

THE TRUTH ABOUT TRACTION CONTROL

DRAG RACING ACTION

DRAG RACING

MAY 2004

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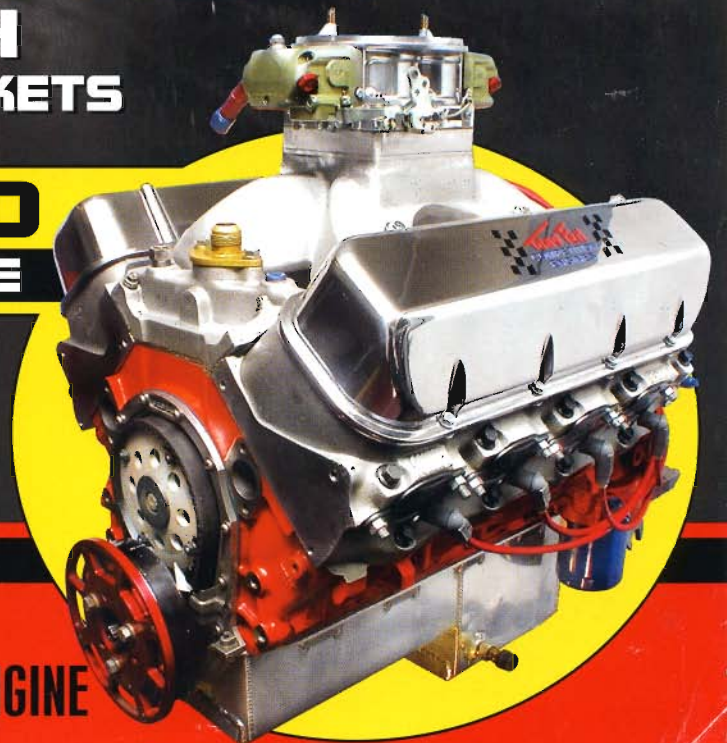


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MAKING THE MOST OF EVERY WIN

CONTINGENCY PROGRAMS CAN PUT DOLLARS IN YOUR POCKET.

BY JIM SAMUEL

Not many people would give up 90 percent of their paycheck every week, but that's exactly what drag racers are doing when they don't take full advantage of contingency sponsorship programs.

What began years ago as a group of manufacturers just looking to reward their customers for purchasing and winning with their products has grown into a multi-million dollar program that has almost taken on a life of its own. If you happen to race a steady diet of either NHRA or IHRA races, you'll have noticed how the actual cash payout is rather small for an event of that stature. To bring the purse money in line, sanctioning bodies actively pursue manufacturers who are looking to promote their products through a contingency program.

The concept is really nothing new, and involves a manufacturer paying a winning racer a certain amount of money that is

contingent on the racer purchasing and using their product. Decal display on the side of the car is also a requirement, as is sometimes the signing of an advertising waiver.

And then there is the noncontingent programs, such as the Perfectly Strange Award given out by Strange Engineering. Whenever a person runs dead on his dial

Racers such as Anthony Bertozzi take advantage of many contingency sponsorship offers to earn maximum income with every win. They know that the actual cash purse does little to offset their expenses, instead relying on "decal money" to make up the majority of their winnings.

or index during an elimination run at any of the NHRA national events in the Super Stock, Stock, Super Comp or Super Gas



Decaling up a cleanly painted race car can be a daunting experience. However, if done properly, you don't need to cover every square inch of your car to take advantage of contingency sponsorship programs. Jack Slagle from Ohio is one of those that understands the necessity of the evil, but chooses to do it in a fashion that won't ruin the appeal of a dramatic paint scheme.

CONTINGENCY MONEY



At races where there is very little, if any, contingency money available, such as high-dollar bracket racers, the need for decal display isn't necessary. Most manufacturers are honored to have you place their decal on your car, especially when they know that there is no financial gain from doing so. This can lead to those said manufacturers being a little more understanding when it comes to asking them for help.

