

March 25, 2009

Sony Ericsson Open

An interview with:

LARRY SCOTT

THE MODERATOR: We have Larry Scott, chairman and CEO of the Sony Ericsson and the WTA tour.

LARRY SCOTT: Good morning, everyone. I just really wanted to be available to respond to any questions you have about the news that was announced yesterday.

Q. I guess why? Were you interested in the Pac 10 job over what you're doing now?

LARRY SCOTT: Well, it wasn't something that I was seeking. I got approached about it in early January. Just came to me at a time where I was sort of reflecting on my 20 years in the sport and what we had accomplished at the WTA over the last six years.

Really, for personal reasons in terms of the amount of travel that I have to do and have been doing for 20 years internationally, with the fact I have three very young kids now at home, eight, seven and five, wanting to spend more time with them and the family and find a better balance on the one hand.

On the other hand, feeling like a real sense of satisfaction with what we've done with the WTA over the last six years, and that it's in the strongest position it's ever been in. Felt like we're sort of at a natural stage, natural time, where could consider doing something else and handing over the reigns.

This Pac 10 opportunity rally affords me the opportunity to sort of put away my passport for a little while and take a break from that. A different kind of professional challenge, not just in tennis, which is one of the sports I'll responsible for, but about 15 different sports, big revenue sports like college football and college basketball.

It's a tremendous professional challenge as well that will be very enriching. But first and foremost, I just feel like this is a great time for the WTA: Long-term agreement's in place, just started the Road Map, all the strategic work has been done in repositioning the circuit.

There's never a perfect time, but this feels to me about as close to perfect if I was ever going to leave.

Q. Did you have some connection with the Pac 10? Why did they approach you?

LARRY SCOTT: No connection with the Pac 10, but a connection with college sports. I was a student athlete myself. I played tennis at Harvard when I was there. I was something called an All-American, which means I excelled as a student athlete. So I do have a very personal connection to sort of the college sports experience. I realize for a lot of people in the room that come from outside the U.S. it's quite a unique thing to America.

The college sports business is actually the second or third biggest sporting property in the U.S. in terms of the revenues involved, from television, from sponsorship. It's pretty huge. But I've been getting some pretty funny e-mails over the last day since it's happened from friends around the world, work colleagues, saying, What is it you're doing? What is this called?

So I understand, having lived outside the U.S. myself for 11 years before taking on this role. I also completely understand how off the radar screen NCAA and college sports is outside the U.S.

While it may not be one of the most immediate priorities, one the challenges I do plan to take on is to utilize my global marketing experience in sports to try to correct some of that and try to make college sports a property that does have some relevance and resonance outside of the U.S.

Particularly with the Pac 10 on the West Coast, there's a real connection to Asia. There are a lot of Arab an students that go to West Coast universities, and there may be some things that could be done there.

Q. When did you take the decision?

LARRY SCOTT: On Sunday night.

Q. Wow.

LARRY SCOTT: It all happened very

quickly. I had a long weekend of discussions with my wife, obviously, about it. Obviously an important personal decision as well as professional a professional decision. Once I made the decision Sunday night, had a board meeting Tuesday. Met with the players yesterday afternoon. It all happened very quickly after making the decision.

Q. Did it have something to do with the fact that you were not picked up for the ATP?

LARRY SCOTT: No, not directly. But there is some connection in the sense that, you know, the major accomplishments of women's tennis I think have put the women's tour in very good shape. But when I was approached, I was approached around the time of the US Open by APT board members about whether I'd leave the WTA to go become chairman and president of the ATP.

I said, no, but, I really had a deep belief and vision that the men's and women's tours should merge to really fully unlock the value of professional tennis and really allow tennis to compete at a higher level. Having been an executive at the ATP for eleven years, and now six years at the helm of the WTA, there is no question in my mind that both the men's tour and the women's tour would be stronger, and tennis would be stronger and compete better with other sports, if the tours merged for a variety of reasons.

So I advocated for that and I campaigned for that. I had a chance to meet with the ATP board in December where I proposed it formally to them, and for a variety of reasons it wasn't accepted. It's clear that tennis, for whatever reasons, isn't ready for that vision to be realized.

And so I think the only relevance to this is it did cause me to take a step back and reflect a little bit on what we had accomplished at the WTA, what contribution I could make as a leader in the sport. Having done what I did at the ATP, done what I did at the WTA, it caused me to take a step back and reflect on what other contributions I can make to the sport in the next phase.

And then I realized, you know, I've done most of the major things that I could want to do. And if this coming together of the men's and women's tours is impossible right now, maybe it is a time to think about what else I could do that could be gratifying, but at the same time tie into my personal goals.

Some of you may know I wasn't in Australia this year for the first time. We moved our player meeting from the Australian Open to here,

so it was the first time in 20 years I didn't go the Australian Open. As a player I've been to the Australian Open, as an ATP executive, WTA, I'd gone every January. So I was actually home for eight weeks in a row between December and January.

