



Krassimir Gergov

IF YOU MISS THE RIGHT TRAIN, THEN ALL STOPS WILL BE WRONG

He is the owner of the biggest advertising agency in Bulgaria and the most beautiful golf course in the world. His projects are the most successful media projects in this geography. His wealth is of the order of several hundred millions but this is not the important thing because even in the world of money, there is something, which is more important. It's the influence. And his influence long ago got across the borders of Bulgaria. Probably exactly for that reason he never stops travelling and he won't give interviews. But there are moments, when fate smiles at you friendly and pats you on the shoulder. We are in the office of the Bulgarian Golf Association and thus there is no doubt what should be the first question.

How did the idea flash to you that in Bulgaria golf may be developed provided that for a long time there wasn't a single golf course in Bulgaria?

A client of my agency Kres - Set Underwood - acquainted me with golf. Then I started playing not because I thought that I will do some investments in golf resorts but because this attracted me. It turned out that golf is a game that will give you 4-5 hours break, a contact with nature while you talk with friends and other good people. 20 years ago me and Set

started hitting balls in Bankya, where Masako Oya made the first attempt for a golf course. We went there because I had heard that there was something like a golf course. It was not like that. It was just a meadow.

At that time, in the early 90s, there was no one playing golf in Bulgaria, but people knew that it was a good idea to have a house at a golf course near Sofia. And Masako Oya with her marquis Jiraldi did that - they were selling houses at the golf course. Many well-to-do Bulgarians bought house but it turned out that they had paid for nothing, because the contracts were executed without a title deed. Thus this project failed in the worst way and this had a very long and unpleasant effect on the whole market due to the distrust to such kind of investments.

However I went to England and there in North London I played my first game on 18 holes. Golf is a thing, which if you like it, you start submitting everything to it - friends, holidays, leisure time.

Why golf?

I am a Republican champion in orienteering and I love spending time close to the nature. Moreover, when you play, you have to know

your way around and to find the most correct way to the hole... The two sports have much similarities - golf and orienteering - although at first glance they have nothing in common.

And how did you learn what would you love to do in your life?

I am sure that every person may trust only his instincts based on the experience and the knowledge that he has gained. That's why when I started I never made it my major aim anything connected with money.

The important thing for me was the path. I have always had plans for today, for tomorrow and for 5 years ahead. This was my way of thinking. I have never been able to estimate what exactly is happening. I just know that the direction is right.

Just like orienteering?

Yes, just like orienteering. When you choose the first direction, the important thing is to entrain the correct train. Because when you fail to entrain the correct train, then all stops are wrong. Of course, you should have enough knowledge about where the world is going, which business would be successful and perspective. And while all my friends dealt with gas masks, working clothes and trade in cigarettes, I dealt with advertising and media.

How did that happen?

When I was a student, I worked in the advertising division of Pirin. I was a model, I made fashion-reviews, presentations, events... This gave me opportunity to get into this business and to marketing in general. That's why, when the big changes happened, it was very easy to use my experience and contacts in this area and to establish an advertising business. I established Linea - the first big advertising house, which made business in fashion. It was the only company then, which made big fashion reviews and performances.

I did everything connected with advertising. We made two outlets in Sofia and stands at



all fairs in Bulgaria. We had international participations too. In 1991 I parted from my partners and established Kres. It happened that my first office was in the building of the sport organizer of the Union of the Deaf-and-Dumb in Bulgaria. They were asked to pay \$ 800,000 in order to organize the International Summer Games for Deaf-and-Dumb, and my company was the only one that was willing to do that for no money if ultimately we would share the profit - 70% for them, 30 % for me. This gave me the opportunity to popularize Kres and to realized a major project. Until today there are talks that these are the best organized international summer games for deaf-and-dumb.

They were financed by me and without any financing by the government... I went bung just a month before the games started - my debts exceeded the revenues that I had under the existing contracts. Just then I started receiving money from unions of deaf-and-dumb from abroad for their participation at the games. Just when I was thinking that I was bankrupt, I started receiving money from all over the world. I raised over \$ 2 million and so I was able to hire some 3 thousand persons, 22 sport sites, to organize the games and to pay the money to the federation. It was the first big deal, which I made in my life.

