What is the core of NIKE’s philosophy?

We believe in potential, not limits. The 4-minute mile was safe, until Roger Bannister. Lou Gehrig’s 2,130 straight games was safe, until Cal Ripken. No one would ever clear 29 feet in the long jump, until Bob Beamon. Nobody would ever beat Bob Beamon, until Michael Powell. That’s how it is with NIKE. We believe.

Mark Parker
President and Chief Executive Officer, NIKE, Inc.
Our subsidiaries are critical to the business as part of an optimization plan, making sure we leverage our resources, manage our costs, and invest wisely in growth opportunities.

What role will acquisitions play in the Nike growth plan?

We are always looking for ways to expand our growth potential, but within certain principles. We ask a lot of tough questions. “What does it improve our ability to grow existing businesses?” When the answer is yes, we buy a company like Impact Golf Technologies, which allowed us to become the leading innovator in golf club design.

We ask, “Does it expand our consumer base within our culture of sports?” When the answer is yes, we buy Converse, which is delivering tremendous growth by evolving franchise concepts like the Chuck Taylor, and by creating new ideas in footwear and apparel that resonate with young consumers all over the world.

We ask, “Does it give us entry into new consumer cultures that can benefit from the cross-over of Nike technology?” When the answer is yes, we buy a company like Cole Haan, which uses Nike Air to redefine the concept of comfort in fashion footwear.

This is the benefit of a strong balance sheet, being able to aggressively invest and act on the best opportunities for the company.

What should shareholders understand about Nike?

I think as a shareholder you should look at Nike and ask yourself, are they really focused on the right things? Is the product innovative and compelling? Is the consumer experience rich and relevant? Are we being a responsible corporate citizen in the world? Are we completely focused on the consumer?

And that’s really what our job is — to make sure that we’re clear about our potential. Kind of like an athlete. We’re actually made up of a lot of athletes, and I think that permeates our culture. Nike has tremendous resources, but we have even more opportunities. So we have to make sure we are making the most of both.

And that requires a superior management team, which we have. We have the best team in the business. Every leader at Nike brings a unique point of view to the table. Consistency is important, but not nearly as powerful as ideas and debate.

And we have a lot of both. There’s just a deep competitive fire that makes us to be a leader in everything we do.

ON NIKE . . .

Nike’s mission statement is to bring inspiration and innovation to every athlete in the world. What does that mean to you?

I think sports is a healthy and positive expression of our human nature. We’re competitive, we’re physical, we’re drawn to challenges. We like to achieve things on a personal level, and we like being part of teams that share a passion and a common goal.

To me sports, at its best, is a noble part of the human experience.

Nike is a part of that experience. We’re athletes, so we understand sports and what athletes need to compete. We’re innovators, so we’re able to create products that enhance performance. And we’re passionate about what we do.

There’s also an asterisk in our mission statement — “If you have a body, you’re an athlete.” That’s actually a quote from Bill Bowerman. He was the legendary track coach at University of Oregon, and co-founder of the company. That asterisk means a lot at Nike. It speaks to the removal of barriers, the refusal to accept the limitations of others, the right for everybody to play and to compete.

So our mission is to take the things we do best and share them with the world and, hopefully, inspire and enable individuals to reach their potential.

What makes Nike different?

I think there are a few things I see everyday that really set us apart. First, we’re innovators by nature. We’re fixed, obsessed by innovation. I think that Nike represents a passion and an insatiable appetite to go deeper with an athlete within sports and to take those insights and translate those ideas into innovative concepts and products and stories.

We have incredibly wide peripheral vision, the ability to see and be inspired by things that happen in sports, but also in film and music and digital technology — everything in youth culture around the world. We’re incredibly curious, but we’re also incredibly focused.

We continually challenge ourselves to be better. There’s a lot of pride at Nike. We believe in what we do. We are a youthful, driven, passionate company. Our intentions, our influence, our results are all really very positive. But that doesn’t mean we are satisfied.

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opportunities. There are some great examples of that at NIKE — NIKE Golf, the Jordan Brand, Nike+ Skate.

NIKE Golf is now the No. 1 golf apparel company in the world. We’re in the top three brands for drivers. We finished the 2006 PGA Tour with the most wins in drivers, irons, fairway woods, and wedges. Last year, revenue from NIKE Golf grew 12 percent to over $600 million, and grew pre-tax income over 30 percent.

NIKE Golf performs at this level because they are totally focused on the customer, every consumer. NIKE Golf is now the No. 1 golf category — basketball, tennis, sports, running, tennis, and golf. That’s a huge competitive advantage for us.

Digital connectivity has changed everything, and that change is just beginning. The rise of social networks, the connection of communities and cultures, the ability to access and share information and content is creating a whole new generation of opportunity. NIKE is taking advantage of that opportunity. Unlike some companies, we don’t fear the digital world. We embrace it, and we’re playing a role in helping to drive some of that change.

It allows us to connect more surgically with people and markets around the world. It helps us share ideas, build communities, tell stories — to be more immediate and relevant with more consumers.

We’re also developing NIKE-owned store concepts that will connect consumers with the category and brand level in ways that NIKE and our consumers have never experienced before.

What is your approach to Corporate Responsibility? We’re focusing on four areas — labor, climate change, environmental design, and the community. It’s all in our new Corporate Responsibility report, which is available online at www.nikeresponsibility.com.

First, we’re working to help bring systemic change to benefit workers and factory conditions in the supply chain — eliminating excessive overtime, converting to lean manufacturing, and supporting workers’ right to Freedom of Association.

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Second, we’re acting on the need to address climate change — reducing our CO2 emissions and moving toward carbon neutrality.

Third, we’re aggressively innovating around environmental design. Our Considered Design ethos creates product that is better for the athlete and the planet.

Fourth, we believe that sports can change a young person’s life. Let Me Play is a program to help ensure that every young person has access to sports.

What’s most inspiring for me is that CR is not some adjunct cost of business at NIKE. CR is demonstrating an increasing return on investment. It’s a chance for us to apply our innovation and creativity to help build a better world. And it’s being driven by and embraced by employees.

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