



CHAPTER 4

Penske Racing Arrives

Penske's invitation, if not insistence, that Karl join him in creating a new race team was irresistible. Karl admired Penske's innate understanding of motor racing as well as his salesman's ability to attract sponsorship. Karl also knew Penske shared his penchant for immaculate preparation and presentation. It was all about having the best-prepared and best looking car that would run the distance and thus bring results and attract sponsors. Fifty years later, Team Penske operates in IndyCar and NASCAR by the same ground rules initiated back in the day by Roger and Karl.

Born and raised in Shaker Heights, Ohio, a suburb of Cleveland, Penske went to college at Lehigh University in southeastern Pennsylvania where he studied business and started racing. In 1958, when he was 21, he bought a fuel-injected '57 Corvette in which he got his SCCA racing license. He raced the Corvette in three SCCA nationals, winning one of them, and also ran and won a hill climb with the car.

In the fall of 1958 Penske got serious about racing, buying a Porsche RS Spyder from Bob Holbert. He raced the Porsche twice in late '58 and ran a dozen SCCA Nationals in the north-eastern USA with the car in 1959, as well as taking a couple of successful trips to Elkhart Lake in Wisconsin and one to the old Harewood airfield circuit in southern Ontario to co-drive with Harry Blanchard. He won eight races and a hill climb with the Porsche in 1959 before replacing the Spyder later in the year with an RSK. Penske raced the RSK into 1960 before trading Jim Hall for a newer RS60 in the summer of '60. At the end of the year he bought an RS61 for the annual Nassau season-closer where he scored his fifteenth win of the year in a preliminary race.

In the spring of 1959, Penske met Karl while Kainhofer was working for Harry Blanchard and Karl was soon working for Penske on a part-time basis. "Karl started to work for me when I got the Porsche, especially after Harry Blanchard was killed," Penske recalls. "Karl then came to work for me off and on over the next few years."



Aboard the Zerex Special, Penske made a big mark in 1962 and '63, winning at Riverside, Laguna Seca and Puerto Rico in '62 and at Cumberland and Brands Hatch in '63. (Bob Tronolone)



Penske drove Jim Hall's Chaparral 2 in nine races in 1964. He won four races, took three second places and retired after sweeping all four races at Nassau in December '64, two aboard the Chaparral and two driving a Corvette Grand Sports. *(Pete Lyons)*

Driving his rule-bending Zerex Special built and prepared by Leroy Gayne, Penske famously won the Los Angeles Times Grand Prix at Riverside and the Pacific Coast GP at Laguna Seca in the fall of 1962, as well as the Guards Trophy race at Brands Hatch in August of '63. He also won a NASCAR stock car race at Riverside in May of '63 and the following year Penske won the Pacific Grand Prix at Laguna Seca and both feature races at Nassau aboard Jim Hall's first rear-engined Chaparral 2. And he won that year's GT race at Nassau too, driving a Corvette Grand Sport.

"That's when I decided it was the end," Penske says. "I won all the races at Nassau, three with the Chaparral and one with the lightweight Corvette. I won all those races and I said, okay, I'm going to become a businessman full-time."

By the end of 1964 Penske had started 130 races and won 51 of them driving fourteen different cars in seven categories. He was offered a test drive by Clint Brawner and his chief mechanic Jim McGee in one of Al Dean's USAC Indy cars but turned-down the opportunity to retire from driving and begin his career as a car dealer, entrepreneur and team owner. The Dean/Brawner ride was taken up instead by a hotshot young midget and sprint car driver from Pennsylvania named Mario Andretti, who rapidly rose to worldwide prominence. Meanwhile Penske went on to build a company which today employs 40,000 people, generates \$17 billion annual revenues and includes a multi-faceted



Jim Hall on his way to victory at Sebring in 1965 aboard the Chaparral 2. Hall and Hap Sharp dominated the 12-Hour race, winning by three laps. *(Ozzie Lyons)*





In January of 1967 Penske organized a promotional event for his new team at Sun Oil's headquarters in downtown Philadelphia. The team and car appeared on the Mike Douglas Show. Sunoco became Penske Racing's primary sponsor for seven years from 1966 to 1973, in Can-Am, USRRC, Trans-Am, long-distance sports cars and Indy cars. (Kainhofer collection)

Karl jumps into the cockpit with Penske to share the victory celebration after a win at Marlboro, MD in 1960. Penske quickly gained a deep appreciation for Karl's complete preparation skills and immaculate work emphasizing reliability and finishing races. (Kainhofer collection/W.C. Baker)

In 1965 Penske was the team manager for Jim Hall's United States Road Racing Championship-winning Chaparral team. With Hall and Hap Sharp driving, the Penske-managed Chaparrals won all 9 of that year's USRRC races. (Pete Lyons)

(NASCAR and IndyCar) race team which is one of the most successful in American racing history.