How did you decide to take up the television business?

In 1992 I learnt that in BNT a single broadcasting of a commercial cost \$10. It turned out that no one was interested nor in the length neither in the content of such commercials. Then I started bringing 10 commercials in a set and told them that this was one commercial. At a time they noticed that there were 10 advertisers and then I started to pay them a double price and they were happy. At that time however the enterprises had no money for commercials but for sponsorship and for

that reason I turned to the sport marketing. After the world games for death-and-dumb I organized the world championship in biathlon and I earned good money too. I think that I have a great contribution for the biathlon to become one of the most attractive sport for advertisers. The world championship, which was then in Borovets, was broadcasted by 15 televisions and sponsors from all over the world came and brought advertising materials to be placed along the routes. Obviously prices were good, because all were very satisfied. Eurosport then told that they had never broadcasted so many commercials.

At the same time representatives of CNN visited Bulgaria, because BNT owed them money for 3 years, accrued from unpaid broadcasting rights. Their idea to recover their money was to make a barter for commercials with BNT. They were looking for the biggest advertising agency to attract advertisers and thus we established a very serious business relations. Then I offered to them to make the first private TV channel in Bulgaria and they accepted it and thus I became the first representative of CNN for Bulgaria.

Thus in 1994 I bought equipment for less than \$100,000 and the studio was only 3 square meters. Svetlana Vasileva took the lead of the whole initiative and she did it good - we started making Bulgarian productions, which we broadcasted for two hours every morning... But then in 1997, when the government of the Union of Democratic Forces assumed the power, they deliberately stopped the transmitter and I wasn't able to switch it on any more. Then I wrote over 20 letters to the President Petar Stoyanov and to the Prime Minister Ivan Kostov to turn on the CNN transmitter. I never received an answer, they never turned on the transmitter and thus CNN was deliberately stopped.

How is that?



No one explained to me why they stopped CNN. They even made a law forbidding the persons doing the business of advertising to have shareholdings in electronic media. A law which never existed nowhere in the world. It aimed particularly at me, because there were people close to the Prime Minister Ivan Kostov who convinced him that they have to take media in their own hands and use them for political causes... And they could not easily overcome a person like me, because after I started CNN, I became a representative of almost all world media - for their cable rights - in Bulgaria and many people knew me. Now as the time has passed, I may say that the fear of the Bulgarian politicians of the free media has always existed and it continues existing now. That's why journalists and media are subject to continuous pressure to make coverage, which is convenient for one or another political party.

How did you come to News Corporation in order to create bTV?

I was holding their cable rights for Bulgaria but when for the first time I proposed to News Corporation to take part in the tender for frequency allocation for a second national television, they told: "Let's see first where Bulgaria is on the map and then we will decide!" But at that time I had dealt with media pretty much and for that reason through my acquaintances I was able to reach any level at any media company. Thus on 15 September 1999 in Poland I met Martin Pompadour - the Vice President of News Corporation. He said: "Yes, but we have nothing ready yet." I explained to him that I will prepare the tender documents. I had only 13 days and I made two teams. The first was headed by Viki Politova. She is a good example of how a person may start from zero and may be successful. Viki Politiova now is a general manager of bTV and at that time she was in the advertising agency Leo Burnett.

The second team was led by Svetlana Vasileva and she started work with the Swedish company SBS, which also competed for a television license.

And how did SBS reach you?

They also wanted to take part in the national frequency allocation tender that's why they asked from 3 sources in Europe with whom to work in Bulgaria. All 3 sources referred them to me. Thus when they came here, they wanted to work with us. At the competition SBS were ranked second so that actually I was the winner with the first and the second one.

Was it possible to lose considering that you had a flutter on two horses?

