

Golf Course Management Companies: Friend or Foe?

BY SCOTT BELL

Bent Pine G.C.

Although the concept is not new, the mere mention of the term "management company" sends chills down the spines of many Florida superintendents. Like many words and phrases in the English language, this expression is interpreted differently by different groups of people.

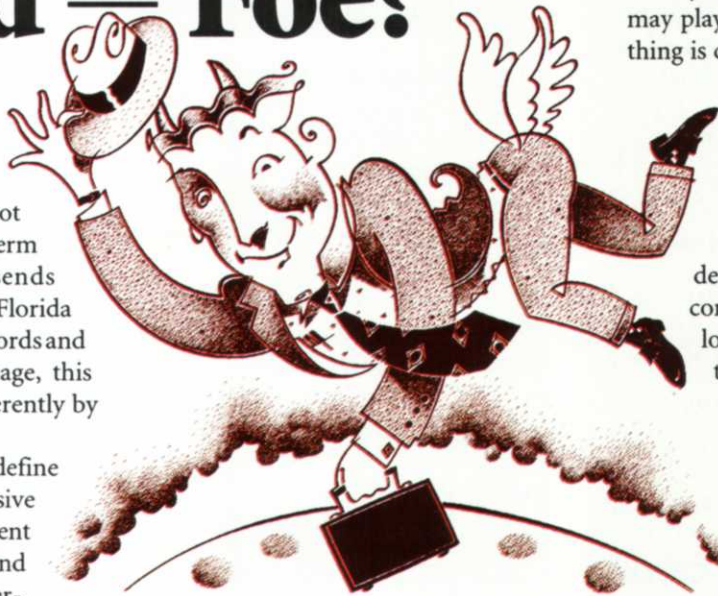
While a city manager may define it as a way out of an expensive labor contract, the superintendent may define it as low wages and lost control, while other superintendents see the phrase as an opportunity to make more money without the hassle of a layman directly supervising the position.

Management companies are not new as they have been around for more than 20 years. When I graduated from college in 1981, my two best offer came from "management companies."

The position I took started me out as a training assistant for not much money, but it offered a training program, nationwide advancement and access to the operations of a large corporation.

I am trying to be objective in this article so that all sides of this controversial subject are expressed. I hope to show not only the obvious superintendent point of view from both the pro-management company side and the feelings of superintendents who have been displaced as the result of a management company takeover. Other views on this subject will also be addressed by others in the golf course maintenance industry.

Before I go any further, I want to describe my definition of a management



company. These companies come in many shapes and sizes, with a variety of goals to accomplish.

The one common denominator among all of them is to make money. These companies do not exist to give superintendents and their staffs jobs. Business in this country has changed forever. Gone are the days where companies are able to compensate employees well and still make a profit.

Instead, the bottom line and investor dividends have caused companies to tighten belts, cut costs and lower payrolls. Many industries, most notably medical or service industries, have gone to management companies to improve profits.

In relation to golf course maintenance, some of these companies own the courses while others simply lease or are under contract to maintain the turf. Some companies offer a complete package from the dining room to the 18th green.

In the early 1980s I worked for Club Corporation of America. At the club

where I worked, they ran the dining room, pro shop and golf maintenance. I have also worked for the Tournament Players Clubs, and they also ran the entire operation.

Recently in my town a management company was brought in to run the golf course maintenance operation at our county course. Management companies may play many different roles, but one thing is certain — they are a part of the business.

Superintendents' Fears

Probably the biggest concern among superintendents in regard to management companies is the loss of jobs and lowering of salaries. The fear is that management companies, in their desire to reduce costs to produce low bids, will also scale back superintendent salaries.

To the superintendent at a course which is about to be taken over, the only choices may be to move on or take what the management company offers. This offer may be higher or lower than what the superintendent presently earns.

As with any management shake-up, some people do not survive, and management companies must choose the people who will make their operation work.

