



The Strategic Challenges of Bringing a Radical Idea to the Market Place – the Case of Natural Golf

Created by Richard M. DiGeorgio

What is Natural Golf?

What is different about Natural Golf and why is it a paradigm shift from traditional golf? Below are the key differences. If you have played a lot of golf and are at least pretty good, you'll realize these are significant differences.

- You grip the club in your palms without overlapping your fingers, much like you would a baseball bat.
- The stance is much wider than a traditional stance; your feet stay planted on the ground until the end of the swing.
- There is a single plane with the dominant arm and club shaft.
- The hips move parallel to the target line rather than rotating and turning. This is the biggest problem in converting for the better golfer according to my interviews. It may also explain why the swing is easier on the back.
- You face the ball at impact; feet are perpendicular to the direction of the flight of the ball.
- The back swing is shorter and more compact – another reason it is easier on the back.
- The right hand (if you are right handed) plays the lead role in the second half of the swing and generates a lot of power.

It was my turn to tee it up. As I set up for my shot on the 150 yard par three, Tiger Woods peered at my grip. “What is that!” he asked, as he noticed the bulging wad of blue tennis gauze tape on the grip of my Taylor Made six iron.

“I am switching to Natural Golf” I replied, as Tiger gave me a quizzical look and indicated he had “heard” of Natural Golf.

As I took probably the only shot I'll ever hit in the presence of Tiger Woods, I was nervous. Who wouldn't be? I pushed the ball to the right and it landed about twenty feet wide of the green. I turned to Tiger and said, “I haven't quite got it yet.” With perfect timing, Tiger responded, “I tend to agree.”

I reflect back on that interaction because it captures so many of the change issues people face as they switch from traditional golf to Natural Golf. My encounter with Tiger was part of the filming of the “Tiger Trap”. I was one of 29 unsuspecting golfers who participated, and one of 25 who did not win a new Buick Rainer. Clearly my chances of winning the car would have been greatly enhanced if I was not at the beginning stages of a major swing change. It also illustrates that if you are a decent golfer you are probably going to take some ribbing as you roll out your new swing, though few will get it from the number one golfer in the world.

It was around this time that I began thinking about Natural Golf not as a technique but as an organization, and how it faces strategic challenges like many of the companies I consult for. In essence, Natural Golf was suggesting to the world of golf that it had a new and better paradigm for hitting a golf ball. Now, having spent 30 years as a change consultant, many of them dealing with the introduction of new ideas and technology, I know paradigm shifts don't occur easily or smoothly. When the light bulb was introduced, there were problems. It took many years for electric lighting to replace the kerosene lamp and gaslight. Imagine that! Yet, the initial light bulbs were not modern light bulbs; they had their flaws. Besides, there was neither an electricity supply to houses nor wiring within them. So, like

a lot of paradigm shifts, electric lighting was adopted first where the overwhelming advantages were easy to

demonstrate and/or the barriers to entry were minimal. Electric lights got their start in ships at sea, in isolated factories where lighting safety was a factor, and in wealthy people's homes. Think about it, if you were the captain of a ship at sea would you rather knock over a kerosene lamp or hit your head on a low hanging light bulb? Besides, ships carried around their own power supply; the basics of infrastructure were there.

The same is true for the development of the radio. Originally, the radio could not carry voices; it was used to send Morse Code and competed with the telegraph. The telegraph had a long head start; even transAtlantic wires had been laid by the time radio was in its infancy. How to break into this market? Well, once ships left the coastline they had no way of communicating with shore. Infant radio solved that problem, thus providing the revenue stream needed to finance the new technology. In fact, the radio is credited with saving the lives of the survivors of the Titanic. Without it, those in long boats would have died of exposure before they were found. The radiomen, who went down with the ship, were real heroes.

