THE BUSINESS OF GOLF

Several diverse elements of golf were brought together to discuss the game and future initiatives designed to improve its popularity, at the annual Business of Golf conference organised and run by the Golf Consultants Association at Celtic Manor.

Among the issues discussed were restructuring golf club memberships to make them more attractive to potential customers; improving customer service, improving golf club management; on-line tee time booking schemes as well as raising finance and maximising profits to increase the potential sale value to golf clubs.

An audience of around 70 attended the two-day conference ably chaired by GCA Chairman Mike Shields, of Welby Golf Advisory Services, and featuring a dinner in the Celtic Manor clubhouse with guest speaker, John Stirling.

The opening session looked at the development of Cape Verde, one of the world's largest golf resort developments, through the eyes of Tom Sheehy, of Cape Verde Development, and Keith Haslam, of PGA Management, while Russell Bragg delivered a paper on optimising the returns on golf resorts through master planning.

Following a break Stephen Proctor, of Sports Marketing Surveys, looked at preparations for the 2010 Ryder Cup, to be held at Celtic Manor, and the research programmes behind it, and Roger Pride, of Visit Wales, looked at how a Ryder Cup can raise a regional and national profile.

The afternoon saw a talk from Norman Jackson and Gordon Miller, of Sunningdale Corporate Finance, on the business of golf. They discussed the questions that must be answered when trying to raise finance for a golf project and the pair stressed the need for well presented proposals - 80% of business plans are rejected on the first read through - and employing professionals to assist with any project. They also said a common mistake is to wildly underestimate how much time is required to secure finance.

They were followed by consultant, Mark Smith, who stressed the importance of maximising a golf club's EBITDAs - Earnings Before Interest Tax, Depreciation and Amortisation - to maximise a sale value on the open market. Mark explained that the average EBITDA at a proprietary club would be around £150,000 and that an average freehold golf club would be worth between six and nine times EBITDA and a leasehold between five and eight times. A prestige club like Wentworth sold for 25 times EBITDA and The Belfry for 15 times. He stressed that sales were market driven rather than product driven.

Following a break Howard Swan, of Swan Golf Design, gave a detailed description of the time spans and complications of dealing with European planning laws in countries where golf was still becoming established.

Howard was followed by Norman Jackson, who described Indoor Golf and outlined the benefits to the golfer and the golf operator.

The second day was launched by David Rhodes, of Rhodes Consulting, who entertained and informed the audience with his views on agronomy and course management. He expressed his reservations at blanket spraying and at clubs that didn't possess a scarifier. He also made known his own preference for hand cutting wherever possible and that good agronomy shouldn't cost a lot of money. "In fact you don't often see the combination of high expenditure and good agronomics."

David was followed by Alan Prickett, of Ransomes Jacobsen, and Ian Henderson, of Golf Finance who between them outlined the machinery that was now available to golf clubs and gave ways into which it could be funded.

Following another break Gill Wilson, of Rye Hill GC, described her unit based membership scheme where a golfer could purchase a certain number of units to be used at the club against rounds - differing numbers for weekends and weekdays and for 18 holes, 10 holes or five holes which she said was an option many of the lady members appreciated.

The scheme meant that people felt they weren't wasting money if they didn't play and made them more inclined to both remain with the club and spend units or money at the club. A big advocate of relaxed, open to all, golf she is also introducing a Golf Parc for children complete with plastic trees and hazards to introduce them to the game.

Ian Bulleid, of Impetus Golf & Leisure, talked about "locking in" rather than "locking out" members that involved golf clubs becoming confident enough in their customer service to backing themselves against their competition. He talked about the 10% or pews who hate you're the 10% who love you and the 80% floaters and suggested that they were the people to look after, as the others wouldn't change their opinions.

Peter Townsend, of 360 Golf, looked at the seven virtues of golf club management, and gave examples of what can go wrong at golf clubs including poorly considered and designed clubhouses.

Paul Heeney, of On-Line Tee Times, had the best saying of the week. "You don't buy a drill because you want a drill. You buy one because you want a hole."

He was referring to the software required for his new internet-based tee booking scheme which he had launched in Ireland and which he is bringing to the UK and the revenue that it generates. He explained that the tee times were between 7.30am and 9.20am between April and September at a greenfee of 20 Euros were worth over 100,000 Euros to a golf club and that more could be made of them.

Adam Lawrence, Editor of Golf Course Architect, then gave some advice on dealing with the press. The Conference was concluded by its Chairman, Mike Shields, posing the question your neighbour - Competitor or Partner and providing some interesting answers.

BROTHERS WIN BIG NAME BUSINESS

Brothers Wayne and Crispin Cole, of Cintec Machinery, based at Bisley in Gloucestershire, have recently been appointed to sell the long established and well known Massey Ferguson range of Professional Groundcare Machinery in Gloucestershire, North Wiltshire, Bristol and Bath areas. The enlarged range of Massey Ferguson products encompasses AgTV's (including the new MF700D Diesel) and Compact Tractors currently from 16.5 - 46hp.

Cintec Machinery was started in April 2004 utilising the brothers' background in agricultural machinery and has now grown in size to four employees.

LEADING THE WAY FOR LOCAL AUTHORITIES

Broome Manor Golf Complex, part of Swindon Borough Council's leisure facilities, recently upgraded their equipment wash-off area by installing a Waste2Water Recycling Wash-Off System. "Along with the majority of golf courses our wash-off area was well overdue for improvement", commented David Buckingham, General Manager. "As a local authority owned golf course we feel it is very important to be taking a lead in environmental consideration and ensuring we are complying with the new Groundwater legislation."

The Waste2Water system was the perfect answer as the maintenance yard naturally slopes, enabling the system to be retrofitting the existing wash-off pad with minimal cost and disruption. Additional space was also allowed for installation of a new Diesel Fuel Station so that any refuelling spillages are treated by the Waste2Water system.