

The Disrupter

Bob Parsons, tech industry billionaire, reveals his biggest regret, secret to be happy, and establishing the PXG brand.

By Mark Pazdur, Publisher

SCOTTSDALE, ARIZONA: Bob Parsons, founder of Internet domain registrar GoDaddy, is one of the more colorful and outspoken executives to enter the golf industry.

His business acumen isn't in doubt. In 1984, he founded Parsons Technology, a home accounting program. Growth was brisk and 10 years later the company had 1,000 employees.

"Intuit [best known for its Turbo Tax software] offered me \$60 million," recalled Parsons. "I thought we *might* be worth \$40 million. I bluffed and said I was insulted by the offer. It worked. I got \$64 million. Remember, the first offer isn't what the seller has in mind, either."

A true numbers guy and bored with early retirement, Parsons reentered the software business in 1997 and started Jomax Technologies, quickly renamed GoDaddy. "We floundered for the first couple of years, until we entered the domain registration business, a decision that completely changed the face of the industry," said Parsons. "Our business plan was a disruptive technology. The domain name business was run by monopolies that were overpriced and underserved."

GoDaddy went public on the NYSE in 2015 and now has over 61 million domain names under management, annual revenues of \$1.8 billion, and a market cap of \$5.5 billion.

CALL IT LIKE I SEE IT

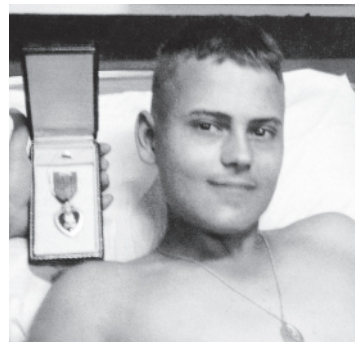
I was looking forward to meeting Bob Parsons. During our two-hour interview, I found him to be engaging, to the point, witty, and genuinely a nice guy. Our session, in his memorabilia filled office, became emotional at times and several answers included carefully placed expletives.

Bob grew up in blue-collar Baltimore, Maryland. His father was a successful furniture store manager and his mother was a stay-at-home housewife. "Dad made good money, but both of my parents were gamblers. They frittered away much of a week's paycheck," lamented Parsons. "I learned frac-

"MY BIGGEST REGRET? THE MARINE CORPS TAUGHT ME TO BE A WORKER BEE. SIXTEEN HOURS WAS A SHORT DAY. I WISH I HAD SPENT MORE TIME WITH MY KIDS WHEN THEY WERE YOUNGER." – BOB PARSONS



(Above) Bob Parsons in his office. His most cherished memorabilia is his first IBM computer that allowed him to start writing code. "I nicknamed her Cinderella as a testament that anything is possible," stated Parsons.



Reservations are required for a two and one-half hour custom fitting session at the impressive PXG Headquarters in Scottsdale, Arizona. The handsome facility features three hitting bays and a putting lab. Behind the scene, The Buildshop works in teams of three, including one Master Fitter, to assemble complete made-to-order sets.

"PXG IS UNDENIABLY THE BEST EQUIPMENT TO HELP ME ACHIEVE MY GOALS ON THE GOLF COURSE."

– ZACK JOHNSON

tions from reading horse racing forms with my mom. They were good parents, but I had to start earning money at too young of an age."

One of Bob's first jobs was selling newspapers. "I would sell the Sunday paper at our local diner. Traffic was brisk because there was a bus stop across the street," remembered Parsons. "I would go to the newspaper machine, purchase one paper, and take the entire stack. I would then mark-up the newspapers sold to diner patrons, return the unsold inventory, and deposit money in the machine for what I used. It was a brilliant little deal. I guess you could say I was the middleman taking my cut of the sale!"

As a teenager, Bob experienced the meaning of loss. "I grew close to a neighbor and his family. Jim was five years older than me and I admired him greatly. We spent countless hours together playing chess. He became a firefighter and not long after joining the department he rushed into a burning building to rescue two children,"

tearfully recalled Parsons. "He got the first child out safely. He never made it out trying to save the second. His death had a deep impact on me."

