

FEATURED INTERVIEW

How Mark King, TaylorMade's top gun, plans to cope with the economy. He's not hanging his head, he's not retracting, and he's not complaining. He's confronting it.

BY EDWARD F. PAZDUR, CHAIRMAN & CEO
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CARLSBAD, CALIFORNIA: The significance of my upcoming appointment with Mark King, CEO and president and of TaylorMade-adidas, was sinking in while I was en route to Carlsbad. I'll soon be in a private meeting with an intriguing guy—who is blessed with the necessary traits to be a corporate top gun—and deeply harassed after getting broadsided by an agonizing nosedive in sales. The setback is three-fold. He's top gun of three brands: TaylorMade, adidas, and Ashworth. His journey is to dress you in adidas apparel and equip you with TaylorMade clubs when you play golf; and get you attired in Ashworth duds for casual social events.

The man himself embodies a chatty cheerfulness, a competitive spirit, energy, and skill. His focus on business goals is always clear. He's an unwavering decision maker, surrounds himself with bright people, and works well with subordinates.

I arrived on time at TaylorMade's international headquarters, a complex of colorful buildings adjoined by The Kingdom, its state-of-the-art club fitting and driving range campus. Admission into the building's executive suites is guarded. The lobby is an attractive high-ceiling enclave where you get your ID verified, your photo taken, your appointment confirmed, and your photo embedded onto a badge—all in about five minutes. You pass time waiting for your appointment in one of two comfortable lounges. Each offers golf club displays, coffee, magazines, and newspapers. When your appointee is ready to see you, an attractive woman leads you through the lobby, up a semi-circular staircase to your appointee's office or conference room. The building's decor, security, lobby comfort, dress code, business procedure and courteous employees—all reflect King's stamp of systematic business standards.

SO, WHAT DO YOU ASK A TOP GUN?

I've known King long enough to admire his achievements and to respect his character. When we met in his office, we warmly backslapped and shook hands. It felt more like a happy reunion than a business interview. So, what do you ask a friend who is a sterling corporate top gun? You ask the obvious: "How are you coping with the economy?"

Although my question was no surprise, it did solicit a somewhat stern reply: "We're struggling. Like everybody else! No matter how good our products are, no matter how good our marketing is, no matter how good our effort is, if the consumer isn't buying golf equipment, there's not a whole lot we can do about it," he declared. "So, Ed, that's the hand we were dealt and we try to make the most of it. We decided to attack the market from a two-pronged approach. One is a new product and the second is best value. Our first approach was to introduce our R9 drivers and burner irons. They're the most exciting products we have ever launched and I'm confident golfers will love them," said King.

"What's your second approach?"



MARK KING,
CEO & PRESIDENT
TAYLORMADE-ADIDAS

“The second is to be very promotional.”

“What do you mean by that?”

“I mean to give people great value at lower prices. For example, buy a driver and get a free pair of shoes or a dozen golf balls. We’ve got to have the right price points in place. We’ve got to give customers promotional opportunities to get them excited and into the retail store.”

“Isn’t that difficult?”

“Yes, it’s very difficult. But, we’ve taken the attitude that if we worked at 100 percent, we now have to work 150 percent. That’s the way it is. We’re not hanging our heads, we’re not complaining, and we’re definitely not retracting. We’re going out aggressively to promote our business,” said King.

“When do you think our economy will bottom out?” I asked.

“We’ve got to see a strategy from the leaders of our country that dictates how we’re going to get our problems fixed. That’s not happening. I just pray to God every night that it will be next month; and next month, I pray it’s the next month. I don’t know,” sighed King, “I have absolutely no idea. Until our President comes up with a masterful plan, we’re in for some very uncertain times.”

GREG NORMAN JOINS TAYLORMADE

Greg Norman, 54, who spent 331 weeks as the world’s No. 1 ranked golfer during the ‘80s and ‘90s has joined TaylorMade’s Tour staff. He’ll play TaylorMade golf clubs, TP Red golf balls, and display TaylorMade’s logo on the side of his headwear. He got King’s attention when he played TaylorMade’s TP Red golf ball during his remarkable runs at last year’s Open Championship at Royal Birkdale. Norman held a two-stroke lead going into the final round,” said King, “and finished tied for third. It was his 30th career top-10 finish in a major.”



GREG NORMAN JOINED TAYLORMADE’S TOURING STAFF AFTER AN IMPRESSIVE PERFORMANCE AT ROYAL BIRKDALE.