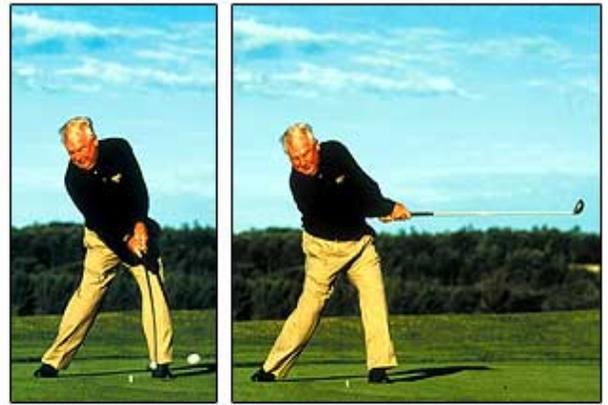
By now you are may be wondering, is Natural Golf going to make its breakthrough on cruise ships? No, but I am thinking about the challenges Natural Golf is facing. Who are the breakthrough sets of people that will switch to Natural Golf because they have an overwhelming need to move away from traditional golf? How will Natural Golf convince people that it is a good alternative to traditional golf when none of the successful pros on the tour are Natural Golfers? How do Natural Golfers handle the kidding they get from traditional golfers as they take their new and different looking swing on the course? If Natural Golf is right about the swing, who wins and who loses? Does it have to be a zero sum game? How does this winning and losing create resistance in the golf community to ideas and products Natural Golf is selling? As I think about it more deeply, my thoughts turn to how Apple and Microsoft have handled their versions of Windows and the significant impact their decisions had on the fates of these two companies. I wonder if Natural Golf will make the same mistakes as Apple?

I have set out to find the answers to these questions and many more. I think you will be interested in what I have found. By the end of the article you may be wondering, as I am, whether you should invest in Natural Golf.

The Strategic Challenges of Change

People Naturally Resist Change & None of the Current Top PGA Pros Use Natural Golf:

Both research and common sense suggest that people prefer the status quo to change. Only about 30 percent of people embrace change. If you are embarking on a mission to change the way the world swings a golf club, you need to understand, at a very deep level, that golf is very traditional.



Moe Norman worked hard on keeping his body stable through the impact zone (left photo) by keeping his trail foot flat on the ground through impact and even during the early segment of the follow-through swing.



With a proper spine tilt, the alignment between the shoulders, knees and spine are shown (left photo), while the view from behind shows how the bending should occur from the waist, allowing the back to remain straight and the arms to be free from the body. (Setup demonstrated by Certified Instructor Len Martin)

None of the current top PGA pro's plays Natural Golf, this is a huge challenge. It should be noted that Natural Golf really arrived in the Mid-90's, too late to impact today's crop of pros.

Let's examine these challenges in more depth.

People usually change behavior for one of two reasons. Either pain of some sort forces them to try something different, or they follow great leadership. Until a young superstar who grew up with Natural Golf starts winning many tournaments or an existing star (probably with back problems) successfully switches to Natural Golf and starts winning a lot of tournaments, leadership is not going to be the reason people switch to Natural Golf. As my examples of electric lighting and radio showed, change is driven by needs (pain) that cannot be met by existing products or services.

So what is the pain Natural Golf is going to address? It's the psychological pain of frustration and the physical pain of an aching back. (See sidebar "Who is Switching to Natural Golf.") Does this mean that Natural Golf is only good for those golfers? No, it means that frustrated golfers and those with physical pain are Natural Golf's **opening** to the mainstream of golf. Paradigm shifts can take years to occur. Let's take an innovation we are all very familiar with, the Internet. It began to take shape in the 1960s, with support from the Department of Defense. By 1981, only 200 computers were connected to the Internet. In 1991 a major breakthrough occurred that allowed the Internet to carry multimedia. Two years later, the first browsers were developed and a whole new industry took shape. But, it was at least 25 years before this paradigm shift really got going. Of course, once the Internet could carry multimedia and decent browsers were freely available, it grew at an exponential rate.

Today it is almost 18 years since Natural Golf was born, and about one percent of the golfers in the United States are Natural Golfers. Paradigm shifts take a long time!

Skepticism of Another Miracle Cure:

Natural Golf faces a high level of resistance born of several sources. One is the skepticism of golfers who too often have been promised quick fixes. There are literally hundreds of pieces of golf equipment and far-fetched gadgets that promise to lower scores. And while it is true that today's high-tech equipment allows the golfer to hit the ball farther than ever, being long and behind a tree or in the tall grass does not help one's score. National Golf Foundation's research shows that only 22 percent of all golfers regularly score better than 90 for 18 holes on a regulation-length course. The average 18-hole score on a

Who is Switching to Natural Golf?