Unfortunately not all of us are perfect — some superintendents may not be willing to work hard enough to fit into a company's plan. If this is the case and a superintendent is let go, it is easy for that person to complain of the management company's treatment.

But perhaps if that person had been doing their job all along the management company would not have come in. It is hard to say who is right and who is wrong.

This underscores the complexity of the issue. Do we as superintendents have to fear management companies more than the general manager, project manager or greens committee that we presently work for?

In my research, I found that high su-

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perintendent salaries are rarely the reason that management companies are brought in. The reasons instead range from poor course conditioning to developers not wanting to be in the golf management business to members not wanting the hassles of running the day-to-day operation. Without a doubt, one of the main reasons management companies are brought in is financial.

What management companies offer

Management companies offer a variety of services to the industry. It is estimated that just over 10 percent of the nation's golf courses are under some type of management services.

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But eventually things changed. At courses that did not run efficiently, golf course management companies started to look appealing. The biggest benefit is writing one check per month for all the varied services.

Will a great profit be realized by the owner? Probably not, according to one management company executive. The ideal benefit is that the golf course is maintained to a high standard, while the owner does not have to worry about staffing, payroll, mowing, etc.

Think about being a small developer who has never run a golf course before. You know you want to be out of the project in a short time, so you hire a management company to run the maintenance operation, food service and golf shop.

Every year you know all your costs in advance, you don't have to worry about day-to-day operations and you can walk away from the contract fairly easily. In the ideal world, every developer would

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hire a great superintendent who would do a super job within the prescribed budget.

As we all know, the world is not perfect!

In regard to salaries, Scott Zakany of International Golf Management (IGM) maintains that in every situation that IGM has entered, the superintendent's salaries have either stayed the same or gone up.

Jerry Redden of Professional Turf Management (PTM) said his company also follows this practice. IGM offers other benefits including insurance packages, educational reimbursement for career development, retirement planning and encouragement to participate in the FGCSA, GCSAA and FTGA.

In addition, the hiring of a management company can bring a new attitude and new methods that energize the club.

According to Zakany, a large majority of the golf courses that they become involved with are lower-budget courses that truly need professional guidance and direction.

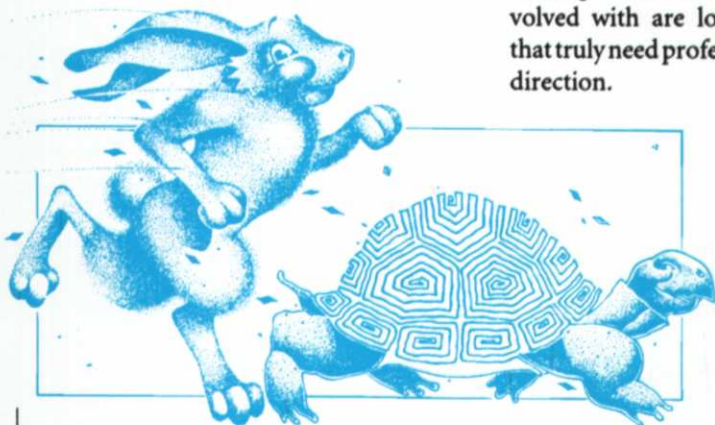
In these situations, courses that IGM manages get a well-trained superintendent, or they train the ex-

isting superintendent if that person shows a willingness to learn and improve. The superintendent is then given guidelines to follow, from shop cleanliness to IPM and the Audubon Cooperation Sanctuary Program.

In my opinion, situations like this are good for our industry because superintendents' careers are improved and advanced. The quality of superintendents hired tends to be quite high — Zakany said that 21 of 22 superintendents hired have college degrees, and three are certified.

Not all management companies are the same. The good things that one company may do are not always equaled by others, and usually the mistreatments and firings by one company will get all the attention.

This is unfortunate, but not unusual. The rumor mill is fed not only by super-



Management companies may offer lower starting salaries for assistant superintendents but greater opportunities for training, specialization, and advancement.

