# THE BEAUTIFUL BLOG

# NASL pro soccer comes to San Francisco with Silicon Valley backing

By Douglas Zimmerman on March 29, 2016 at 8:30 AM



Photo: RockBridge Productions

### IMAGE 1 OF 9

The San Francisco Deltas released this promotional image with their official announcement Tuesday, March 29, 2016.

Pro soccer has come to San Francisco. The San Francisco Deltas soccer team will join the NASL professional soccer league starting in 2017, officials announced Tuesday, confirming months of speculation.

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"Today is a great day for Bay Area soccer and sports fans alike," Deltas CEO Brian Andrés Helmick said in a statement. "This game — soccer, fútbol, football — is one that unites us all, crossing all boundaries whether geographical, religious or socioeconomic. Now fans of the world's largest sport will have an opportunity to experience it played at the highest level right here in the heart of the City."

The Deltas will be financially backed by a diverse group of investors from Silicon Valley tech companies and venture capital firms as well as investors from Brazil. The group includes Jonathan Peachey, former CEO of Virgin in North America; Danny Khatib, Co-Founder, President and COO of Livingly Media; and Josh McFarland, senior director of product at Twitter.

NASL, North American Soccer League, is the second division of professional soccer in the United States and has been aggressively expanding. The league has publicly stated its desire to have several league teams on the West Coast but the Deltas will be first.

#NASL to officially introduce @sfdeltas as latest expansion club on Thursday: https://t.co/VSJG6R688d pic.twitter.com/cS4QZ4AFPM

— NASL (@naslofficial) March 29, 2016

According to Helmick, the Deltas' investment group beat out several other interested parties for the rights to build a team in San Francisco.

"It was a competitive process," he admitted. "It wasn't like, if you want it you can have it. There were at least three other investment groups that were looking at San Francisco."

The investment group was put together by Colombian-born Helmick, a life long soccer fan, who has lived in San Francisco for 11 years. He previously founded Algentis, a company that provides virtual human resource services to startup tech companies. Helmick sold the company to HUB International for an undisclosed sum in 2014.

"I was working for the company that acquired us and was already thinking about what I wanted to do next — this opportunity presented itself," Helmick told the SFGATE. "One of my former investors said 'Hey, you should take a look at [professional soccer]' and the more I dug into it the more I thought this was interesting."

He said the most difficult part deciding if he was the right CEO for the Deltas was divorcing his passion for soccer from his business acumen. "I spent a lot of time learning why other teams haven't worked in San Francisco and get comfortable with that as a business opportunity."

"If you look at the biggest sport [soccer] in the world, and you look at the biggest sport market in the world, there isn't an overlap there. From a macro-economic opportunity this was interesting. Three out of the top five most valuable sports teams in the world are soccer teams," said Helmick, referencing the Real Madrid, Barcelona and Manchester United teams. "However, if you look at the 50 most valuable sports teams in the world, 42 of them are from the United States and they are not soccer teams."

Helmick said he only invited investors with whom he had a strong personal connection and matched several criteria, one of them was an affinity to sports. "These are not Silicon Valley acquaintances, these are people I have strong relationships with."

"Timing is everything and current awareness of global soccer teams and players by Americans is at its peak," said Emily Melton, Deltas investor and Partner at venture capital firm Draper Fisher Jurvetson. "The trend of average stadium attendance for pro soccer is not only outpacing, but in some cases surpassing that of the NBA and NHL."

With its announcement, the San Francisco Deltas also released this video:



Before his investment group decided to join the NASL, Helmick said he met with every single owner, president and general manager from the other 12 teams in the league. He wanted to know what he was getting into as well as who his colleagues would be.

"From a business model perspective it's different from my last company before where I needed to execute [a business plan]. Sure, there are market forces, but it's not like I got married to 12 other guys on day one. I asked them the tough questions of why they were doing it, what the opportunities were, what the mistakes were and was there a strong alignment of a long term vision."

San Francisco has a history of failed professional soccer teams and will be competing with another pro soccer team, Major League Soccer's San Jose Earthquakes, for the attention of sports fans in the Bay Area. However, Helmick feels that the

timing is right for a team to succeed in San Francisco.

"There is more of an affinity to global soccer in the United States today versus five years ago," said Helmick. "You see kids here in San Francisco wearing a Messi or Ronaldo jersey — they might not know where Argentina is or where Portugal is, but they know about them."

"Our primary goal is to create a championship team," said Helmick. "But our overarching goal is to grow the sport. When I walk around in Colombia you see people carrying a soccer ball everywhere. You see people playing on pavement, you see people playing on grass. You see teams at all different levels. That's what I want to happen. I don't view sports as a zero sum game of one team needs to win for other teams to fail. If anything, the more we collaborate to work together for with sport we all love, everyone benefits from that."

Although the team has often called itself a "soccer startup," it has taken an old fashioned, pound the pavement approach to bringing awareness of the soccer team to the city of San Francisco.