I asked each interviewee to give their top three reasons for switching. The two most important reasons are driven by the complexity of the traditional golf swing, with all its moving parts. These reasons are: (1) "I was frustrated by traditional golf", and (2) "I was drawn to the simplicity of the Natural Golf swing." Some of these people were pretty good golfers who had handicaps of less than 20 and had been playing for a long time; others were folks who had never shot less than 100. Many of them tried Natural Golf as a last resort, "If this does not work, then I am giving up the sport." The third most important reason was back pain; these converts heard Natural Golf would be easier on their back. Frequently those I talked to were older, over 50. Noticeably lacking in numbers were good golfers who decided to switch to Natural Golf to get even better. This group comprised only 12 percent of those I interviewed.

A few short stories will illustrate typical golfers who have changed. All Names have been changed.

June is a good athlete. She played collegiate tennis for a major university with a solid tennis program. Her significant other is a very good golfer with a handicap of less than ten. She got into traditional golf three years ago. After a year she was shooting about 120, ... but traditional golf aggravated wrist and back problems. Her pro, who teaches both traditional and Natural Golf, recommended that she switch to Natural Golf. Two years later her handicap is 16 and the pain is gone, that is, the physical pain. The pain of getting kidded by her significant other and their golfing buddies remains. She is looking forward to continued improvement in the coming year. Given her competitiveness, I would not put it past June to secretly aspire to better her significant other's low handicap.

Bob is a retired grandfather. Bob's back got so bad that he was limited to nine holes a week and was still in pain. His grandson was getting into golf and lives nearby. Bob wanted to play with him, as well as, his wife. He went to Natural Golf about 18 months ago. He now plays three times a week, twice with his grandson and once with his wife. He plays without pain, which also allows him to practice. Bob is now shooting in the 90s; he had been consistently over 100.

Jim took up golf eight years ago after open heart surgery. At one point he was taking lessons from a traditional golf instructor who told him to forget about golf, to just go home because he lacked the coordination to play the game. When he discovered Natural Golf his handicap was 32, now he is a 16. His drives have increased by 50 yards and they find the fairway most of the time. He is expecting to become an even better golfer soon by concentrating on his short game.

full-size course is 97 for men and 114 for women. Only six percent of men and one percent of women say they break 80 regularly. When asked what they would like to shoot, most golfers say they would be satisfied if they could consistently shoot about 85 on an 18-hole regulation course. These average scores have changed very little over the years; high-tech equipment has not impacted the averages. It is only reasonable for golfers hearing the promises of Natural Golf to wonder if this swing system is really is going to make them better, or just make the Natural Golf enterprise richer.

Another reason traditional golfers resist the switch to Natural Golf is that Natural Golf is not a miracle cure, though it is close for some people, particularly poor golfers. My research has shown that if you are a pretty good golfer, handicap lower than 20, you are probably going to get worse before you get better. Fifty-three percent of the better golfers took three or more months before they could play at least as well as before they switched to Natural Golf. Thirty-four percent took over six months.

For people shooting over a 100 on a regular basis, it is another story! Poorer golfers improve much faster when switching to Natural Golf. Seventy-six percent of these golfers said that they were better in less than three months. Seventy-nine percent of golfers with a handicap over 20 knew they had made the right decision to switch to Natural Golf in less than three months; only 44 percent of the better golfers had a similar response. Many of the poorer golfers noticed a dramatic improvement in the first month that was only true for a small percentage of the better golfers.

If you are going to make a significant change involving motor skills, practice matters. Better golfers practice a good deal to begin with, but during the change 43 percent of the better golfers practiced at least two hours more a week. The poorer golfers also increased their amount of practice. Fifty-seven percent increased practice by two or more hours a week and 33 percent increased it by four or more hours a week. You might think as I did, that if the poorer golfer increased the amount of practice with the traditional swing he would probably have improved significantly too. So I asked them why they practiced more after switching to Natural Golf. The answers were some variation of “I know what I’m doing now and can see the results. Therefore I have real hopes of getting better,” and/or “Golf is fun now. I’m not frustrated and I want to play more and get better.” How many golfers expected a miracle cure and after a few feeble attempts to switch gave up and labeled it another fad? I don’t know the answer to that. However when I asked folks who had successfully switched if they knew someone who had tried and given up, the universal reason for failure was a lack of serious effort.

Natural Golf works but only if you apply yourself.

As per the research findings summarized below, this article proceeds from the conclusion that Natural Golf works. Therefore the question is, Why has it not caught on more quickly? The issues, I believe, are similar to those faced by every organization that seeks to change.

