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Business Golf Changes Course

 By **JOHN PAUL NEWPORT** and **RUSSELL ADAMS**
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Early one Friday afternoon about 20 years ago, Wendy Baker, then a senior vice president at the insurance company Continental, was leaving her office when she ran into another female executive.

"Where is everyone?" Ms. Baker asked. Many of the company's executive men were off at a golf outing. "We're the ones in charge here. Why aren't we out there?" Ms. Baker said.



Michael Witte


Almost immediately, she says, she began taking golf lessons, and soon she and a group of friends were playing socially on a weekly basis. Within two years she had developed enough talent to feel comfortable using golf in her business dealings. Today, Ms. Baker is president of Lloyds America, the U.S. arm of the British insurance syndicate, and a respectable 12-handicap golfer.

In a sense, business golf is a collusion that has developed over the years between business people and their clients. And it used to be much worse -- or much better, depending on your point of view. As late as the 1970s, Time magazine had a full-time staffer -- a top-flight golfer named Sonny West -- whose only duties were to play golf with the magazine's best advertising customers.

Today, though, things are different. Participation levels in golf have been flat for a decade in part because fewer people can justify the hours it takes to play a round or the expense. And the workplace has changed dramatically. Women who may not be steeped in golf now occupy executive positions, and many of the tech geeks who run the world would rather be mountain biking. At the same time, corporate perks are under intense scrutiny and booking time on the company jet for golf outings to Bermuda seldom flies anymore.

All this makes golf increasingly irrelevant in some powerful parts of the business world -- and yet the sport is more important than ever in others.

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At Silicon Valley giant Intel, which has about 90,000 employees, there are no company-paid country-club memberships and no golf outings, and you probably won't find many executives comparing handicaps in the boardroom. A spokesman for the company said he could only think of one executive, Chief Financial Officer Andy Bryant, who's an avid golfer. He joked that Mr. Bryant might have a difficult time finding a enough golfers in the company for a foursome.



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John Paul Newport talks about the new ways that business and golf intersect. [Hear the podcast².](#)

LinkedIn, a company that specializes in connecting professionals online, gives its own employees plenty of opportunities to build business. Some play in a weekly soccer game that attracts venture capitalists and other dot-com professionals, and cycling trips are getting more popular. One thing they don't do is play golf. In the 10 months that Dave Sanford has worked for the company, he has never heard of an employee taking a colleague or client to play golf -- and up until a couple of weeks ago, the company's headquarters was across the street from a golf course. Silicon Valley attracts a lot of people who were never exposed to such an "old school" sport, says Mr. Sanford, a product and business analyst who also helps organize social events for the company. "We've got a guy who's really passionate about disc [Frisbee] golf," he adds.

But in industries where golf has deep roots, like insurance, finance and real estate, it's high art. While vestiges of the old world surely remain -- foursomes of cigar-chomping white males closing deals at exclusive country clubs -- those who play a lot of business golf say the reality is much more subtle. They say the sport's primary value is to get away from an office environment to network and build relationships, in the hopes of doing deals down the road.



Getty Images

Business Links: Women from Harvard Business School take instruction.

"I don't think I've ever made the ask for \$25 million on the ninth green or anything like that -- that would be pretty gauche," says Donna Shalala, a longtime golfer who was in the Clinton cabinet and is now president of the University of Miami. "But I have certainly developed relationships on the course that have led to raising a lot of money for the university."

Executives are also putting more thought into how to play and whom to play with. Business foursomes are now more diverse, with 20-something women and middle managers joining in. The fastest-growing segment of the Executive Women's Golf Association, a nonprofit group that teaches the game to businesswomen, is women in middle management, who account for about 40% of the members.

A minor industry of consultants and advisors has grown up to help people refine their business golf. In Washington, D.C., Hilary Bruggen Fordwich, who spent 13 years in world-wide marketing at accounting firm KPMG, gives seminars at companies and one-on-one lessons to lobbyists and other executives on organizing golf retreats, avoiding business golf blunders and deciding when best during a round to broach the business topic. The DVD "Go Fore the Green" explains in great detail how to assemble the most effective business-golf foursome. (In addition to the host and the "target," it should include a "validator" and an "influencer.")

A program called "Golf: For Business & Life," sponsored by the PGA of America, underwrites classes at colleges and universities on using golf as a business tool, sometimes for credit. Some 59 schools offered classes last year, including Stanford and the University of Texas, up from 15 in 2000. Jeff Maynor, a PGA professional who teaches the course at the University of Maryland, focuses on the things you can learn

about others -- and yourself -- on the course. Meticulously arranging every detail of a round in advance, from water in the cart to logoed balls, shows thoroughness, he says. Approaching the first tee with confidence rather than offering excuses for a bad back or not having played much recently is a sign of character.

