but never proven, payoff. Of all the recent start up MMA companies, EXC came the closest to success. They did better than bodogFIGHT, they did better than the IFL, and they did better than the WFA.

So, sure, in that sense, I guess it was EXC's "promoting" that did them in, because someone said something that sounded fishy. If BFC's big plan is to not maybe hint at giving someone e xtra money to only stand, and they think most of the other things EXC did as far as presenting an on-air product were decent, then they've got a chance. Somehow, I don't think that's it.

But, to BFC, I hope you make it. I really do.

Mike Coughlin is the host of Five Star Radio, found weekly here at [www.f4wonline.com](http://www.f4wonline.com). He also just learned how to use html stuff. Kind of.