1969 Camaro are both covered with contingency sponsorship product stickers. Racers like Fletcher, who earn their

living at the track, depend on getting the most from the contingency programs. "There are some people who have a lot of money," Fletcher says of racers who don't take advantage of contingency sponsorships. "But for others, the programs are vital. "Purse money is negligible," Fletcher says, adding that the vast majority of his racing income comes from contingency sponsors. "You're paying a \$200 entry fee and you're racing for a \$1,500 purse, which doesn't make good sense," he says. "But you can make \$18,000 to \$20,000

class, they receive a check from that company. This is *non-contingent*, simply because it only requires the display of their special Perfectly Strange decal. Should the competitor have any of the products that Strange does post-contingency money for, the check amount is doubled. This is a very easy program that a racer can benefit from and not even cost them a dime.

Sure, participating in the programs takes some work. You'll have to put manufacturer and product stickers on top of that expensive paint scheme. You'll have to keep

track of receipts and serial numbers. You'll even have to go through another inspection at the end of a race. But when you win, those stickers can increase your take-home pay by up to a factor of 10.

"If you're going to drag race as a business, you have to participate in contingency programs," says Skooter Peaco, Director of Race Operations for the International Hot Rod Association (IHRA). "If you're going to do it for a living, it's impossible not to participate."

That's precisely why Dan Fletcher's Stock Eliminator 1969 Camaro and Super Stock

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THE CONTINGENCY CONNECTION

AFTER A STORIED career of administering the contingency program for the IHRA (pre-the Bill Bader days), Ronnie Ball and Jackie Ressa wanted to do more. What they started is a company that provides contingency programs available to local racetracks from one end of the country to another.

Longtime advocates who lobbied for more exposure and less cost for the manufacturers, both Ball and Ressa have always been advocates for the little guy, weekend racers. Their program, the Contingency Connection, rewards racers with a national program designed for those who do well at dozens of local tracks across the nation. In the past, it has been almost impossible for marketers to reach those masses. Now, through the Contingency Connection's efforts, nearly 100 manufacturers are able to easily reach the people who purchase their products with rewards for doing so.

The concept is as simple as any contingency program should be. Win at your local track, carry the decal of a participating company, and you win a part of the nearly \$7,000,000 in cash and product certificates. For the track operator, it's his ability to increase his awards and cash to his weekly racers without having to raise the purse or the entry fees. What was as hard for a manufacturer to come up with a program for the weekly racer was equally as hard for a track operator to implement a program, such as this, on his own. Now, with a national series administrator, both are able to help their customers. In addition, there



is a Contingency Cup Championship that provides the overall track champion with additional sponsorship support from the Mr. Gasket Company under the umbrella of their Mallory ignition division, in the form of the Mallory Cup.



The 2002 Champions are shown here receiving their checks and hardware from Linda Vaughn at the PRI Show in Indianapolis. Jacob Rutledge (left) was the lucky recipient of the Drag Racing portion of the program, while Ray Sveeggen took home the awards for the Circle Track portion.

Bob Romanelli, President and CEO of Mr. Gasket, said, "We're proud to be able to sponsor a grass-roots-oriented program like this series, and we're committed for the long haul. This program is great at rewarding our customers for their weekly racing efforts. Our company is full of racers and performance enthusiasts and we make products specifically for those people."

Ron Funfar, President of Hedman Hedders, said, "We're proud to have been the first company to sign up for this program back in 1994 and we plan to stay with them for the duration. They add value year after year by expanding the race markets to us, which would have otherwise been impossible for us to do on our own."

In 2002, Jacob Rutledge, who raced in the Sportsman class at Atlanta Dragway, took home a bonus check for \$5,000 with his overall win of the

Mallory Cup. In addition, he carried with him the entire 2003 season a sponsorship from Mr. Gasket. Not too shabby for a guy who raced a '79 Ford Capri, and only had to make sure he had placed the correct decals on his car and purchased the products from the participating sponsors. And he wasn't the only one who took home big money. In fact, the series awards the 20 track champions, out of which five are chosen from a drawing to be eligible for an additional \$10,000 in awards. In 2003, Dana Thompson from National Trails Raceway in Ohio won the award and the \$5,000 check.

