

Interview

Building Brand Value

An Interview with Greg Norman,
Chairman and Chief Executive Officer, Great White Shark Enterprises

EDITORS' NOTE Greg Norman was labeled the "Great White Shark" by a newspaper reporter during the 1981 Masters Tournament. Norman began as a scratch golfer, averaging par or better each time he played. For the next few years, he spent time working as an Australian PGA trainee, playing amateur and open tournaments throughout Australia before turning professional in 1976 – just six years after caddying for his mother. Norman has earned more than \$1 million five times on the U.S. PGA Tour, including three Arnold Palmer Awards as the Tour's leading money winner in 1986, 1990, and 1995. He was also the first person in Tour history to surpass \$10 million in career earnings. But his crowning achievements are British Open Championships in 1986 and 1993. In total, Norman has won 91 professional events around the world, including 20 U.S. PGA Tour titles. He has 29 top 10 finishes in Majors (Masters Tournament, U.S. Open, British Open, PGA Championship), or more than 38 percent of those he has entered. He has secured a spot in the World Golf Hall of Fame.

COMPANY BRIEF Great White Shark Enterprises (www.shark.com) is a multinational corporation that comprises several companies and divisions including Greg Norman Golf Course Design, Greg Norman Wine Estates, Greg Norman Australian Prime, Southern Cross Developments, Greg Norman Production Company, Greg Norman's Australian Grille, and Greg Norman Interactive, as well as many other merchandising and licensing initiatives.

Would you provide an overview of the portfolio of companies for Great White Shark Enterprises?

Over the years, I have invested a considerable amount of time and energy into building equity in my own businesses. These include my Golf Course Design business, real estate development, Greg Norman Collection apparel, Greg Norman Estates wine, and Greg Norman Australian Prime beef. At the same time, I have a host of relationships with businesses that don't necessarily put my brand front and center, whether it be my event management company or some of my licensing and merchandising affiliations with the likes of TaylorMade, Omega, Land Rover, and Johnnie Walker.

Have you been happy with the growth of your apparel line and how do you define the target market for your apparel?

Based on the current retail environment, I'm extremely happy with the growth of Greg Norman Collection. Our fall 2010 men's pre-books showed high double-digit growth over last year and we're seeing a similar early trend for spring 2011. Our international growth has been steady in our established countries and we're continuing to add new countries to our international distribution channel. The GN Women's collection is gaining traction and selling through very well at retail, and the launch of our accessories license with Paramount is off to a solid start.

Our target is active, sophisticated men and women who range in age from 35 to 55.



You have designed some of the leading golf courses worldwide. How involved are you in the design and where do you see opportunities for growth in this area?

I'm personally involved with Golf Course Design across all aspects including the virgin site, routings, and the final direction we end up taking with the layout. With the number of designs we have either under construction or going to contract, I would have a tough time handling the day-to-day operations, but I have a fantastic team and we work seamlessly together to create spectacular, environmentally friendly courses around the world.

What interested you in the wine business and would you provide an overview of your winery?

I don't actually own the wineries. Greg Norman Estates is a joint venture with Foster's/Beringer Blass.

My wines come from both Australia and California and we are currently working on a Malbec from Argentina. There are 14 different varietals between the Australia and California ranges.

Greg Norman Estates represents 60 percent of premium wines in the grocery channel exported from Australia and into the United States. Our target audience is the consumer who enjoys a premium wine at a reasonable price. Each year, we strive to provide wines that exceed the consumers' expectations.



