

Toshiba Unit's StubHub Win May Lead to Bigger Deals

TECHNOLOGY: Digital work makes up for print decline

■ By CHRIS CASACCHIA

Toshiba America Business Solutions Inc.'s multimillion-dollar contract to outfit the StubHub Center in Carson with ultra-high-definition scoreboards and digital ribbon displays highlights one of the few growth markets in an otherwise flat sector challenged by the dwindling life of print.

The company installed one of the highest-resolution scoreboards at any U.S. sports and entertainment venue, measuring 20 feet by 53 feet and situated above the south end zone or goal, depending on the event. Ribbon displays nearly four feet tall encircle the sta-

dium, streaming team highlights, player statistics, scores and advertisements.

The stadium is the temporary home of the Los Angeles Chargers till the team moves to a permanent venue in Inglewood shared with the L.A. Rams.

Its latest agreement with **AEG Facilities**, a unit of L.A.-based **The Anschutz Entertainment Group**, is valued in the low eight figures.

It took Toshiba America Business Solutions about seven months to plan, procure,



Melo: Other industries: 'Self-service interactive displays are the types of things that are really growing fast within retail.'

fabricate and install the signage before the Chargers' preseason debut in mid-August against the Seattle Seahawks.

The Chargers were up against the clock to make a decision by Jan. 15 whether to exercise an option to join the Los Angeles Rams at its stadium, which is under construction and scheduled to open in 2020. Part of the deal included a minimum three-year commitment to play home games at StubHub Center, a \$150 million, privately financed facility developed and managed by AEG on 125 acres on the campus of **California State University-Dominguez Hills**.

Tight deadlines are nothing new for the company's growing digital signage business, which handled similar challenges at Oracle Arena in Oakland before the Golden State

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Warriors' preseason tilts in late September. "Most of these sorts of projects have to be tight deadline," Toshiba America Business Chief Marketing Executive **Bill Melo** said.

AEG Relationship

The deal is at least the sixth between Toshiba America Business Solutions and entertainment giant AEG, which owns or operates numerous venues and franchises throughout the world, including L.A. Live, Staples Center, the Los Angeles Kings and LA Galaxy, which play home games at StubHub Center.

Three years ago the company installed a 5,100-square-foot LED scoreboard on the north end of the Carson venue, the largest in Major League Soccer.

"Our relationship with Toshiba started with a regional partnership and has since grown into the global relationship we have today across some of our world-class venues and assets in North America and Europe," **Jon Werbeck**, vice president at AEG Global Partnerships, told the Business Journal in an email. "They share our vision to amplify, grow and ultimately offer the best fan experience for concertgoers and sports enthusiasts alike."

The StubHub Center holds 8,000 fans for tennis matches; 27,000 for soccer, football, other sports competitions and outdoor concerts; 2,000 for track and field events; and 2,450 for track cycling. It's also the home of the U.S. Tennis Association's High Performance Training Center, the national training headquarters of the U.S. Soccer Federation, and EXOS, an international training center for elite and professional athletes.

Toshiba America Business Solutions' other digital display, interactive and signage work at AEG venues includes L.A. Live, Staples Center, T-Mobile Arena in Las Vegas, The O2 in London, and the Mercedes-Benz Arena in



Chargers scoreboard: part of multimillion StubHub contract with AEG

Berlin and an adjacent entertainment district, which is scheduled to open next year.

"AEG continues to be a key partner in that space," Melo said.

Room for Growth

The company has also installed interactive touch-screen displays throughout the Crazy Horse Memorial visitor complex in the Black Hills of South Dakota. The memorial, dedicated to Lakota leader **Crazy Horse**, is the world's largest mountain carving.

Toshiba America Business Solutions was a late entrant in the digital signage segment, which is projected to have a nearly 8% compounded annual growth rate through 2024, when global sales should hit \$31.7 billion, according to San Francisco market tracker **Grand View Research Inc.**

The segment includes myriad products and services, including kiosks, menu boards, billboards, scoreboards, media players, projectors, mounts and other accessories.

The vast majority of Toshiba America Business Solutions' \$1 billion in annual revenue is still generated from its suite of scanners, printers and copiers sold to small and midsize businesses. It has about 165,000

U.S. customers.

Melo categorized the office products business as an "overall flat market," which has pushed the company to recently develop more eco-conscious devices, such as the e-STUDIO 450 8LP, a \$15,420 printer and scanner that can erase print so that a sheet of paper can be used multiple times.

Its first digital signage contract came in 2013 when it installed one of the largest and brightest scoreboards in the minor leagues. The 30-by-82-foot scoreboard, featuring nearly three million LED lamps, debuted when the Charlotte Knights—the Chicago White Sox AAA affiliate—opened its \$54 million stadium, BB&T Ballpark. The contract was valued at \$3 million.

Since then, the segment has been a bright spot, with strong demand from retailers and other point-of-sale outlets. New Hampshire-based **Brookstone**, which runs retail stores in malls and airports, has been one of the company's big customers.

"Self-service interactive displays are the types of things that are really growing fast within retail," Melo said.

Those products also tend to bring higher margins, since the company handles mainte-

nance, service and content updates.

Inglewood Deal?

Its digital signage portfolio provides a solid foundation from which to pitch a proposal to handle similar work at the \$2.6 billion state-of-the-art stadium under construction in Inglewood that will house the Chargers and Rams. The sports and entertainment district, built in the mold of L.A. Live, will feature 780,000 square feet of commercial space, including NFL offices; as well as 890,000 square feet of retail space; 300 hotel rooms; 2,500 residences; and about 25 acres of public parks, open space, pedestrian walkways and bicycle paths.

"They are going to do things that are unprecedented," Melo said of the venue.

Don't expect a referral from AEG for the business, though, since the company failed to develop its own NFL stadium in downtown L.A., and criticized the venue and location as a potential terrorist threat in a 2015 report commissioned by AEG and led by former Secretary of Homeland Security **Tom Ridge**.

Count on such competitors as Sony, Samsung, Sharp, LG and NEC to also enter the competition for the business.

Toshiba America Business Solutions employs about 300 local workers, who occupy two floors and 70,000 square feet at 25530 Commercentre Drive at the former home of **Oakley Inc.** It employs over 2,800 in more than 100 U.S. offices and toner plant in South Dakota.

It's a unit of Tokyo-based **Toshiba Tec**, which is publicly traded on Japan's Nikkei exchange and posts \$5 billion in annual sales. **Toshiba Corp.**, still reeling from a recent \$6.3 billion charge-off related to its bankrupt U.S. nuclear business, is its primary stockholder, with just over a 50% stake. The printer and digital unit recently relocated headquarters from Irvine to Lake Forest due to financial challenges facing Toshiba Corp., which sold its former headquarters and Irvine Spectrum campus for \$65 million last year to Irvine-based real estate investor **LBA Realty**. ■