- I interviewed 89 Natural Golfers who have successfully switched from traditional golf. Interviews lasted from 30 minutes to an hour. On average, golfers with handicaps below 20 improved their handicap by an average of 4.35 if they had two or more years’ experience with Natural Golf. Golfers with handicaps of 20 or above or no handicap at all improved much more significantly. For those with a handicap, the improvement averaged 12.33 over two or more years.
- I myself have had success with Natural Golf. It took me seven months before I was back to my original handicap of about 14, which is not unusual for a golfer with over 30 years of habits to break. Since then, I have broken 80 twice in 10 rounds; I never did that before. I hit the fairways 28 percent more frequently (I have kept records for years), and I hit the greens in regulation 12% more frequently. My drives are 30 to 40 yards longer (when you hit it straight with a slight draw the ball rolls farther). While my handicap has come down half a point (I putted badly last year), I know from my research that it is in the second year and beyond when Natural Golfers with handicaps of less than 20 see significant improvements in their scores.
- I have watched the tapes sold by Natural Golf, taken a Natural Golf school and have had some instruction from a Natural Golf pro. I have a very good sense of what good instructional material is, having taught at every level from grade school to corporate executive programs for the last 36 years. Natural Golf’s instructional materials are first rate. And, their schools have been ranked by Golf Magazine as being among the top 25 in the country with over 7,000 people attending last year.

Those of you with a scientific bent might ask. Where is the control group? Of course there is not one, but one of the standard research designs for social science is a time sequence. That is, something is measured (a handicap) at times one, two, and three. Then change takes place (starting Natural Golf), and you measure the handicap at times four and five. If after the change, things improve (which had not been getting better) then that is good evidence that improvement is due to the change. My research, assuming the honesty of those interviewed, is like a time sequence.

Threatening the Establishment:

In addition to the issue of individual change, there is resistance to change in the culture and business of golf. It's easy to see why. Natural Golf began with an exclusive approach: that is, take lessons from a Natural Golf pro; buy Natural Golf videos, clubs, balls and gloves; and learn about Natural Golf from our own magazine. So every time a person switches from traditional golf to Natural Golf, multiple franchises within the traditional golf world lose a customer. Only driving ranges and golf course owners do not lose.

PGA teaching pros lead this resistance because they stand to lose students if Natural Golf catches on in a big way. Traditional teaching pros could also become Natural Golf certified instructors, and some have, but this takes time and money. Many are probably put off by what they consider an ugly-looking swing. Of course, beauty is in the eye of the beholder, and when I see my drive go straight down the fairway forty yards farther than with the old swing, that is a thing of beauty to me.

Let's compare Natural Golf's exclusive approach, (An illustration of an exclusive approach vs. an inclusive approach can be found in the ongoing, albeit lopsided, competition between Apple and Microsoft for operating system market share) to an inclusive approach.

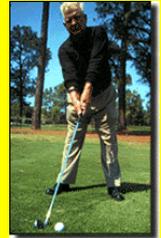
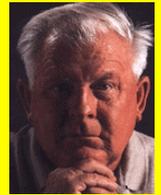
An inclusive approach would recognize that the great benefit Natural Golf offers — that is making golf fun and enjoyable for a much larger audience — can create a win/win for almost all segments of the golf industry. To better understand this you need to know a little more about the golf industry.

According to National Golf Foundation data the number of rounds played has increased only about four percent (less than one percent a year) between 1997 and 2002. And this has happened even with the "Tiger effect" creating much more interest in golf. The sales of golf equipment have been basically flat. Last year, Top Flight, one of the major manufactures of golf balls went bankrupt and sold its golf assets to Callaway Golf. Additionally, the NGF reports that avid golfers (25+ rounds annually) make up 23 percent of golfers, but accounted for 63 percent of all golf-related spending in 2002.

The number of golfers in the United States has remained essentially flat for the last five years, less than a one percent increases a year. And according to Jim Koppenhaver, president of Pellucid, a golf research organization, while there were 2.1 million new golfers in 2002, 2.9 million people gave up the game. The top three reasons given by those giving up the game: 1) golf costs too much, 2) golf takes too much time, and 3) golf is too difficult.

