

## A Shared Passion for Excellence and Philanthropy

An Interview with Howard P. Milstein, Co-Chairman,  
and Jack Nicklaus, Co-Chairman, Nicklaus Companies

**EDITORS' NOTE** Howard Milstein is the third generation to lead the Milstein business and philanthropic family. An entrepreneurial builder of innovative large-scale companies, Milstein is a leading figure in local, national, and global affairs. In addition to the Nicklaus Companies, Milstein is currently Chairman and CEO of New York Private Bank & Trust and its operating bank, Emigrant, and chairs and operates the Milstein family's real estate companies. In the philanthropic arena, Milstein is Chairman of the New York Blood Center, the American Skin Association, and the Milstein Medical Asian American Partnership Foundation. He is a Trustee at Cornell University and an

Overseer of Weill Cornell Medical College, and serves on the Dean's Advisory Board of Harvard Law School. He also serves on the board of the National September 11 Memorial and as a board member of the Nicklaus Children's Health Care Foundation, as well as Chairman of the New York State Thruway Authority.

Jack Nicklaus is widely regarded as the greatest champion in the history of the game of golf, winning a record total of 18 professional major-championship titles and 73 official PGA Tour victories, and amassing 120 total wins worldwide. Nicklaus was named "Golfer of the Century" or "Golfer of the Millennium" by almost every major media outlet in the world. In November 2005, Nicklaus was honored at the White House with the Presidential Medal of Freedom, the highest honor given to any U.S. civilian. Nicklaus' sports legacy is rivaled by his accomplishments as a golf-course designer, businessman, and philanthropist. He is the only industry professional to have been named by Golf Inc. magazine as "The Most Powerful Person in Golf" a record six consecutive years due to his impact on various aspects of the industry through his course design work, marketing and licensing business, his ambassadorial role in promoting and growing the game worldwide, and his involvement on a national and global level with various charitable causes.



Howard P. Milstein and Jack Nicklaus

**COMPANY BRIEF** The Nicklaus Companies ([nicklaus.com](http://nicklaus.com)) are dedicated to promoting excellence in the game of golf, preserving its great traditions and growing the game. For more than 40 years, the mission of the Nicklaus Companies has been to enhance the golf experience, and to bring to the national and international consumer golf-related businesses and services that mirror the high standards established in the career and life of Jack Nicklaus. These services include golf-course design, development of golf and real estate communities, and the marketing and licensing of golf products and services. Nicklaus Design, recognized as the world leader in golf-course design, has created more than 380 courses worldwide, open for play in 36 countries and 39 U.S. states. Nicklaus-branded products have been marketed worldwide since 1962. The Jack Nicklaus and Golden Bear-branded lifestyle collection of products includes real estate, apparel, footwear, sunglasses, restaurants, beverages, wine, home appliances, flooring, cabinets, footwear, and golf equipment.

**Would you provide an overview of your partnership in Nicklaus Companies?**

*Milstein:* Jack and I met in 2007, around the time that he was looking for a partner to help institutionalize and expand the Nicklaus

Companies and to make sure it could last over time.

*Nicklaus:* I was looking for a like-minded partner who shared my vision for the future of the company, someone I thought would be in it for the long term. As we evaluated potential partners, I discovered that most of those who wanted to "partner" actually wanted to take the Nicklaus brand, change it a bit, capitalize on it, and flip it. Not Howard. Howard has a family business – his company was much like ours – and he is in it for the long term. We share a core belief in wanting to grow the brand; we want to grow it for our families – we want to pass it from generation to generation. Like me, he wants to make the brand

and the company as successful as possible.

*Milstein:* Anytime you get the opportunity to spend some time with Jack Nicklaus, that's a treat, but as Jack mentioned, we also found that we shared many interests and philosophies. We both had grown up and lived in family businesses. There's a next generation in both cases. We have long-term employees and we share a passion for excellence and philanthropy. Jack is world-renowned for being the greatest golfer of all time, and in our own small way, we're acknowledged as leaders in our fields.

**You have worked together on a range of philanthropic efforts. Can you highlight your involvement?**

*Nicklaus:* As Barbara and I look back on our careers and our lives together, we realize and appreciate that golf has contributed to a lifetime of fulfillment, enrichment, and happiness. We made a commitment that once we were in a position to give back, we would. We have always focused on using golf as a vehicle to help children. Barbara likes to say, "Children are the root of the heart." We also had an experience as young parents that shaped our path. When our daughter Nan was about 11 months old, she started struggling to breathe. We took her to Columbus (Ohio) Children's



Hospital, where they performed a bronchoscopy and discovered that she had inhaled a piece of crayon. She battled pneumonia and other complications while there, but the doctors and staff were terrific and essentially saved her life. Ever since then, we knew that if we were ever in a position to give back and do something for others, children would be our focus. Today, that focus and our passion revolve around what we can do to improve pediatric health care in the communities where we live, as well as nationwide. This is why Columbus Children's Hospital, which is now Nationwide Children's Hospital, has been a beneficiary of our Memorial Tournament since its inception in 1976. It's also why we created the Nicklaus Children's Health Care Foundation in 2004.