Struggling in high school, Bob enlisted in the Marines with two buddies in 1968. "My teachers instantly passed me in all my classes. They knew better than I what my future held. Vietnam was a life-changing experience. I went there having no idea what I was getting myself into," said Parsons.

During one excursion, Bob was walking point (first as the group leader) and was shot. His heroism earned him a Combat Action Ribbon, Vietnamese Cross of Gallantry, and Purple Heart. "I always remain calm, it's my nature," explained Parsons. "My goal was to make it to mail call the next morning. Combat forever changes you. Any knucklehead can handle good times. War shows your true colors. I entered the military an irresponsible kid. I returned as an individual that understood duty, accountability, and I believed in myself. I owe my success to the Marines."

Under the GI Bill, Bob returned to Maryland and enrolled in the University of Baltimore. Although his war experience had motivated him to make something of his life, he was unsure of what path to take. Upon researching possible degrees, he decided to select the first major listed in the curriculum book—accounting. He found a knack for numbers and graduated magna cum laude with an accounting degree.

Through hard work, fortuitous timing, and gutsy instinct, Parsons prospered. *Forbes* estimates his net worth at a more than respectable \$2.4 billion. ➤

GoDaddy made a splash on the world's stage with a risqué Super Bowl commercial starring GoDaddy Girl, Candice Michelle. "I wanted to catch people's attention," said Parsons. "After it aired, our servers shook from the traffic. The following week, our market share went from 16% to 25%."

Danica Patrick is by far the most famous of GoDaddy girls. "She's unique, a woman with stones. She has the guts and moxie to compete in a male-dominated sport and hold her own," said Parsons. "Even my mom commented how proud she was for me to establish a new standard for indecency in broadcasting."



“GO WHERE OPPORTUNITY TAKES YOU. I STARTED AS AN ACCOUNTANT AND THEN MOVED INTO SOFTWARE CODING. I LATER FOUNDED GODADDY, AND TODAY I’M MAKING PXG GOLF CLUBS. I’M ALWAYS PREPARED TO CHANGE. MY FATHER TOLD ME I SHOULD DO WHAT I LOVE. HE SAID, ‘WHEN YOU LOVE SOMETHING, IT TELLS YOU ALL ITS SECRETS.’” – BOB PARSONS



Bob purchased The Golf Club Scottsdale, renamed it Scottsdale National, and added a second course. “You don’t need to taste much soup to know how the whole pot will be,” described Parsons. “The existing course, called The Mineshaft Course is complemented by The Other Course.

A SUCCESSFUL MANAGEMENT STYLE

Trouble relegating control to others is a common personality flaw among the brightest entrepreneurs. Bob was no different. “Committees make the best decisions when three people are on the committee and two are out of town,” teased Parsons. “Often the best partner is no partner at all. I realized everyone has a boss in life. I have two: the IRS and my wife Renee.

“It did take me a while to reconcile delegation. I admire Warren Buffet and I think he summed up managing best: ‘One: Hire people and don’t tell them what to do; two: Let good people set their own standards and direction; and, three: Delegate almost to the point of abdication.’ If you properly reward employees, they will motivate customers and revenue will grow.”

I WAS SMITTEN

Bob met his wife Renee on a blind date. “I admit I am an introvert. Spending an evening at home with my dogs is appealing,” said Parsons. “I was burned out on the dating thing. The three women I saw before Renee all had drinking problems. In hindsight, I should have suspected something. I met all of them at a bar!”

At the urging of a friend, Bob invited Renee for dinner. “I was love struck the moment I saw her. It was hard to keep a conversation, I was that nervous,” recollected Parsons.

Fast forward a couple of years, Bob had arranged a romantic marriage proposal. “I had reserved a private affair at the Scottsdale Botanical Garden,” said Parsons. “Everything was coming together nicely. The candles were lit and the guitar players were in place. My modus operandi includes driving a Harley. In order not to spoil the surprise, I picked her up on my bike for the short drive. On the way, my clutch burns-out! Arriving a little late, the proposal went off without a hitch. Other than a little helmet hair, Renee couldn’t have looked more beautiful when I dropped to one knee.”