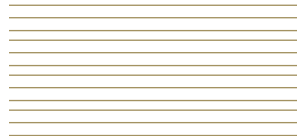
Well, there was a chance to lose. Then the owner of the Nova television was Darko Tamindjich, who was not convenient to the then ruling party. That's why they were looking for contacts with one American company, which had many radio stations and billboards but had no television. On the day on which they had to submit the tender documents in Bulgaria, they sent me a letter that they will not participate because they are doing a big deal at another place. Thus the then government lost the opportunity to have its own television channel...

And bTV became a national television, how did you feel then?

(he is smiling) I remember that Andrey Raychev came to me and told me in a friendly way: "Oh, Krassi, are you crazy? Who will give you a national television? They gave you the license by mistake, because they didn't know that it was you! They will take it from you! "At that time many businessmen and businesswomen hovered around the government and they threatened that I would get a license only over their dead bodies. But so life goes.

Why bTV succeeded in coping with BNT so quickly?

We made a big research - we knew what



should happen in Bulgaria and we had a well developed formula. First the prime time should be developed, which was missing at BNT and second, The Slavi Show should appear at a time, which has never been developed so far.

The state television lost because of its unprofessional attitude toward the television marketing. The team that managed BNT at that time considered that it was senseless to use marketing and research as a business. For us this was the first. To read and to be able to understand what happens with the audience is the A and B and if you adhere to this rule, you know what you are doing.

There is a logic in making and programming a television and it is connected with nothing but mathematics. You needn't watch television but only audiences and diagrams in order to understand what do people need. So then we did A and B and C. And nothing more.

Let's see Slavi Trifonov for example. One day I met him and told him: "Well, Svetlana Vasileva will call you after a while to ask you to start work at bTV." And he said "She needn't call me, I will call her!" I replied: "Wait, you are the star, she will call you." She called him and invited him to bTV and Al Parsons told him that he will do a show every evening. This was our idea, not his idea. After we told him what kind of format we want, he made the show that you see now.

This research between 2000 and 2005 was completely a role of the management of bTV. We were looking for and chose formats and then we found the people who will do them best. Later the producers started choosing the relevant productions, to execute contracts and bring them to the televisions. Thus bTV put the bases of the producer's business in Bulgaria.

It sounds easy.

It is not easy. The important thing is to have a market behaviour upon the selection... When



we took the license, we intended to appoint Neli Ognyanova, who was a person within the circle of the ruling party, to the Board of Directors. Then she came to the office of bTV and said that she was against commercials in movies, against the Slavi Show....

Alan Parsons - who was then the general manager of bTV - listened to her and told her: "I heard your opinion and being the general manager of this company, I would like you to know that we will not comply with it as it is not market-oriented. And we have come here to make a market-oriented television." Then Neli Ognyanova decided that she would not enter the Board and thus we parted.

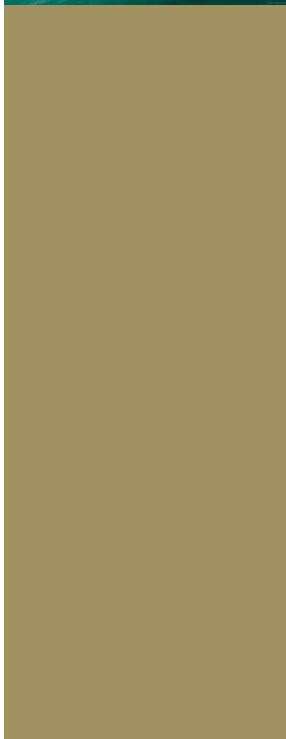
Throughout the years we have overcome many similar moments. Thank God that in Bulgaria came such players like News Corporation and Antenna Group, which really had a market behaviour and had no political partialities and ambitions.

We have negotiated with two of the most authoritative persons in the world of media - Rupert Murdoch and Ted Turner. Weren't you embarrassed?

My life has passed on the stage and that helps me much. As a student I was in the supernumeraries of the opera, then a model - I am used to work with people and I feel easy... The common thing for Rupert Murdoch, Ted Turner and Ronald Lauder, which now is my partner in CME is that they are interested in everything because our business is diverse and you must comply with the data about the interests of the audience so that you may determine the direction of your media.