When I emailed Norman to confirm dates, he graciously did so and added this coincidence: “Interestingly enough, the 2009 Record Book reveals TaylorMade’s 30th anniversary coincides with my 30th anniversary in professional golf. When I reflect on TaylorMade’s success, I conclude it’s due to Mark King’s leadership and vision for the brand.”

THE FIRST TEE AND THE GARY ADAMS AWARD

The First Tee is a World Golf Foundation initiative to provide young people an opportunity to develop character through golf. King is a strong supporter of The First Tee together with a number of other corporations. TaylorMade, however, is its most devoted sponsor with a donation of one million dollars.

He has also launched an annual TaylorMade Gary Adams Award given to a PGA of America golf professional who has conducted programs that enhance character development in youngsters, adults and community neighbors—through golf. The inaugural (2009) Gary Adams Award was won by Doug Doxsie, head golf professional of Seattle Golf Club. The Adams Award honors Gary Adams (1943-2000) as the “Father of Metal Woods” and founder of the TaylorMade Golf Company.

WORRIED ABOUT THE FIRST TEE

King’s allegiance to the Gary Adams Award is resolute and his commitment to The First Tee is becoming somewhat exasperating, but nevertheless loyal.



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— Mark King

“We’re struggling like everybody else. I pray to God every night that the economy will be better next month; and next month I pray it’s the next month.”

— Mark King



“During my time in golf,” said King, “there has been a bunch of different initiatives by the PGA Tour, PGA of America, and private groups that were concerned about growing the game. What troubled me was that most had their own agenda attached to them. I became an enthusiastic supporter of The First Tee after meeting its director, Joe Barrow. He started with inter-city kids and now has expanded to just people who haven’t had an opportunity to play golf. At some point in time,” said King, “if the industry doesn’t take care of the growing base of golfers long term, we’re in trouble. As aging core golfers, like myself, begin to slow down, where will the development of youngsters be? I’m worried it will suffer the same fate of tennis and racquetball.”

“Are you unhappy with The First Tee today?”

“I don’t know. I’m concerned about the industry’s lack of interest to embrace and promote it. You don’t see much

marketing of The First Tee anymore. I stay in touch with Joe. We talk a lot about it, but I think they’ve run into the same obstacles we all have.”

THE LOGIC BEHIND ACQUIRING ASHWORTH

King’s internal goal for TaylorMade has always been to make it the biggest, the best, the most profitable and most respected golf company in the industry. “I don’t know if we’ll ever achieve that,” speculated King, “but it’s what drives us every day. We’re always looking for acquisition. That’s what growth companies do. There are two ways to grow. Steal market share with your existing business and acquire. So, we’re looking to do both. We’ve created such an incredible competency around apparel with adidas that we thought if we had another authentic apparel golf brand, it would greatly complement adidas in a big way. We looked at Ashworth and Polo. Ashworth is an authentic golf brand. Polo is not. adidas isn’t really an authentic golf brand; it’s a sports brand. Ashworth is cotton based. adidas is not. We wanted cotton-based apparel and did not want cotton in adidas,” he argued in support of a belief.

“Acquiring Ashworth resolved our dilemma,” said King. “We reasoned that golfers would wear adidas to golf; and wear Ashworth to work and social events. The average person will play golf once per week and wear adidas once per week. That same golfer would wear Ashworth seven days per week to work and dinner. We have big plans for Ashworth because we believe ten years from now, we’ll do more business with Ashworth than with adidas,” said King. “With the right kind of products, the right marketing and the right distribution, we can grow the business to hundreds of millions of dollars.”

A STUNNING SUPER BOWL GIG

“I’ve got to ask you about this,” I laughed. “It’s not about golf. OK?”

“OK,” he responded curiously.



“Our Super Bowl commercial with a baby talking was totally 100 percent pure luck. It ran hundreds of times after the Super Bowl.”

— Mark King

“I’m proud of having Greg Norman on our Touring Staff. Greg, along with our clubs, our TP Red golf ball and R9 driver are a perfect match.”

— Mark King



“Jim Flick is best known for having worked with Ryder Cup Captain Tom Lehman, conducting golf schools with Jack Nicklaus, followed by a 20-year stint at Desert Mountain Club in Scottsdale.” — *Mark King*

“I watched the Super Bowl and, like millions of others, I also watched the commercials. One of them stopped me in my tracks. This commercial comes on with a baby talking and wearing a TaylorMade visor! How did you cajole that one?”

King laughed heartily, “It was totally 100 percent luck. I was sitting at a meeting about three weeks before the Super Bowl when my Blackberry vibrated. It was the chief marketing officer for E-Trade who left a message that he was looking to partner with a golf company for a Super Bowl ad. If I was interested, I was to call him back. I immediately dialed his number and we talked. He said he would love to partner with me. Three weeks later we were on the Super Bowl. It was just fantastic and it ran hundreds of times after the Super Bowl. It was just being at the right place at the right time,” recalled King.