Photo: Darryl Bush / The Chronicle

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### IMAGE 1 OF 12

San Francisco soccer fans will soon have a home town team to support. The San Francisco Deltas announced they will join the NASL in 2017. (Pictured: fans of the California Victory, San Francisco's last ... more

"From a fan basis, our approach is 'one fan at a time," said Helmick. "It's not go out on social media and that's how you're going to bring the fans in. You need to go out there, touch them, hug them, drink a beer with them and really listen to them to make sure we are doing things that they want us to do. This is not my team, this is not our team, this is the city's team. The team can only survive if there are fans there."

"We've done a tremendous amount of community outreach," he continued. "We've spent a lot of time listening to people, what they wanted, what they were concerned about, what they hoped would happen with Kezar and a professional soccer team. Here you have to touch and reach out to every single segment [of the soccer community], because each segment is still quite small in absolute terms."

The team's community outreach paid dividends on March 17 when around 200 supporters turned out at the city's Recreation and Parks meeting to ask the committee to approve plans for the Deltas to play their home games at Kezar Stadium starting in 2017. The commission unanimously approved the proposal.

Although the team had investigated playing in several Bay Area venues, including Edwards Stadium at UC Berkeley, their first choice was playing at Kezar Stadium.

"What's wonderful about Kezar is that there is so much history there," he said. "It was the original home of the 49ers when they were just like us, a startup just getting going and trying to establish a fan base."

Helmick is looking to incorporate several tech-inspired ideas to improve the fan experience at games. "We're in the technology capital of the world," said Helmick. "The things that we can do here, especially starting with a clean slate, in a city of early adopters — now we can do things differently. We can think about changing, not the purity of the game, but elevating the fan experience."

The team plans to incorporate virtual reality into the fan experience and also let fans choose what food trucks will be at the games.

Another fan enhancement the team will introduce is Artificial Intelligence (AI) Ticketing. Prior to each game fans will be able to pick by preferences where to sit. Helmick used as an example a section for Real Madrid fans to sit together, a section for single fans, or a section for families. "Now we're maximizing the experience for not only where you want to sit but also who you want to sit next to which I believe becomes increasingly important in a city as diverse as San Francisco. There [is a lot about Kezar] that allows us to do something that we wouldn't be able to do at a more established stadium."



The San Francisco Deltas logo.

One of the most controversial decisions the team has made is its name and logo, which has received mixed reaction online. Helmick said the controversy of the name and logo stems from it being different.

"What we heard from fans was, 'You are a new team, you don't have history so please don't manufacture things.' It's pretty simple. Delta means change and we're in the city of change and innovation. And now we're going to let each individual create their own relationship with the team. As we've spoken to people about the triangle [logo] they say 'Oh, it reminds me of the Transamerica Pyramid. Or it reminds me of Twin Peaks. And it reminds me of the towers of the Golden Gate Bridge.' The brand lends itself to flexibility."

"It's challenging when you have such a diverse city," he shared. "How do you find something that a lot of people can relate to? Conversely that what

it makes it so exciting."

One of the team's largest expenses will be the cost of travel. Currently Oklahoma City and Edmonton, Alberta are the closest franchises to San Francisco. "I went into this eyes wide open about what are the financial repercussions about being the first ones out there," said Helmick. "From a budget standpoint you're well aware of what this is going to cost. We are in the San Francisco Bay Area where there are multibillion dollar companies that started in a garage or in a dorm room. Early on, you can't have it all. You have to make sure you go in with a plan, you're well funded, and you're able to adapt to the situation. I'm excited being the first one out here. I think it allows us to set a really good tone of what to expect from the league on the West Coast."

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San Francisco's professional soccer team will play its first game in February 2017.

## The List of Investors for the San Francisco Deltas:

Adam Requarth – General Manager at Learfield Sports Bobby Jaros – Yahoo Brian Requarth – Bilingual Marketing Group, Z57 Internet Solutions Charles Hudson – Managing Partner at Precursor Ventures Danny Khatib – Co-Founder, President and COO – Livingly Media Emily Melton – Partner at DFJ Venture John Dukellis – Senior Director, Global Consumer Product – Head of Next Gen Wallet at PayPal Jonathan Gheller – Previosuly with Facebook and Mixtent Jonathan Peachey – CEO at Filip Technologies Josh McFarland – Senior Director, Product at Twitter Lewis Cheng – CEO at Polygroup Mac Harman – CEO at Balsam Brands Natalia Carvajal – Director of M&A Integration and Partner Management at Groupon Paulo Malzoni Filho Phelipe Spielmann – Katue Participações – Partner Renata Quintini – General Partner at Felicis Ventures Sonia Survanshi McFarland – Previously with Dropbox, Yelp.com, and Google Ymanol Valdes – WW Supply Demand Manager at Apple Computer