*Milstein:* I was pleased to join the board of the Nicklaus Children's Health Care Foundation in 2007 when I first became partners with Jack. This dovetails well with the traditional emphasis of the Milstein family on support of medical research and clinical services, which goes back three generations. When my grandfather came to America as an immigrant, he started with nothing. From the beginning, he emphasized the role of philanthropy. This has always been a part of my family's work, and it is a tradition that I carry on, and have passed on to my son, Michael. It's also something that Jack and his wonderful wife, Barbara, spend a lot of time on, and that's another quality that binds us together.

**You recently introduced a series of Nicklaus golf balls designed for golfers at different levels, with part of the proceeds going to charity. What was your vision in creating this program?**

*Milstein:* It is a vision very much aligned with Jack's philosophy of golf. When he first published *Golf My Way*, observers noted that Jack had simplified the game for the average person. So our new Nicklaus golf balls are designed to simplify the problem of selecting golf balls. No one is quite sure which golf ball they should use, but they do know which tee they hit from. So we introduced three high-quality golf balls for three different types of golfers. All you need to know is the tee you hit from to know which ball to use.

But rather than just launching another new product, we saw the opportunity to add an innovative philanthropic element to the marketing of our Nicklaus balls, by using our Internet site, [nicklaus.com](http://nicklaus.com), to direct-sell the balls for \$20 per dozen less than other premium golf balls. At the same time, we are encouraging buyers to support the Nicklaus Children's Health Care Foundation with part of their savings. The response has been remarkable.

*Nicklaus:* It's more Howard's vision than my own, but I definitely agree that the

process involved in buying golf balls can be a complicated one. So we tried to simplify it. Basically, it's a three-tee, three-ball concept. These golf balls are designed for every level of play, from the everyday or recreational golfer – men, women, children, or seniors – to the tour professional. No matter the age or ability, there is a golf ball to fit your game. From the tees you play, we know your swing speed, which is paramount when choosing a golf ball. But while very few players know their swing speed, 100 percent of them know the tees they play. Howard greatly contributed to the concept, while my primary contribution is to make sure that the golf balls we put out there are not only top quality, but of functional quality. They need to do what they are supposed to do.



**Have you been satisfied with the way that the golf ball program has been received?**

*Nicklaus:* We have just scratched the surface of the golf ball, so I think it's too early to feel satisfied. I would like to see the golf ball move faster into the pro shops and more conventional retailers, but it's a wait-and-see. We are also marketing to a lot of companies that we are involved with, and I think our corporate relationships will continue to grow with the golf ball.

*Milstein:* What has been tremendously gratifying, and that we weren't sure would occur, is that 80 percent of people who buy the balls are making a donation, and the average donation is running at about \$9 per dozen. You'd be hard-pressed to find a case where purchasers are, on average, adding a third to the price of their product for charity. It is truly amazing, a tribute to Jack, how he's regarded by the public, and the charitable nature of those who love the game of golf.

**Would you highlight the key areas of focus for Nicklaus Companies and provide an overview of your product offerings?**

*Milstein:* The Nicklaus Company is known worldwide as the leader in golf-course design. In that context, we usually have 50 or more golf courses under design at any point in time, and right now, golf courses that we've designed are being developed in 22 countries. Nearly 400 golf courses have been designed by our team at Nicklaus and are open for play worldwide. But the Nicklaus brand goes far

beyond just golf-course design. Since I became involved in the company in 2007, we've really expanded the reach of the brand into new areas through strategic licensing with partners who share our vision.

*Nicklaus:* It is interesting to see how the company has evolved and responded to the changes in the global economy. For many years, the design business carried the company, and with offices or representation in no fewer than 14 countries, we have been able to respond to changes in international markets and service the needs of those developers. More recently, the marketing and licensing side of our business that Howard mentioned has become very important to us – not so much personal endorsements but leveraging of the brand. We have seen it on the consumer goods' side, with the successful introduction of Jack Nicklaus Golden Bear Lemonade by AriZona Beverages, or the recent partnership with Perry Ellis International to grow the Jack Nicklaus Apparel brand. We also have relationships in a number of categories including shoes, headwear, sunglasses, wine, home appliances, and even pet medications. We are also enjoying success in branded real estate, particularly in Asian markets.

*Milstein:* One thing that stimulates the demand for Nicklaus designs and branding of golf courses is the fact that many people who are in the golf-course development business are developing real estate as well, and they know that by selecting Jack Nicklaus as the golf-course designer, they will get premium pricing on the homes they sell.

*Nicklaus:* A turnkey development called Nicklaus Club Beijing has been one of the biggest success stories in China. The Jack Nicklaus Golf Club Korea, which opened recently, will be hosting The Presidents Cup in 2015. All of these areas of growth on the licensing and branding side reflect the collective vision Howard and I have for growing and institutionalizing the Nicklaus brand.

**Jack, you remain as busy as ever with your vast interests and extensive travel. Do you ever think about slowing down?**

*Nicklaus:* I think if you slow down, you start to shut down, so I enjoy staying busy. I don't do idle time very well. I enjoy the work. I have kidded for many years that most people work their entire life to retire to play golf, but I played golf my entire life to retire to work.

**Howard, has your partnership with Jack improved your golf game?**

*Milstein:* Well, it didn't take much to improve my golf game. I think more important than improving my score, actually, is the fact that my relationship with Jack has increased my enjoyment of the game. I now know so much more about golf, and my son and I have the opportunity to play with Jack and his sons, work together in business, and, most importantly, continue to find unique and innovative ways to give back. ●