TAYLORMADE’S NON-TOURING SUPERSTAR

The two non-Tour golf professional people King respects most are Wally Uihlein, chairman and CEO of Acushnet (Titleist & Foot-Joy) in the field of business; and Jim Flick, golf instructor and TaylorMade’s Ambassador of Golf and director of The Kingdom. The Kingdom is TaylorMade’s research, learning and practice center. “We have just initiated very intricate technology,” said King, “that analyzes you as a golfer, your swing, your clubs and matches it all with the input of an actual human fitter,” he smiled. “It’s that combination that ultimately makes your experience memorable and valuable. We plan to place our Kingdom technology all around the world. I would say we’d probably have 25 Kingdoms, around the world, within the next five years.

“Jim Flick is all about helping people enjoy the game, and more importantly, to enjoy life,” said King. “He’s best known for having worked with Ryder Cup Captain Tom Lehman for seven years; conducting Nicklaus-Flick golf schools with Jack Nicklaus for 12 years, then a 20-year stint at Desert Mountain Club in Scottsdale, Arizona. Flick is a gentleman with a lot of class,” stated King.



KING WITH JIM FLICK (RIGHT), HIS DIRECTOR OF TAYLORMADE’S KINGDOM RESEARCH CENTER.

REAL ESTATE/TOURING PRO SIMILARITY

Signing Greg Norman as a TaylorMade endorser was either a major coup or King has a lot of cash stashed in Switzerland. I asked King if Tour players were still playing hardball during these difficult times, or accepting less sponsorship money. His reply was analytical. “Hopefully, supply and demand will continue to drive the economy, but I’m not so sure with the current administration in charge of the country. Tour players are no different than real estate. When there is a lot of real estate available—prices come down. When there’s very little real estate available—prices go up.

“It’s no different signing Tour players. When companies are rich with cash and business is great, Tour players demand more money. When the economy nosedives, companies can sign players for a lot less money. However,” stated King, “the very best players—say the top ten or twenty—still demand top dollar and often get it.”

“So you’re saying,” I suggested, “is the supply of players is greater today than demand by companies. You have to be competitive and pay more to get the top players. Right?”

“Caddying for Sergio in front of a throng of people, coupled with exhilarating Augusta caddie ramifications, contributed to a very enjoyable and memorable experience.
It was just fantastic!” — *Mark King*

“No,” he countered, “it’s just the opposite today. What I’m saying is companies have withdrawn. There are only a few companies left paying premium rates. Players have to take less money because there are less companies in the game.”

“Are the players more reasonable because of the economy? Do they cooperate?”

“The players pretty much cooperate,” said King. “They have been fantastic. Anything that’s based on promotional or endorsement dollars will be hard to sell, especially to publicly traded companies, until this economy turns around.”

CADDYING FOR SERGIO GARCIA

“Let’s end the interview on a pleasant note,” I suggested.

“OK,” said King, “ask.”

“What was your most enjoyable, most memorable Masters experience?”



KING CADDIED FOR SERGIO GARCIA (LEFT) AT A MASTERS TRADITIONAL WEDNESDAY PAR-3 EVENT AT AUGUSTA NATIONAL.

“That’s easy,” grinned King. “A few years after we signed Sergio Garcia, I was at the Masters on Tuesday evening having dinner with Sergio and his family, the day before Wednesday’s traditional Par-3 contest. During dinner, Sergio asked me if I wanted to caddy the Par-3 tournament for him tomorrow [Wednesday] and I said it would be the thrill of my life! So the next day I met Sergio at Augusta National. He walked me over to the caddies where I got my white Augusta caddy outfit, loaded his big bag with all of the clubs and we walked over to the par-3, 9-hole, 1,060 yard course. The first hole was the longest on the course—only 130 yards. Some were around 65 yards. We played with Ricky Barnes, the defending US Amateur Champion—and I was an excited nervous wreck! There were about 50,000 people crammed around nine holes. The open aisle to walk through the crowd between holes was only about 20 yards wide. I was never so nervous in my entire life. Caddying for Sergio in front of a throng of people, coupled with exhilarating Augusta caddie ramifications, contributed to a very enjoyable and memorable experience,” rejoiced King. “It was just fantastic!”

“I wonder why CBS does not televise it,” I asked. “It would be fun to watch Sergio, Tiger and Phil tee up a 130-yard, par-3 hole.”