That was also an awakening for me. I realized how much I was missing, sort of being home and how much not traveling constantly and being on the treadmill that many of you are also on. You can understand and appreciate how much I missed that, too.

So it was very much a personal decision and desire to travel less and be with my family, twinned with this realization that if tennis is not ready to come together and realize a bigger potential, maybe I've done all I can really do.

Q. Why do you think that a merger would benefit the men's tour?

LARRY SCOTT: Well, I'm out there every day in the television markets, sponsorship market, competing for media space. You know, we present the sport -- we would present the sport in a less fragmented way if it was together. An example, this tournament, if you're a fan in Europe, you watch the men's matches on one channel, the women's matches on a different channel. That can't be the smartest way to present the sport.

Slightly different rules and regulations and branding and sponsors. I mean, it's a very long list of things that are different. You know, I think I've got a very simple notion that the easier we make it for fans to follow tennis and understand, the more following there will be and the stronger we'll be commercially. And in terms of our limited resources for marketing and promotion and media, it would just be much more powerful.

So on a lot of different levels, it would just be more powerful and efficient and we would compete with other sports in a better way.

Q. Did the strain of having to oversee that horrible situation in Dubai? Some people praised you; the same amount of people criticized you a great deal. Did that help you make this session that it's time to move on?

LARRY SCOTT: In a funny way, it had the opposite effect.

Just as I was wondering whether I had done everything I could do, this crisis hit, and I was energized by it very much. The adrenaline was

flowing. I mean, it was a crisis communications type of situation, and I feel that I actually thrive under those situations. I thought we dealt with it very well. I'm thrilled with the end result that we got, which was by marshalling an international campaign of condemnation against the UAE and applying some, I think, very aggressive diplomatic efforts behind the scenes.

We got a government, in five days, to change their policy and allow an Israeli men's player, Andy Ram, to come in. It was regrettable that a player of ours had to suffer, Shahar Peer, to make that happen.

In a funny way, that's the kind of thing that I like about the role and being under pressure and being challenged. That's the kind of thing I'll miss, the international diplomacy, the world stage that we're on, how sports and politics sometimes intertwine, and it really requires a very delicate touch in terms of diplomacy and communications skills in order to navigate your way through those things successfully.

So that tested me in a way that I love to be tested and pushed. It had the opposite effect. It made it -- it reminded me of the things I'd miss if I left tennis.

Q. What is the most important thing you have done as a CEO of the WTA tour? And do you have any regrets, or could you have done better or different?

LARRY SCOTT: Sure. There's a lot of things I'm proud of in terms of accomplishments. But I'd say the thing I'll be most proud of in terms of the legacy is finishing off the campaign for equal prize money. The campaign started by Billie Jean King in the early '70s. The whole foundation of the tour was based on equal opportunity for women.

Many, many people over the years fought for that hard, and it was very close when I took over six years ago. But, you know, a lot of people thought it wouldn't really happen in their lifetime, and I'm pleased that I led the final leg of the race, if you want to think of it that way, to get that done.

To sit here today and think that the 10 biggest tournaments in tennis in 2009 will have equal prize money for the men and women, the four Grand Slams, the four mandatory events, Indian Wells, Miami, Madrid and Beijing, and the end-of-year Championships will be equal prize money, is something I'm enormously proud of.

I guess the biggest regret, I've already talked about. I regret that our sport isn't ready to achieve its pull potential in my opinion.

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Q. WTA has never been so strong. But what about the future regarding the financial situation? What's going to happen? And isn't that early for you to leave? Maybe all the problems will come in the following years.

LARRY SCOTT: I'm sure there is never a perfect time. One of the things about this job, is there's always one crisis or issue after another. But as I take a step back, I do think we're far and away in the strongest position we've ever been in. All our major revenue contracts are long-term agreements that aren't coming up soon.

Q. Sony Ericsson?

LARRY SCOTT: Sony Ericsson goes through 2010, for example. We wouldn't have the first conversation was them about the future till towards the end of this year. So having said that, these are difficult times and turbulent times. The WTA is faring better than most other sports. Our tournaments are, for the most part, doing well. We haven't lost any tournaments or title sponsors. To the contrary, Indian Wells found a new title sponsor, thanks to French industry and BNP Paribas.

I think women's tennis is holding its own extremely well compared to other sports. That doesn't mean there aren't going to be difficulties ahead. No one's got their head in the sand. We live in a broader world where there are challenges, and it's hard to know how long this economic crisis is going to last and what the effects will be on sports, what the effects will be on tennis.

But the tour is very well-positioned to deal with in terms of its financial stability, its reserves, and the team we have in place. One of the other things I'm very proud of, as I depart, is the strong management team we have in place. I think we've got a world-class organization, a lot of great people in different areas, and I'm confident this is going to be a very smooth transition.