Ressa says, "To be able to partner with the many companies that we work with, who know the true heroes of our sport, and are willing to reward them, is a reward to us all in itself. We intend to keep aggressively building the Contingency Connection for years to come."

For more information, and to find out how you can also take home some money of your own, check out their website at www.contingencyconnection.com.



Sticking decals on your expensive paint job might seem like a sin, but when it brings in money to pay for that paint job, you'll really enjoy it. Especially when it's a decal that pays for nothing more than sticking it on the car. Non-contingent awards, such as the Perfectly Strange Performance Award at NHRA national and divisional races, require no purchase of any product. Just stick it on, win and wait for the check.



While everyone prepares for the ever-present tech inspection process, you must also prepare for the decal and product inspection as well. Making sure you have both after you win can lead to setting up camp at your mail box as the checks roll in.

required location on their cars. "A lot of racers assume that every decal that he or she might possibly need will be at the tech trailer. That's not always the case," Peaco says. In some cases, manufacturers may limit availability of their stickers to only registered users of their products.

"There are some sponsors that require more than a decal," says Peaco, and racers should be prepared to meet those requirements. "Some companies may require racers to register their purchase or provide a serial number or other proof of purchase of the product they are using. One motor-home manufacturer requires racers to submit photographs of their vehicles on the racetrack property," Peaco says.

The additional requirements are designed to make sure that drivers who claim contingency awards are actually using the products, Peaco explains. "There are only so many parts that we can visually inspect."

At J.W. Performance Transmissions, for example, racers have had to include product serial numbers with every award claim they submit. The company is working to introduce a new Internet-based system that will allow racers to register and provide a serial number at the beginning of the season.

"We're trying to make it easier for racers to fill out the forms," says Winters. She adds that while the company requires serial numbers from racers, it relies on the sanctioning bodies to ensure that the proper product stickers are in place. In contrast, Dart Machinery, as well as other companies, relies on its own representatives who attend national event to keep track of the program.

Peaco says that the sanctioning bodies take their role as contingency inspectors very seriously. "There is no gray area. Either you have it or you don't," he says. "If we are not black and white about it, there won't be any contingency programs." Racers are responsible for knowing the requirements of each contingency sponsor. "Ignorance is not an excuse," Peaco says. "You wouldn't go to a tech inspection without knowing everything is correct. Contingency inspections are no different."

Decal "slapping" is another area manufacturers have little regard for. Decals must be on the side of the car for the whole event, and there are companies that will take the time to walk through the staging lanes before the first round, taking notes as to which cars have their decals and which don't. Typically, only the winner and runner-up are eligible for awards, but that

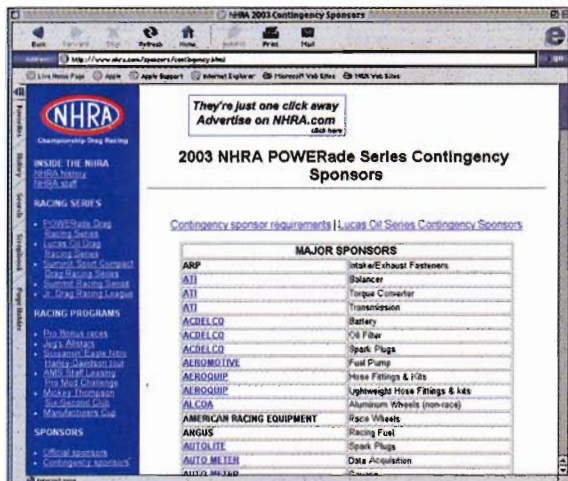
pate in the program are more likely to offer the company feedback on its products. "At the end of every year, we get letters from racers thanking us for offering the contingency program and telling us how they're using our products, how they're working and making suggestions on how we can make them better," he says. Dart has had its current program in place for eight years. "We've always supported a contingency program as a way to support the racers," Keating says.