At some companies, golf is an institution. Much of the senior management at Morgan Stanley, for example, plays socially and for business, and many employees are members of golf clubs. The company long has tried to encourage more women on its staff to play. Since the early 1990s, it has held afternoon clinics for them to learn golf skills and etiquette, followed by dinner with top executives. The company sends out invitations to try to get a good mix of job descriptions and seniority levels for the 30 or so slots in the clinics, and interest has increased significantly in the last few years. For the past few years, it has also hosted a large golf event for women clients.



Steve Schwartz, head of PCM-Bakeware Coating Systems, goes on up to 20 golf outings a year.

To be a nongolfer at a company where golf has a strong hold on the corporate culture can be a challenge. About one in seven employees at Milwaukee-based home-mortgage insurer Mortgage Guaranty Insurance plays in the company-subsidized golf league. Every week from May through August, more than 100 employees, including some senior executives, take part in late-afternoon nine-hole matches.

That means around this time of the year, talk of tee times echoes throughout the halls and employees swarm to the golf class the company offers as part of its fitness program. Monica White, an international business development analyst, says she wishes she could join her colleagues in their golf obsession, especially since her husband just bought her a new set of clubs. But she has never played and she's afraid of "looking like a moron" in front of her co-workers.

Golf and business are similar in a lot of ways, according to both business people and professional players. Both, for example, require a lot discipline, they say. "Strategy and patience, they go hand in hand in both cases," says Tiger Woods when asked about connections between the two. "It's a question of when to be aggressive and when not to be aggressive, when to be conservative, and that's done through experience."

Some of the country's best-known CEOs are regulars on the golf course. Scott McNealy, the chairman and former CEO of Sun Microsystems, and Jerry Jurgensen, the chief executive at insurer Nationwide, are perennial low-single-digit handicappers. Charles Schwab and George Roberts of KKR are avid golfers. Even Warren Buffett and Bill Gates play -- not frequently, nor too well, but often together.

The game's main benefit in business is to those whose jobs require social bonding with clients and customers. It can be used as a draw to get people to attend conferences or seminars where companies are showcasing products or services. Charity golf tournaments, which double as business networking events, are aimed at getting people to open their pocketbooks to worthy causes. Golf can also serve as a reward or incentive for employees.

"As a place to actually get something done, the golf course is horrendous. The office, a breakfast meeting or a lunch are much more effective for that," says Jon Judge, the CEO of Paychex in Rochester, N.Y. "But as a place to build and sustain a relationship, and develop the kind of personal trust that really can sometimes move business along faster later, golf can be terrific."

Ms. Shalala says golf is as much a part of her job as presenting diplomas. She has used golf to get to know job candidates, and she frequently plays with trustees, who invite along potential donors to the

university.

Jeff Williams, a former journeyman pro, sells second and third homes in the Caribbean to what he calls "\$50 million men."

"They understand the hard work it takes to develop the kind of golf game I have, and that puts us on much more of a peer-to-peer basis," Mr. Williams says. "If they are golfers, when we play golf together, the bond is almost instantaneous and it almost gives me an unfair advantage in helping close a deal."

EDS, a Dallas-based information-services company, spends millions sponsoring the PGA Tour's Byron Nelson tournament each spring. It invites scores of key clients from around the world to attend, and brings in company volunteers to staff the hospitality rooms and marshal the tournament. For an entire week, EDS's top executives set up shop in a wing of the conference center at the Four Seasons Hotel near Dallas, and make themselves available for impromptu or scheduled meetings, at lunches and cocktail parties. At last year's tournament, EDS hosted 175 clients and prospects, which the company calculates represented \$6 billion in potential sales.

The lack of aggressive dealmaking on the course parallels an aversion at many of the nation's most prestigious clubs to doing any sort of commerce on the premises. At clubs like Winged Foot outside New York City and Peachtree in Atlanta, the use of cellphones or the display of business papers will trigger warnings. Proposing a new member for what the admissions committee deems to be blatantly commercial reasons may get the proposer himself booted. Of course, it's accepted that members will occasionally bring guests to play golf for commercial reasons, but any actual discussion of business on the grounds is best done sotto voce.

"I've been in the situation where someone was hammering away at me about business, and it made for a very unpleasant day," says Mike Glenn, an executive vice president at Federal Express. "That will backfire on you every time."

--Adam Thompson contributed to this article.

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