Q. Do you feel that the growth of the ATP and WTA will only be within the Middle Eastern nations part of the world? In other words, will their influence increase in terms of either more tournaments or in terms of prize money?

LARRY SCOTT: Not at all.

I think there is a lot of growth markets around the world for the tour, and I think the

amount in the Middle East is limited by calendars. I mean, so much in tennis is it governed by the calendar, where the Grand Slams are, what's the logical flow of where you can't have tournaments. There's only certain times of year that it makes sense from a tennis perspective to have events in that region.

Q. Do you feel proud or do you feel indifferent that one of the ways people are going to remember you is about the whole incident regarding Shahar Peer in Dubai?

LARRY SCOTT: I'm very, very proud of the end result and what we achieved. I think it was a diplomatic coup in terms of how we got the government to change its policy. I think that's a great legacy for me. That's how I view it, that we discovered there was an issue, and now we've ensured that an Israeli player will not be denied entry into Dubai ever again, I believe.

The conditions are now in place to make sure of that.

Q. Is there anything you can do with women's rights in Doha, for example? Can you use the influence of the WTA and having a tournament there to bring to light some of the issues in that country?

LARRY SCOTT: Well, actually, Doha, I think, is a great example of how women's tennis has helped a progressive agenda in that part of the world. Shahar, same player that got denied in Dubai, you may remember, was allowed entry into Doha just a year before. The first time ever that an Israeli athlete or woman was allowed to play in that part of world.

So that was a coup in and of itself, and I think did wonders for the image of Doha and improvement of relations, and a good example of how sport can be a unifying force and factor in the world, which is something I've always deeply believed in.

Q. I want to ask you, I realize it's not your domain, but how do you feel about the recent actions both with Sweden barring spectators from watching the Israel/Sweden match and the problem in the Philippines that they couldn't guarantee security for their match.

LARRY SCOTT: I didn't follow the Philippines one as closely. I closely followed what happened in Sweden. I thought it was

reprehensible they barred fans from watching the match.

Q. What could be done?

LARRY SCOTT: Again, it's not our -- that's a question for the ITF since they oversee that competition.

Q. Are you going to help to find the next CEO?

LARRY SCOTT: I expect to. You know, obviously this news is very fresh for our board of directors. We just had a call yesterday, so in fairness, it's going to take the board time to digest and for me to discuss with them process going forward.

We're going to meet the first week of April for the first time as a group to talk about what the steps are. And I certainly offered to help lead the board through that process, but it will be up to them as to whether they want me to lead it, be involved, or step aside and let them take care of it. That's their position.

Q. When are you going to leave the office?

LARRY SCOTT: I think after the first week of Wimbledon. So I'll see you all at Wimbledon, I hope, and then I won't have much time in between. But I'm due to start in the new role July 1st.

Q. WTA is very strong, but considering the players, the top players at the moment, maybe the Williamses are still at the top, but all the others, you know, sometimes, they play good. Look at the Serbians, for instance. You can win one Grand Slam tournament, be No. 1 for a while, and then you drop. It seems that all the players, they're not consistent enough to really be big champions. Does it concern you, as well?

LARRY SCOTT: It doesn't concern me. I think we've got, you know, so many great names in the sport right now, popular players. Well, there's a lot of depth. There's almost a parity in a sense. No one player has emerged to be at the top. There's no rivalry at the top.

Bu, look, in my six years in women's tennis, it's been very dynamic. I mean, nothing has really been the same for any long period of time when I -- I remember when I started here, exactly six years ago. I think I was introduced here

by Butch Buchholz at this tournament. Someone in this room asked the question, Aren't you concerned taking on this role, because the Williams sisters are dominating so much? There's no one else interesting.

Well, think about where we are today, you know. After that, you know, Kim and Justine came along, talk about Russian players, the emergence of Maria, the Serbian players. I mean, it's been incredibly, incredibly dynamic. What's been a constant is change.

So I do think we're going through a period right now after Justine's retirement where she was clearly a dominant player. There is no one player that's necessarily emerged as a clear champion.

But there's a lot of great players. Maybe no one or two have found their perfect form yet. But if history is any predictor of the future, this is going to change, and we may be having very different conversations six months from now. I think that's just the nature of the sport.

Q. Do you expect maybe the next CEO should be a woman? What is your opinion?

LARRY SCOTT: I would love that, if that can happen. It's been important to me to have senior women in positions at the...

Q. Do you see that possibility?

LARRY SCOTT: That won't be my decision. That will be the decision of the board. But I'm certainly a big believer that women ought to be in senior leadership positions at the tour, whether that means it has to be the CEO or the chairman or -- I think what's most important is to find the right person for the role.

Certainly that's how I've always defended me being in this role. Even though I wasn't a woman, I think I was the best person for the job at the time. I'm certainly a believer that you want the best person at the time in the job. Having said that, this organization that stands for equality and opportunity for women in sport ought to have senior women throughout its organization.

THE MODERATOR: Thank you very much.

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