Ted Turner is a lucky man - a man of good ideas and a well selected team to implement them. While Rupert Murdoch is a workaholic. All the time he creates, invests and is interested in everything.

Ted Turner and Rupert Murdoch do not feel



love to each other...

Oh, I know, both of them have talked to me against the other. Ted Turner did it more because he used every opportunity to talk against Rupert. At a big conference he explained that there was a time when they were skiing together. "I am sorry that I didn't pushed him from the rock - said Turner. - No one would know because there was fog."

Ted Turner or Rupert Murdoch?

Ted Turner is much like me. A lucky guy who changed the way of making television and managed to make a breakthrough in the media society, which is generally too closed. Then he went to another field - with the money from media he bought land. And what did I do? From the media I went to the gold courses. Land again.

Why did you decide to make course designed and approve by Gary Player himself?

Bulgaria has quite bad image in many areas so if we would do a golf course with an unknown designed, they would say: "We know the Bulgarian business! Their tourism is of poor quality and we may not expect a good golf course and service." That's why we decided that the best variant is to engage a big name, because all know that if Gary Player endorses a golf course, it has the relevant quality. And his endorsement stays until that course has that quality. Thus every foreigner would say: "Well, if it is made by Gary Player, then it is good!"

Gary Player has made 300 golf courses worldwide and in Bulgaria he did two: BlackSeaRama and Thracian Cliffs. Very good courses... And said - without taking need not to offend the other 300 owners of golf courses - that Thracian Clisses was the best course, which he did in his life.

But to make the Thracian Cliffs, I bought 300 decares from private owners. They had decided to build buildings - apartments and

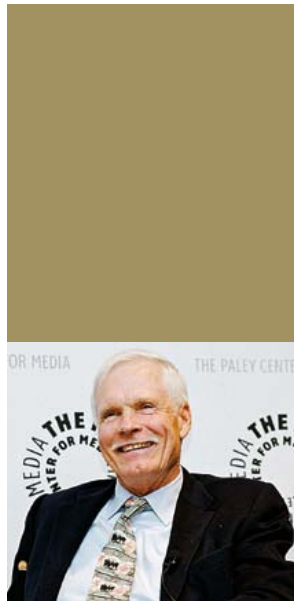
hotels. If I would build that complex and then sell it, its price would be at least \$ 100 million. But I made a golf course. And I hope that the government will see at last that this is really a paying business. The only business in Bulgaria, on which development you may rely. Because everything else is stagnant, and here come tourists who would not compromise the accommodation, the food and would not be interested in anything else but the good service. For example 10 years ago there were 3 golf courses in Turkey. One was good, the other two - no. It was so bad... Now they have 20 golf courses and one must queue up for playing. But they give the land there free of charge and the government banks would grant loans for golf course... But they have no good courses as ours.

What makes the difference between people who succeed and the other?

When I started doing business I used to get up at 5.00 - 6.00 in the morning in order to have time - I had tens of meetings every day. And not only I withstood that but I set an example for my colleagues from the advertising agency. One of the most important things is that when one works, the thing he does must be in his heart and he must know that without making efforts and putting all his time for his goal, that goal is unachievable.

Maybe there are many people who want to reach the same success so you must be the best, the fastest, the smartest. I will tell you sincerely that I have copied most of the things in my business. Things that happened abroad, I did in Bulgaria. It just occurred to me to be the first to make them and I think that it was profitable. But someone else could do it before me, because the market was open and everything was free - the contacts with CNN, the News Corporation, SBS...

Is this what a man should do - to find something to copy?



No, he must find a winning idea, work harder than the competition and he would succeed. If you are better, you have a good team and make things better and never stop working, sooner or later you will succeed.

When did you know that you have talent for business?

I have never asked that question. I don't ask myself many questions... A man does something and it makes or it doesn't make. You should put 97% efforts but also 3% talent to be number one or to reach a serious goal in a business where there is competition. The talent is a combination of your inheritance and the erudition you gain throughout the years.

Should one believe in himself in order to succeed?