"Jim McGee and Clint Brawner asked me to take a test at Indy," Penske remarks. "But because I had a job I couldn't get the time off and Andretti took his rookie test in that car. He became the driver and I went the other way. I had an opportunity to go into business and took it."

In 1965 Penske became the primary owner of McKeen Chevrolet in Philadelphia. He started with McKeen as a manager, quickly became a partner, then borrowed the money to buy out McKeen. "I had the opportunity in the business world and Bunkie Knudsen and the guys at GM helped me make the decision," Roger says. "They said, look if you become a Chevrolet dealer we don't want you to drive. Obviously, I needed to borrow money to get into that business and I needed insurance. In those days you couldn't get insurance if you were a race driver. So a number of factors came together. The decision was easy and I never looked back."

There wasn't a hint of regret or wistfulness about putting his driving days behind him. Penske was only 27 years old and had demonstrated that he was as good as anyone in sports cars, including great drivers like Dan Gurney, Bruce McLaren, A.J. Foyt and Parnelli Jones. He had beaten some of the best American and European racers of that era in a series of decisive victories and the only thing that remained was for him to make his mark in Indy cars or Formula 1. But just like today Penske's mind was focused on taking advantage of the latest opportunities and executing a plan for the future. Being a widely-acclaimed racing driver was one thing, but Roger had much larger ambitions.

Indeed, the following year he formed Penske Racing and Karl recounts Penske's pitch to join him in his new venture. "March of 1966 at Sebring was the start of Penske Racing," Karl observes.



“Roger had two Corvettes from his dealership that he ran at Sebring and he told me he had the guarantee of sponsorship from Sunoco to get a Group 7 car. He said he was going to buy a Lola T70 and he said, ‘Why don’t you and I get together?’ That’s how it started.

“We put together Penske Racing in Sebring, Florida, without a driver, without a car, and a very small shop. There was Roger and his great drive, and me. From the beginning of ‘66 until I retired in ‘97, I was part of it.”

Karl carefully explains his reasoning in joining forces with Penske. “Roger was a very driven individual and a very motivated driver, too, just as he is as a businessman. He never took no for an answer. He didn’t go racing to lose. He always put in a good, strong effort.

“The reason I went back with Roger and stayed with him was because I think in a certain way which in those days nobody accepted. I appreciated Roger’s approach and he appreciated my spit and polish. I was the guy who cleaned and cleaned and cleaned, and he enjoyed that. My cars were always cleaner underneath than most guys’ were on top. He liked and appreciated that and I appreciated his approach, too. That made working for him easy.

“I got a little trophy at an SCCA national race in Pensacola, Florida with Roger’s Porsche at the beginning of 1960. It said, ‘Best overall appearance’. We had everything polished and shining, and most guys just had a race car. They didn’t pay that



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Penske Racing's first car, the Sunoco Special Lola T70, outside the team's garage in Newtown Square, ready for its first race. (Kainhofer Collection)

much attention to whether they were greasy or dirty or leaky. They didn't pay that much attention to the polish. But we carried that kind of finish through the whole history of Penske Racing. That became the Penske trademark and it's still there today.

“That was always Roger's approach and mine too. We raced all over against a lot of people and their cars were never like ours. I guarantee you his Porsche Spyder was twice as clean as the guy lining up next to us. Not too many guys had a clean car like we had. That was because Roger wanted it that way and I wanted it that way. We polished our wheels inside and out! Nobody did that in those days.

“Even in Formula 1. When we went to Formula 1 in 1974 and '75 we didn't have the fastest race car, but we had the cleanest and neatest car. We made that the standard for motor racing and sponsors soon picked that up. A lot of Roger's success has been based on that, created in the early days when I worked on his Porsche.”

Comments Penske: “I think preparation and attention to detail has been part of our mission plan throughout our businesses and certainly in our racing endeavors. I think we brought that discipline to the

way our cars looked and we continue to today. We take pride where every decal is and how the cars look on the racetrack and how they look to the public. I think it creates a degree of professionalism that drives all the way through the organization.

“You see the way guys like Ron Dennis and some other teams these days are bringing the attention to detail on their cars to an

extremely high standard. I've always believed that kind of presentation sets the tone. There's no question about it, whether it's your truck or your trailer or your pit stall. Also, people want to work in that type of environment."

