

# SUBSTANCE

## *behind the style*



### Q&A with TRAVIS MATHEW Golf Apparel's angel investor John Kruger

*This interview appeared in excerpted form in the 2015 Links Players Magazine.*

#### **What would you put in your back-of-the book bio?**

Married 27 years, three kids, adultish—they're not really adults until they're 50. Became a Christian in the late 1990s. So I came to it late in life, I my thirties. I had time to really, I wouldn't say challenge it, but get convicted through curious investigation, not just toeing the line, but really wondering if this was right. Who's right, and what's right? So kind of the Lee Strobel method. I went through that and became convicted that this makes sense. Faith is a willful decision based on reasonable data. That's what I found from it.

I went right from high school to working for my dad, taking over his company in 1985 when he died. I've been self-employed my whole life, really, other than the few years working for him. We did metal fabrications, so electronic equipment, computer-related, telephone, gaming, and medical equipment, pretty large scale. I ran that from 1985 to 2008, sold it, real estate investments now, Travis Mathew, kind of founded that with two other guys being an investor. I actually work full-time as a volunteer working to bring school choice to California, and fiscal reform, including religious school choice. That's my full-time passion right now is to try to change that game in the state. Kind of taking a little break from TM. I never really worked there full-time, but I'm really not really doing much of anything other than overseeing the CEO and creative guy.

#### **How did Travis Mathew come across your radar?**

It was brought to me by Travis Brasher, who is our CEO today. He and another guy were coming together with some drawings and some ideas about bringing a niche clothing line for golf. It seemed like the golf clothing was more centered around guys who were older. The teens and 30-somethings and 60-somethings were wearing the same stuff.

#### **What inspired the idea?**

The guys at Huntington Seacliff, where I was taking lessons. Travis was the head pro, and guys were wearing Quiksilver stuff and Hurley stuff to golf in. Travis said, "What's going on?" And the guys said, "Well, it looks better and it's more comfortable." He thought, *Well, heck, why don't we do that ourself?* That's really how it was born. They came to me and I kind of challenged them on it.

**What was the clincher for you?**

I'm not really sure why I decided to do it, other than I got tired of them bugging me to start businesses all the time. They wanted to start restaurants and buy golf courses, and I said, "Let's just do this and let's fail and get it over with, and then I can move on." It didn't fail, that's the funny part! They just kept coming and coming, and I said, "Guys, find somebody else." So it was kind of funny how it started, but we did our homework and we invested some money and we stayed the course and it's turned into something.

**How much of getting involved in an investment like this is a hunch and how much is due diligence and research?**

You always do start with a hunch, but you don't write checks right then. The goal for me—and we've started quite a few businesses—is that we try to identify what it is we're trying to accomplish, and then we spend a lot of time and effort trying to mitigate the risk before we put money on the table. That involves how big is the market, how many people play golf, how many people in this age bracket, how many courses might want our stuff, how many courses are there with over \$75 per round green fees? We did a lot of research because our stuff was going to be a little bit higher priced and a little bit more of a new thing.

So we did a lot of work before we ever pulled the trigger, of defining what we thought the market would be for this and then we took *x* amount of money and drew a kind of boundary around it. We said, "Our goal with this amount of money, 100, 200 thousand dollars—our goal was to find out if anybody wants to buy this stuff." We had to get it designed, get it made, go find some people to buy it, and see how it sold. We had a plan to say, "We can risk this much money. Let's do that over 12 months and let's see what we have when we're done." So we matched the estimations in our plan to the behavior, to the outcome, and it all lined up. So we took another stab at it for another two years, put more money up and did it again. We were really watching the demand, making sure the demand was going to be strong, and then when we figured out how well that was doing we really stepped on the gas and started building the business and putting some money into it and really going for it.

Again, the goal is to mitigate your risk and get an answer as quick as you can and don't stray, don't hope that everybody likes it—you've got to measure how your outcomes are to your plan and if it's working, then roll.

**What was the thrust of the brand?**

We had a lot of other kids around as well who said, "We want clothes that are really comfortable to wear on the course, want clothes that don't look like our grandpa's clothes, want clothes that we could maybe wear to the office, wear after we play, and morph into a kind of a lifestyle brand." So it had to fit the athletic side of things in comfort and fit, it had to fit stylewise—it wasn't just your average lots of stripes, lots of colors, lots of greens and pinks—and then it had to be something that you could wear on Fridays at work, nice clothing for work but not tie and suit stuff.

