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Brand value of America's Cup

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While Brexit is trending and all eyes are on the eastern side of the Atlantic, I'd like to reflect a bit on our recent trip to the American Midwest.

Earlier this month, I joined Economic Development Minister Dr Grant Gibbons on [a visit to Chicago's Deputy Mayor Steve Koch](#). Overlooking the dynamic downtown "Loop" from his fifth-floor City Hall office, we had a wide-ranging discussion on matters of mutual interest. One might not think there are meaningful parallels between tiny Bermuda and Chicago, the third-largest US city with three-million residents, or 10-million if you count the larger "Chicagoland" metro area.



Yet, trade, tourism, technology, financial services—and Bermuda’s hosting of the 35th America’s Cup next year—are all topics of great mutual interest.

“I’m angry,” joked the Deputy Mayor as we sat down, referring to his city’s lost bid to stage the lucrative televised event.

During this particular week, at least, the Auld Mug (aka the Cup) was safely ensconced in the Windy City for the fifth of eight Louis Vuitton America’s Cup World Series events, and Lake Michigan would get a taste of the same communal excitement that ignited Bermuda’s waterfront during its own run-up regatta last October. Bermuda’s connection to the AC brand offered a smooth segue into conversation.

Not only is Koch an avid sailing buff who enjoyed hearing about AC developments on the island, but he is also well versed in the nuances of Bermuda’s intrinsic value as an international financial centre. During his 20-plus years with Credit Suisse on Wall Street, he represented several Bermuda-based insurance companies. So when we mentioned we were busy with [jurisdictional advocacy](#), he opined that, from his perspective, the vast majority of America’s financial community definitely understood why Bermuda is positively different from offshore counterparts.

It was refreshing to find a fellow advocate for Bermuda’s quality brand in such big-city corridors of power. Koch’s comments reinforced what we always hope US government and business understand—but which all too often, outside the insurance sphere especially, is misconstrued through ignorance or political motives. His positive endorsement of our domicile is clearly a big plus for Bermuda.

Our conversation turned to other topics: how to drive tourism (Chicago attracted 52-million visitors in 2015, just eight million fewer than New York, and Koch appreciates the force of America’s Cup’s global exposure), plus ways to reduce traffic snarls (his city’s innovative bike and car-sharing programmes not only ease congestion but also spread social equity).

Attracting investment was another common theme. America’s Midwest hub is home to more than two dozen Fortune 500 companies, and the Chicago Mercantile Exchange (CME) is one of the world’s largest commodity and futures markets. Like the BDA, the Deputy Mayor’s particular remit since his 2012 appointment has been to help foster a post-recessionary environment of economic expansion and innovation.

We further leveraged our America’s Cup stopover with a visit with another key influencer. Dr Phil Levy, an international trade economist with the Chicago Council on Global Affairs, invited us to his unit’s headquarters on the Magnificent Mile just a few blocks from City Hall. The independent, non-partisan organisation helps shape public discourse on global issues through opinion and policy formation and Levy also teaches global business strategy as a professor at Northwestern University’s Kellogg School of Management.



Levy was not as familiar with Bermuda as the Deputy Mayor, but he was intent on learning about the island. Our economic history, our system of taxation, our treaty partnerships and beneficial ownership register—all were items of focus, as well as how US policies affect us. Dr Levy was helpful with insights on international trade and diplomacy, particularly regarding the Middle East and China. He was also intrigued to hear the scale of Bermuda’s global contributions via reinsurance payments, trade and investment—and to ponder the best use of America’s Cup legacy spinoffs.

Some of those spinoffs, it was noted, may be new business and investment in Bermuda, the type we are working so hard to secure. The reputational value of two high-quality brands—Bermuda and America’s Cup—combines a synergy of excellence and innovation that is tantalising to international business.

And while the short-term tangible takeaway is the heady aerodynamics of AC35—the spectacular showcase of sailing that morphed into actual flight off Navy Pier that weekend—the intangible benefits can be leveraged for long-term gain. For the next 12 months, and if we’re smart, longer, that precious brand value of America’s Cup will continue to offer us a priceless touchpoint for much more corporate diplomacy.

ABOUT VIEWPOINT

A monthly blog by BDA CEO Ross Webber, with commentary on industries, issues and influencers affecting Bermuda as a global financial centre. Comments and feedback can be sent to ross@bda.bm

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The BDA encourages direct investment and helps companies start up, re-locate or expand their operations in our premier jurisdiction. An independent, public-private partnership, we connect prospective companies to industry professionals, regulatory officials, and key contacts in the Bermuda government to facilitate domicile decisions. Our goal? To make doing business in Bermuda straightforward and beneficial.