A Short History of Natural Golf:

Natural Golf has dual parentage. It was born of science, research and the experimentation of a little known golf genius, Moe Norman. In 1984, Jack Kuykendall set out on his personal journey to qualify for the senior golf tour when he was 50. At the time, Jack had a handicap of 12, a pretty good golfer. After two years of extensive practice (five hours a day), lessons, new equipment, etc., Jack was worse than when he started, his handicap had grown to 14.



To his credit he decided that there had to be a simpler way to play golf, and he decided to apply his skills as a trained physicist to discover it. Shortly, he developed the basics of what is known today as Natural Golf. In 1991, a Canadian professional golfer named Mark Evershed was working with Jack and recognized the swing mechanics as almost the same as those of Moe Norman, the forgotten Canadian pro who won 54 amateur and pro tournaments. Kuykendall tracked Norman down in Canada. He was almost broke and living out of his car. A working relationship developed that would change both men's lives.

Both men were rescued from obscurity by a series of four articles in Golf Digest (December 1995). The cover of Golf Digest, the world's largest circulation golf magazine, read "MOE KNOWS what nobody else knows – Open to read Moe's Secrets." The cover also went on to ask the question "Is he the best ball-striker ever?" That question had been asked of Lee Trevino in another golf article; Trevino had sparked the interest in Moe by naming him as the best ball striker of all time. One of the articles chronicles the unique and in some ways bittersweet life of Moe Norman. The article was so interesting to the screenwriter of "Rain Man" that he bought the rights to the story and is close to producing a movie of Moe's life.

In April 1997, a management team led by Thomas Herskovits and Andrew Wyant acquired controlling interest in Natural Golf. They set out to make Natural Golf into a major force in the golf industry

In December 2003 Natural Golf raised \$12.5MM through an IPO. It has grown its cumulative customer base to over 200,000, yet revenues peaked at \$16MM in 2001 and the company has lost money every year since its purchase by the new management group.

So why are we building golf courses at close to twice the rate of the increase in golfers? Simple, the baby boomers are about to retire! The National Golf Foundation has found that golfers in their 50s play twice as many rounds as golfers in their 30s and that golfers over 65 play three times as many rounds as golfers in their 30s. Why? Time availability!

OK, let's come back to how Natural Golf fits with this data and the retirement of baby boomers. It is easier on the back, simpler to do well and less frustrating. This should appeal to all ages, but even more to older folks either playing more or just taking up the game. Older people have more aches and pains, and it is harder for them to learn a new and complicated sport. Even if you don't buy that logic, let me tell you how people answered a key question in my interviews. I asked people, how many rounds of golf they played in an average month before and after they switched to Natural Golf. The answer varies dramatically based on ability. Only 26 percent of the good golfers increased the number of rounds played in a month by four or more, because their playing is determined solely by family and or other obligations. However, 55 percent of the poor golfers I interviewed responded that they play four or more rounds more a month since switching. When asked why, most responded, "I enjoy golf more now and I am getting better." Others add, "And my back does not hurt now." Now this should be truly great news to the golf industry, more rounds from this group mean more balls, clubs, gloves and shirts sold. But it's only a win/win, if Natural Golf takes an inclusive approach.

An inclusive approach means partnering with golf club manufacturers to develop a brand of clubs that appeal to Natural Golfers. It means working with ball manufacturers to make a ball that works well with the Natural Golf swing. It means partnering with golf course and driving range owners to get more people to use their facilities. This is similar to the approach that Microsoft took in getting its version of Windows used by just about every manufacturer of computers. With a partnering approach, the "software" of the Natural Golf swing could well be the catalyst that makes the golf pie bigger. As they say in the computer world, it could be the "killer app" that drives purchases and usage

Natural Golf seems to be moving in that direction. Recently Natural Golf announced it had signed a letter of intent to work with Callaway Golf. It has made efforts to work through managers of golf courses. According to CEO Andrew Wyant, they had a working agreement with The American Golf Corporation, which operated 350 golf courses. While the executives wanted this partnership to work, Wyant reports, few of the individual courses took advantage and not one PGA professional teacher from any of the 350 courses became Natural Golf certified. In fact, Natural Golf was most successful at courses where the person in charge of the course was **not** a PGA teaching professional. At these locations Natural Golf had great success in bringing in more students and business for the course, according to Wyant.

The Way Forward

There are two main strategic changes Natural Golf needs to make to, first survive and, second make millions of people as happy as I am.