**You guys have added Keegan Bradley for 2015. That has to be a fun addition.**

That's a kid who's athletic, fun, in good shape, good golfer, doesn't take things too seriously, but knows how to work to get the job done. He fits us really good. He just needed a little style help. He likes the stuff, so it was a good match. We have Chris Kirk, who's the quietest Number 2 FedEx Cup player ever. Here's a guy from Georgia who you would think, again, is not really our style, and he has been with us since he started. He fits us nicely. So we have a lot of guys around the nation who actually do fit our style. Bubba was an interesting thing. If anything, he has a little wilder style than we could provide for him. But that was a launching pad for us too. We got pretty lucky with him. We picked him up before he was anybody, and next thing you know he was somebody. It didn't hurt us.

**What has been a pleasure to watch as TM has grown?**

It's not for everybody and we didn't expect it to be, but it's been received really well. I really enjoy trying to bring fun back to golf in a little more casual camaraderie feel than just the seriousness of it all. It needs to be a fun sport. We're helping loosen it up a little bit. It been a surprise to see our team come together and teach these kids how to give back too, timewise and financially. We have a really strong group of people there that like to get their hands dirty helping others and like to put a lot of our earnings into important charities of need. It's neat to watch that grow, that they've really got the charity bug. That's probably the best thing.

**What does the future look like for Travis Mathew?**

We're expanding in retail. We have one retail store now in Newport Beach that's just our product and we're going to open a second one now, it looks like, somewhere down south from here. So we're going to focus in on opening up our retail store, so we can show our entire line of apparel. We have a whole fitness line with the Andy Roddick side of things, and James Blake, and those guys. We have denim, we have wovens, we have workout gear, our golf stuff, and we have casual men's stuff. We can't sell all our stuff through pro shops. We need a bigger platform to do that on, so we're going to be opening a lot of retail stores. And our web site situation has really grown nicely, too. Those are areas of focus.

We're going to continue to focus on the best golf courses in the nation. We're not focusing too much outside of the United States right now. We just want to make sure that when we grow we grow prudently, that we don't just grow for growth, and we don't sell it to just drop it off, discount it, and flood the market. We just want it to be done right. So we need to grow, but we don't need to grow faster than the market is interested in having it.

**Tell us about your golf game.**

I started taking lessons when I turned 40, although I played for most of my life. I got down to about a 10 handicap on my own, and then when I turned 40 I started taking lessons because I wanted to be a scratch golfer. I got there pretty quick, and Travis Brasheer was my coach. Since then I've played a fair amount of golf, a lot of amateur competition sort of stuff, country club stuff, a couple SCGA events. So yeah, I like golf, I can play golf, but right now I play golf mostly just for fun. I haven't been competing the last year or two and I just enjoy it. I enjoy the camaraderie, I like meeting people. I like to go to our club at Shady Canyon and walk out there say, "Put me with anybody." I don't care what their handicap is or who they are. It's just go meet 'em. That's fun.

I'm a once a week guy, mostly during the week. When my kids were growing up, I wouldn't play on the weekends unless one of them wanted to play, because I wanted to be home. So I would play while they were in school, basically. That still rings true today.

**You're involved with the Links Fellowship at Shady Canyon in Irvine. What do you like about it?**

What I like is that at Shady, you've got an upper end clientele there, it's a pretty exclusive club to get in costwise, but the guys are so down to earth there in that group. They're all successful businessmen or professionals, and that group of guys going to the Links Fellowship are really a humble group of guys. What I got to learn about them is they really have surrendered and they really are committed to their faith and committed to doing the right thing. That's just great and a healthy situation to be around.

**How did your own relationship with Christ start?**

We started going to church in the mid-90s. We sent our kids to Christian school the whole way, because that's where the "good people" are, of course. So we figured we could slide them into that pile and they could help raise them for us, and the next thing you know my daughter is asking, "Dad, why don't we ever go to church?" I look at my wife and I go, "This isn't going to work out, honey. This is messing up my plans." So we started going and I started listening and I'd go, "Why are they always talking to me when I show up here?" You know how that goes. We started really investigating and paying attention, and we all got baptized together, my wife and my daughter and I. It's been great, and that's the focus of our life.