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intendents but slighted suppliers and others who are affected when a management company takes over a course.

Code of Ethics

In the final analysis, the biggest question many superintendents have relates to ethics.

How can a company follow the GCSAA Code of Ethics and not solicit jobs while a golf course superintendent is still employed? Is a mass mailing advertising the company any different from a superintendent who randomly mails resumes to clubs?

IGM says that they do not mass mail, relying instead on word-of-mouth communication, magazine advertisements and trade shows. Zakany says that when an owner or club calls, he answers their general questions.

If it goes beyond that, he requests to talk to the superintendent. Zakany feels comfortable that IGM is following the Code of Ethics.

Zakany added that in most cases clubs have liked their superintendent and did not pressure IGM to replace him or her. If a management change is requested, IGM has tried to relocate the superintendent to another IGM location provided the person shows competence and ability.

I know that we have received phone calls and mailings from management companies at my club. Is this ethical? On the other hand, our club has also received mass-mailed resumes from superintendents wanting to relocate to the Sunshine State.

Are we just dreaming when we expect everyone to follow the Code?

Has the business world finally caught up with golf? It would be nice to know that if you do a good honest job, your employment will be secure. I hope in most cases this is true.

The best advice I can give is to do a good job and let the chips fall where they may. Just as there are good and bad superintendents, there are good and bad management companies. Do they all behave in the same manner? Probably not. Are they good for our industry? Friend or foe? That's for you to decide.

Management firms mixed bag for superintendents

Reprinted from Golf Course News, November 1996

Should superintendents see the growing influence of management companies as a good thing or bad thing in terms of career development, professional responsibility, salaries, benefits, etc.?

Josh Lesnik, Marketing Manager, Kemper Sports — In our case it's a good thing. We stress the importance of maintenance, which means a talented superintendent would mean as much or more to us than at a single-course operation. Superintendents are very appreciated [well paid].

Our superintendents are in charge of their individual courses. They may answer to someone in the home office. But they make up their own budgets and submit them to people here [corporate office] who understand what they are talking about. You could compare it to the relationship to a managed health care setting.

Marc Bergschneider, Chairman, National Fairways, Inc. — It's definitely a plus. There are more opportunities for career development by enhancing the services provided at a single course, grow a particular operation, manage multiple courses or go back to school.

Entry-level positions may not be as lucrative [as salaries at non-management company courses]. But that's offset by salaries paid head superintendents and those overseeing multiple courses.

Tommy Witt, GCSAA board member, chairman of GCSAA Career Development Committee and head superintendent at Wynstone Golf Club in Chicago — Management companies may represent a threat to one superintendent and an opportunity to another.

They generally provide more job security, the opportunity to move to another job without leaving the company and benefits that often surpass those at individual-owner golf courses.

But salaries tend to be lower. When a

management company enters an area, they tend to pull down or slow salary increases at surrounding courses. And when a management company superintendent is put in charge of several courses, the increased salary often doesn't match the increased responsibility.

Management companies are here to stay, but they still control a small part of the marketplace [an estimated 5 percent of U.S. courses]. Superintendents should view them as another option. The key is to figure out what the upside potential is and then make an intelligent decision.

Tim Hiers, head superintendent, Colliers Reserve in Naples, Fla. — There are places where management companies can be successful, especially in large, multi-hole facilities. However, I believe it could be extremely difficult for a management company to equal the quality output, level of care, constant attention to detail and the overall efficiency of an experienced, qualified and skillful golf courses superintendent on his or her home turf.

If management companies continue to emerge, there could be fewer traditional superintendent jobs. However, other opportunities within a management company, such as a consultant, could present themselves.

Depending on the variety of situations and circumstances, a superintendent who continues to demonstrate value to his or her organization through ongoing education, top-quality management, desire to excel, and a balanced personal life, shouldn't be overly concerned.

There will be exceptions to this. But if the superintendent produces a quality product for a competitive amount and communicates it to the necessary powers, that person will probably continue to be a successful individual in this profession.