Their lavish wedding was held at Keswick Hall in Virginia. “I don’t dress up often,” said Parsons. “I’m no royalty; a tuxedo fits me like a suit on a hog.” Renee’s vows to Bob included: “I am marrying one of the few, the proud, a U.S. Marine. You are my best friend, my love, and my companion.”

31 FOREIGN COUNTRIES AND COUNTING

Bob started to play golf regularly in his mid-30s. Today, he carries a 10 handicap and tees it up 150 times per year.

“My dad was a good stick, probably close to a scratch player. When I would accompany him to the club, I was more interested in chasing rabbits than playing golf,” reminisced Parsons. “One day, he handed me a salt shaker and told me if I can place salt on a rabbit’s tail, you

“THERE ARE MANY PEOPLE I ADMIRE. DONALD TRUMP IS ONE OF THEM. WITH ALL THE SLUDGE AND SHIT THROWN AT HIM, HE HELD HIS GROUND. HIS CONCERN IS HOW TO MAKE OUR COUNTRY SAFER, RUN BETTER, AND RECEIVE THE RESPECT ON THE GLOBAL STAGE IT DESERVES.” – BOB PARSONS

can catch it. So, there I was, running round the fairways trying to sprinkle salt. Amused, Dad eventually confided in me, ‘if you are close enough to sprinkle salt on a rabbit’s tail, you are close enough to grab it!’ It was his way to keep me busy and out of his hair.”

In the fall of 2013, Bob began pondering manufacturing the *perfect* golf club. “I have spent hundreds of thousands of dollars on golf equipment in the quest to get better and gain an edge,” said Parsons. “The major golf equipment companies produce good product, but they are beating one another’s brains out over shelf space. Companies in an entrenched market often don’t see the threat until it’s too late.

“I had known Mike Nicolette, a senior engineer at Ping for many years. We discussed the possibility of creating a product where performance trumped price point. I knew we were marching into unmarked territory. Mike inquired about timelines and budgets,” said Parsons. “My answer was one word: unlimited. Thirty days later we were on our way with establishing PXG [Parsons Extreme Golf].

“Our disruption in the marketplace started with irons. We felt they provided the greatest opportunity to make a difference. My request: design a sexy looking clubhead that looks like a blade, but has a sweet spot the size of Texas. Performance must create shots that go higher and farther without goosing lofts. After fits and starts, our investment of \$12 million has paid-off.



The exhibit, in the lobby of Bob Parsons’ office, was created by young women living in child protective services custody. Free Arts for Abused Children of Arizona is one charity funded by the Parsons Foundation. Renee and Bob Parsons signed The Giving Pledge, started by Bill Gates and Warren Buffett, in which they promised to give half of their net worth away. So far the couple has donated \$120 million to various charities. “We live in a wonderful country, but we have significant problems. Renee and I tend to support charities already on the ground making a difference, but for one reason or another have difficulty raising funds,” explained Parsons.

Having PXG in your bag says something about you.”

The first set of PXG clubs rolled off the production line 18 months ago. The company has over 600 green grass accounts (golf shops associated with a golf course), 99 specialty golf stores, and sales in 31 countries. A fleet of 20 mobile master fitter vans covers the country to deliver the complete PXG experience. “We will never be available in big box retailers,” stated Parsons. “A full custom fitting takes two and one-half hours. You will never see us exhibit at the PGA Show, just like you don’t see Ferrari on display at the Detroit Auto Show. A full set of 14 clubs can reach an investment approaching \$5,500.”

SECRET TO BE REALLY HAPPY

“We all have bad days,” said Parsons. “Everyone has been stuck with a flight delay in a crowded airport or traffic jam on a congested freeway. The key is to think about anything but yourself in the moment. Ponder something that takes you ‘outside that point in time.’ For me, that happens to be playing golf and riding motorcycles.

“It’s important to be able to leave work at home. Nothing keeps me up at night. I know I can deal with it in the morning,” advised Parsons. “Why stress about it? What is the worst that can happen in the next eight hours? Accept it and plan to work to improve on it the next morning. Spending too much time in the past causes regret, it is important to live in the here and now.” ■