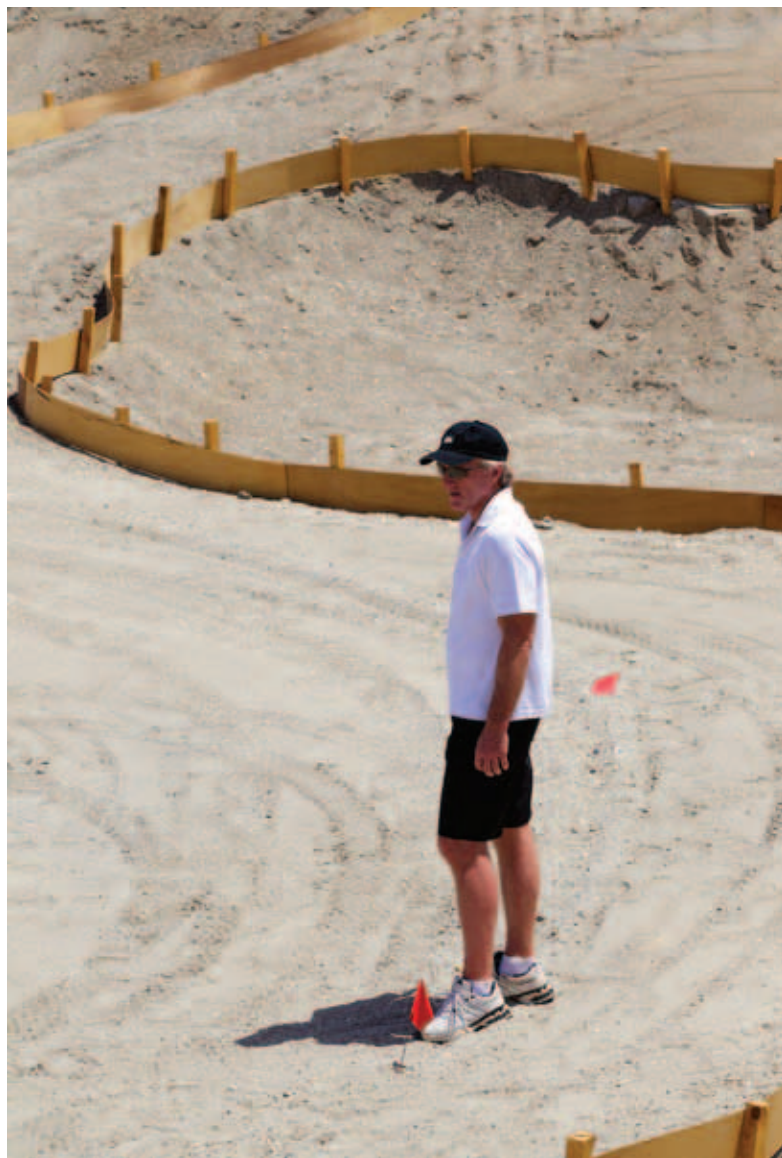
You recently added a series of golf academies to your portfolio. What is your vision for these academies and where will they be located?

We currently have Greg Norman Golf Academies in South Carolina, China, and Australia. We continue to seek areas where we can build new academies. I'm a true believer in giving back to the game and providing kids with the opportunity to learn the game of golf, and offering the pro the opportunity to understand the nuances of going from a good amateur golfer to a pro. To do this is to take a huge quantum leap in skills, mindset, and understanding of all of the sacrifices that come with it.

Do you worry about growing too broad and has it been challenging to manage the growth?

I don't believe I have expanded too much. In my business, there is a lot of vertical integration of all of my companies because each of them is golf-centric. I have occasionally ventured away from the vertical integration, but I always make sure the due diligence is complete to see whether the opportunity is truly viable and what the ultimate exit strategy will be.

You have not competed professionally as much in recent years. Do you miss the competition and was it hard to slow down in this regard?



I miss the competition, but at the same time, it wasn't hard to slow down. As you are forced to grow up, your priorities in life change. I'm very much a realist and my ability to play at the age of 55 is completely different from my ability when I was in the 25- to 35-year-old range. My transition away from playing full-time golf has been one that I have enjoyed.

What is the state of the game of golf today and do you believe the young players on the tour will ensure the continued strength of the game?

The state of the game in the U.S. is fairly stagnant, but we have seen a bit of turn in the number of rounds. I think it will take awhile before the residential golf course community inventory is washed through. Once this takes place, golf course construction and residential communities will start to grow again.

As for the rest of the world, we are seeing dynamic growth and an explosion in the development of the game of golf in places like China, Vietnam, Malaysia, Brazil, and Argentina. So the balance of power on a global front has definitely shifted.

The Central Government in China is geared up to expand the game of golf in that country. It is estimated that there will be more golfers in China in the next 15 to 20 years than there is presently in the United States. I truly believe the East will

overtake the West in the game of golf in future generations.

Looking at it from a global perspective, I see the younger players coming out of Europe being much more sensitive and aware of their responsibilities to the game of golf. I believe this is the case because the European Tour is more of a global tour, giving its players the maturity and awareness of understanding what is happening to the game of golf on a global front.

Did you know that you had an entrepreneurial spirit at an early age and that you wanted to build businesses and develop a global brand?

I only realized I had the ability to understand marketing and branding when Paul Fireman, the past owner of Reebok (whom I represented as an endorsement related player), decided to start the Greg Norman Collection clothing line under the Reebok umbrella of apparel.

The opportunity to work with Paul opened my eyes dramatically. I learned the value of building brand image and my performance on the golf course – as the number one player in the world – gave me the exposure necessary to build value in my brand. One of the most interesting and difficult things I have had to learn of late is accepting what is necessary to be a living brand.

You have been able to accomplish much in golf and in business. What is left for Greg Norman?

I would like to ensure that most of my businesses are structured so they go on in perpetuity. Even upon my passing, I want the value in my brands and the position of my companies to continue to grow and expand. There is still a lot I would like to accomplish in both my personal world and my business world. I have enjoyed the road that has brought me to today, and I am sure I will enjoy the road going forward. It's been an incredible journey to date. ●

Greg Norman at work in several of his numerous enterprises