**How does your faith intersect with business?**

I think that what I learned is that after we decided that becoming a Christian and following Christ, you went into a situation where in business sometimes I think people kind of check their faith at the door. They do their business and then they go back in. Not really immorally, but maybe a little rougher with how they handle people, a little more not as open-book. I don't want to use the word *dishonest*, but they're not always looking out for the best interest of their employees or their customers sometimes. They're more looking out for themselves. For example, with manufacturing quality, a lot of guys might just see what the customer will bear rather than what did the customer ask for and exceed their expectations—not just say it but live it. So for me it was how would we run the business if Jesus was on our board?

That's what we did. All the board members became Christians ultimately over time. We ran into a situation where we were going to have a layoff because business was slowing down. How are you going to handle your people now? Are you obligated to keep paying people when you're losing money? And the answer is no. But how you handle the matter, or how you handle your customers if you have a lot of demand coming on and our business is really growing and we could see that we are probably going to fail. In the old days, we probably could have taken our chances and maybe disrupt some of our customers.

But after we became Christians, it was *no way*. If it looks like it's going to be a problem, then decline the business. That sounds so simple, but you really value having a backlog. And you became more open and honest with your customers, with your employees, with everybody just by thinking if God was in the room, what would he do? And you call yourself on the canvas if you have a situation where it was going to cost you a lot of money to stand up and say something went wrong, then say it anyway. Even if it cost you a lot of money, he would always protect you later. And he did.

It was just a surrender of the outcome of business to the Lord that really changed things and just a very open and honest relationship with customers and employees and everybody you came in contact with. And even when it was going to be to our detriment, we always went down the road of doing the right thing, and he always came back and took good care of us. Honestly. Incredible.

### **That sounds like a fast change.**

I got baptized in 2001 and we had just gone through the worst downturn ever since my dad's passing. We were in the telcom business and the whole NASDAQ went from 5,000 to 1,300 in a couple months. That was the big meltdown back then and most of our big customers were part of that. So we went from 600 employees down to 300 in 90 days. We had a massive, massive meltdown—customers going bankrupt, customers going out of business, customers fraud. It was a mess. And I just surrendered the outcome to the Lord and said, "I'm going to take the skills and the things that you've given us and I'm going to do the best I can."

I actually moved my office from the factory to my house on my 40th birthday, because I didn't want to rob my kids of their dad because I was so busy trying to save the business. I started working from home in 2001, and I've never had an office since. No matter how bad things were getting I was like, "Whatever you want to do with us, Lord, we'll do whatever it is. Do you want us to be done in business? OK, fine, but we're just going to operate the way you want and do it right. We're not going to rob our kids of their dad, and we're not going to rob my wife of her husband." And we just locked and loaded on whatever his mission was and did our best, and everything that happened from 2001 to today has been just storybook. Seriously.

I can honestly say that surrendering to the Lord the outcome of that business and doing what I think he would want us to do, from a financial and a personal standpoint we've been blessed beyond what anybody should be.

### **But there is no promise of that.**

No, there's not. But here's how it works. The first Bible verse I ever memorized was right around that same when we were bleeding. I mean, we lived on our savings for a year and a half. We were losing money like it was going out of style. The first Bible verse was Proverbs 3:9-10, "Honor the Lord with your wealth, with firstfruits of your crops, and your barns will be filled to overflowing and your vats will overflow with new wine." I'm thinking, *Why did I pick that one first?*—because I'm losing money and the church is wanting donations. But I'm saying, "You know, Lord, if we're just stewards and we're not owners of this, then we'll just go ahead and we'll give it from our savings and we'll burn up what we have and that's fine." And the more we gave, the more he replaced. If we gave a dollar, he put five back in us. If we gave five, he put ten back in. I don't know why. That really showed us that it was his to distribute, it was his to manage, it wasn't ours. And consequently, we watched that whole situation unfold. It's hard to be generous financially and timewise when you're losing money. That's the time he wants to test you. 