Tracy Winters, vice president of sales and marketing at J.W. Performance Transmissions in Rockledge, Florida, says that feedback is an important part of her company's program as well. "You can be there at the track, have access to the racers and communicate with them," she says.

Winters says that J.W. Performance Transmissions has offered a contingency program for more than 20 years and has been very successful. "We'll closely monitor the program every year to see how much of an effect it has," she says. "And we'll be looking to see if we want to add other products to the program."

The bottom line is that contingency programs help manufacturers sell products. Almost every company produces quality equipment, so when I'm evaluating products, I'm certainly going to choose the one with the best contingency program," says Fletcher. "If a new company comes up and posts a contingency offer, I'm going to try to buy that product."

IHRA's Peaco says that lack of preparation is the biggest mistake racers make with contingency programs. "The biggest thing that I see is the lack of the appropriate decal," he explains. In addition, he says, racers should make sure that they have the stickers they need before they get to the track, and make sure the stickers are in the



Both NHRA and IHRA make information about contingency sponsorships easily available on their web sites. For information on the NHRA programs, go to www.nhra.com/sponsors/contingency.html. For IHRA program information, go to www.ihra.com/contingency.htm.

with contingency sponsorships [with a national-event win]."

Fletcher admits that it takes some effort, but that he works on his contingency program throughout the year, from identifying contingency sponsors before the season starts to following up at the end of the year with those who are slow making payments. "You need to do your homework like anything else," he says. "You have to fill out the forms, you have to register for the programs and you have to make sure you bought the product and are using it," he says.

Manufacturers offer the contingency programs for a number of reasons. "It's a mutual benefit program that supports the racer and the manufacturer," says Ted Keating, general manager of Dart Machinery in Troy, Michigan. "Our goal is to support racers and get more feedback from them."

Keating says that, in addition to the exposure that Dart receives through the contingency program, racers who partici-

doesn't mean you "slap" on the decal just before you're pulling into the water box for the final. If you do, the manufacturer has the right to refuse payment, based on the fact that you didn't hold up to your end of the agreement.

Racers who want to take maximum advantage of contingency sponsorship programs should check the sanctioning body web sites in early February to see what is available to them. The NHRA contingency web site is www.nhra.com/sponsors/contingency.html, and the IHRA web site can be found at www.ihra.com/contingency.htm. Most sponsorship programs are in place by then, according to Peaco, though racers may want to check in throughout the season to see if new programs have been added.

"Every issue of the IHRA magazine, Drag Review, contains a list of contingency sponsors and an up-to-date contingency sponsor sheet is included with the information packet that every driver receives at an IHRA event," says Peaco.

In addition, adds Fletcher, racers should check to see if the contingency requirements include an expiration date. "Some of them only pay you for two years or so [after a purchase]," he says.

After racers have identified the programs and purchased the qualifying products, they should make sure they are ready to meet all the requirements at each race they enter. That's why Fletcher is unconcerned with contingency inspections after a win. "This is the way I make my living," he says. "If I claim something, you can bet I bought it, used it and have done my homework."

That homework doesn't end at the end of the drag racing season, Fletcher added. "At the end of the year, there are always a couple of payments that I have to track down," he says. "You'd like to have everything wrapped up by the end of December."

Peaco says that he's seen racers leave a lot of money on the table, either by not following the rules or by not participating in the programs. At the IHRA national event at Maryland International Raceway in September 2003, one of the winners had a car with absolutely no product stickers on it, Peaco recalls. "He looked at me and said, 'I guess I just threw away \$8,000.' I just nodded and said, 'Yes, you did.'"

"I understand it," Peaco says. "When I got my new car, the last thing in the world I wanted to do was to put stickers all over it."

But unless you've recently won the lottery, or have a rich uncle who is willing to finance your racing efforts, chances are that you're going to be slapping product stickers on your car sooner or later. Contingency programs can add thousands of dollars to your bank account every time you win a race. All you have to do is take the time to plan ahead and make sure you're prepared every time you pull into the winner's circle.