Penske launched his team informally at the Daytona 24 Hours in February of '66. Dick Guldstrand, George Wintersteen and Ben Moore drove a brand new Corvette entered by Penske Chevrolet, finishing twelfth overall and first in class. For Sebring seven weeks later Penske entered two Corvettes under the Penske Chevrolet banner, one for Wintersteen and Moore, the other a Grand Sport for Guldstrand and Dick Thompson. Wintersteen and Moore again won the GT class at Sebring on the way to finishing ninth overall but Guldstrand and Thompson dropped out after an accident.

At Sebring Penske asked Karl to join him to race the new Lola Can-Am car, driver not yet determined. The team would be called Penske Racing Enterprises and would operate out of a small garage in Newtown Square, PA, outside Philadelphia. Karl drove home to Michigan and told Elfi he was going to work for Penske. He then took a bus to Pennsylvania. "I went back to Michigan and quit my job at KarKraft. I said goodbye to my friends at Ford and to Tom Payne, who had been a very good man and an important influence in my life. I left Elfi and my family in Ypsilanti because I had a job with Roger. I left my car with my wife and took a Greyhound bus back to Pennsylvania.

"Roger had a little one-car garage in Newtown Square. There were five one-car garage stalls in this little industrial unit right behind the bank at the intersection of routes 3 and 352 Newtown Square. There was a guy who did foreign car work in one stall, then there was a clock maker, and then we had two stalls, and then there was a sign painter but that shop got taken over by George Wintersteen for his Corvette. That's how we started at that hole-in-the-wall. There was a work bench, a grinder, a drill press, a gas welder, a pay phone, a floor jack and a toilet. That was it. We didn't have a race car or a driver."



Karl stands in front of what was Penske Racing's original one-bay shop in Newtown Square, PA, in a photo taken in 2015. Today it serves as a lawnmower storage facility. (Kainhofer Collection)

After taking a look around the place Karl and Roger flew to Texas to make a deal with John Mecom for one of the latest, state-of-the-art Lola T70 Can-Am cars. Bill Scott, or 'Scotty', was a big help to Karl and Penske in getting the car screwed together. "We went to Mecom's place in Texas and Roger bought a T70 Lola rolling chassis," Karl says. "Bill Scott was a wonderful guy who worked for Sun Oil as a machinist at the Sun Oil laboratory, which was only about two miles away. Scotty, Roger and myself went to Houston to make a deal with John Mecom, the local Lola distributor. We went there and looked at the car. It was a rolling chassis and we had it shipped to Newtown Square because we didn't even have a trailer or a transporter at the time.

"The motor came from engine builders Travers & Coon ('Traco'). We started with a wet sump 427 Chevy. I went to Stahl Headers in York, Pennsylvania. Jerry Stahl built headers mostly for drag racing and we built the first set of exhaust headers for that car. I put the engine into the car and Scotty would come in the evenings and do some fabricating. I didn't have a single machine but Scotty was a real good machinist and had the machines he needed at Sunoco so he helped fabricate some things for the car. He would work at Sunoco in the day and come and help us in the evenings.



“I used to use the gas welder to tack up exhaust systems and things like that which I would take to a welding shop to finish the job. I made as much as I could but Scotty was a big help to us.”

Penske soon settled on his driver. It would be Mark Donohue, a rising star who had won the SCCA's E-Production championship in 1961 and followed that up with a few SCCA National wins aboard a Cobra in 1963 and '64. In 1965 Donohue won the Watkins Glen 500, co-driving a Shelby Mustang 350 with Walt Hansgen. He also drove a NART Ferrari 250LM with Hansgen at Sebring that year finishing eleventh.

“Roger got to know Donohue over a period of time,” Karl says. “Donohue had driven in a bunch of different SCCA classes and he did some long-distance racing. Penske saw him and got to know him. Penske knew Walt Hansgen well and after Hansgen was killed during testing at Le Mans that year Roger went to the funeral and that's where he and Mark started talking. They came

Loaded up and ready to go. The original Penske Racing operation was very basic. There wasn't even a car cover for the first Sunoco Special. (Kainhofer Collection)

to an agreement and that's how Mark started driving for us.

“Mark didn't become a full-time member of the team until the end of that year. Roger only paid him on a daily basis something like fifty bucks a day.”

The good-looking but tightly-budgeted little team was ready for its debut. “We got the Lola done and ready to go and we went to Bridgehampton for Mark to do a little bit of testing. He was still living on Long Island, working at a Ford dealer out there. So we tested at Bridgehampton and then Mark and I drove to the first race up at St. Jovite in Quebec.”