Of course he should... When I applied with News Corporation I had financial commit-





ments to Nova television, I had debts to BNT and when I decided to make investments, I realized that I was bankrupt. Thank God, we deferred the payments so that I may get another business and then bTV started good, the advertising market was multiplied and the loss for which I thought that I was bankrupt, turned out to be small.

Aren't you afraid in such moments?

No, the important thing for me in such moment is to avoid putting stress on my family. I remember that there was a time, when in one of my companies I received a threat - a bullet in a letter. It said that my life is more important than the business. Then, in order to remove the threat of affecting my family, I sent them to London.

It was a year before bTV appeared. A had one financial adviser - he was married to a relative of mine. I left everything in his hands, he registered a company for similar business, redirected the resources to another place and went

me bankrupt. Thank God, I handled it, but God doesn't forget... God punishes people like him.

It sounds quite thrilling - did you send him a bullet?

No, I did nothing, God knows what to do. When a man has done something like that, he lives in a stress and this stress is devastating. Nevertheless how thick-skinned you are, God will punish you. He will send you a disease, he will leave you lonely, through all your life you know that you have made your business with stolen money. Things like that are always punished. I am sure!

With your means you may afford living everywhere in the world and you may make golf courses everywhere in the world. Why are you here, in Bulgaria?

I travel much so that I may not say that I live only in Bulgaria. Now I am here because my family is here. Living somewhere is business for people, who may not assume responsibility. They want to received salary and they don't

want their own business. I envy many times to people who work for a good salary and have no responsibilities. Tomorrow even if the company goes bankrupt, they may go to another job.

You envy them?

Yes, because they live a calm life - they have no responsibilities. A man who is not responsible for thousands of people, who work for him, for investments of million euro, for particular terms, he would never know. This is a responsibility, which in order to assume, you must have a sound mentality.

Within this meaning many people think that those who have good business, live well and they envy them. At the same time I may say that it's just the opposite, because when you have no responsibilities, your working hours end at 5.00 p.m., you may do what you want. Also on Saturday, Sunday and during holidays... This is also a worthy life and the success is not a must.

Is it really that success is not a must?

Of course it is not. I don't do it because I have to succeed but because I want it that way. Something must be done. I find an opportunity, a niche and I make business. Almost everything, which I have started, was successful and no investments were required. Except bTV only. Then we came to an agreement with Rupert that they will invest \$ 20 million. We shook hands and from then on our lawyers did the work.

Why success is not valued in Bulgaria?

The equality that existed during socialism gave people the opportunity to think that all of us are equal, all of us are smart and beautiful and that all of us could do it equally. That's why today no one would accept that one is more than him. And at least two generations should pass to erase that way of thinking. The sense of equality is in the basis of this Bulgar-

ian envy.

That's why everyone, who tries to go ahead, is treated negatively and the features of a bandit are attributed to him. For example, it is absurd for someone to think that I have succeeded just like that. All think that I have received my money from "the left" or from "the right"... And I know that this is not so and that this may be proven.

But yet how would a man succeed in Bulgaria? If a person never stops learning, knows more, being interested, trains himself to be good in the thing he does, he would surely succeed. He would surely! However if a man without education, without willingness to take risks and always seeks the reason for his failures in the society, he would never succeed. Those people who think that government should give them, are many, and this thinking comes from socialism.

Do you know how many days it takes to a Bulgarian to start working as a westerner. For 7! If a Bulgarian does here one job and then he goes to Germany to do the same job, he needs seven day to become a German. Only for 7 days, he changes his thinking.

But if he decides to work in Bulgaria as he does it in Germany, it will never happen... People around him will laugh at him: "Who does he think he is? A eager beaver! What do you do, overwork something, yeah?" Do you see? There is no environment for such thing in Bulgaria.

Does it mean that the success depends only on the environment?

Yes, we are just in such environment - the society would not accept you, even if you succeed. And if you fail, you will always find friends in the pub and you would talk against those who are successful while drinking your beer. So you must choose one of these two. All Bulgaria will hate you, because you are successful or all in the pub will love you, because you fail. ★