The first one we discussed above. It must continue to take on partners and create a win/win proposition for as many parts of the golf industry as possible.

The second is to find better and more cost-effective ways to reach people open to changing to Natural Golf. Currently, Natural Golf spends a lot of time and money advertising on the Golf Channel. Because the executive team at Natural Golf believes that they have a better more reliable swing, Natural Golf has sought out serious, better golfers by advertising extensively on the Golf Channel. The average handicap of a Golf Channel viewer is a 14, according to the Golf Channel spokesperson. My research shows that good golfers are the group least likely to switch to Natural Golf unless they are frustrated and/or have developed back problems. People shooting over 100 on a regular basis, and that is the majority of golfers, are probably not watching the Golf Channel with regularity. Women that would like to go out and play with their husband if only they were better, probably don't watch the golf channel. Yet these are prime audiences for Natural Golf at this stage of its evolution.

So what are some tactics that Natural Golf might use to acquire customers more cheaply?

In this instance, they could borrow a tactic from Apple Computer — that is, the use of apostles to spread the word. A very high percentage of Natural Golfers recommend Natural Golf to others; almost 79 percent of those I interviewed had recommended it to five or more people. More than 39 percent have recommended Natural Golf to more than 20 people. Now, some of these are more persuasive than others and about 21 percent have had six or more people actually convert to Natural Golf. These persuasive people are the apostles. According to Jim L. Heskett, W. Earl Sasser, Jr. and Leonard A. Schlesinger, all associated with the Harvard Business School and authors of the “**Service Profit Chain**” and “**Value Profit Chain**,” apostles are worth many times the average customer. Their intensive research, spanning 20 years, has effectively explained the success of companies such as Wal-Mart, Southwest Airlines and Fed-Ex.

Let’s take the case of John. John is the type of customer who converted very quickly to Natural Golf using his own clubs, and had a dramatic improvement in his score. As a result, he needed to take very few lessons and bought almost no equipment. It would seem that Natural Golf made little money off John. But wait, John claims to have converted 60 people to Natural Golf. John goes with his certified Natural Golf instructor to golf shows to help him sell, at no cost to the instructor. How many lessons, clubs and other equipment have John’s converts bought? That is the real question for Natural Golf or any organization regarding apostles. Of course, Natural Golf like most organizations, does not know the answer, but will it know the answer in two years? I would argue that knowing the answer to this question is going to be a key to the future existence of Natural Golf. Then the question is, how do you encourage these satisfied customers and apostles to help bring in more business?” I am not sure what the answer is, but I do know that offering them money will insult their loyalty and negate their positive feelings of being associated with Natural Golf.

Another key will be finding cheaper and faster ways to connect with older golfers and high handicappers. Should they advertise in AARP’s monthly magazine? Should they do a deal with multiple sporting goods chains to display a free five minute video on Natural Golf an approach similar to AOL’s ubiquitous CD’s? Should it blitz the local media in locations where it has a concentration of certified instructors?

Then again, maybe there is another way to appeal to the better golfers. I asked the better golfers who switched to give me details about what had improved. All agreed they were driving the ball much straighter and/or longer since switching to Natural Golf. This is a significant benefit. It is much easier to score if you are hitting from the short grass (fairway) and/or are closer to the green after your drive. Good golfers all know this, yet Natural Golf did not emphasize this benefit, they may not have been aware of it until I did my research.

The Bottom Line:

Natural Golf has a future if it understands that pain is going to bring it customers in the short run, the next three to five years. That pain, is the pain of frustration and of the back. Further, it has to partner with others in the golf industry to increase the size of the pie and it has to find cheaper ways to acquire customers.

The question of whether Natural Golf is a better swing than the traditional swing is irrelevant to Natural Golf’s success as a company. Only time and competition at the highest level will settle that argument. That part of the story may not be learned for another 25 years when young golfers on the PGA tour are playing Natural Golf and slugging it out with the protégés of Butch Harmon. At that time I hope to be shooting my age (82 then) with my perfected Natural Golf swing!

Rich DiGeorgio is an independent management consultant based in Washington Crossing, PA. There was no funding from Natural Golf for this article. His consulting practice focuses on change management and strategy, as well as developing leaders that understand both. He is also the host of the Internet Radio show “The Changing World of Work.” You can listen to archived shows and find out more about him and his practice at www.change-management.net.