Managers can cope with the recession

By Peter Blais

The country is feeling better about itself since the Persian Gulf War, but many U.S. businesses continue to struggle through the recession. Private country clubs are no different.

One of the best ways to keep your club alive in troubled economic times is closely monitor financial statements, according to Betsy MacDonald, senior principal with the accounting firm Pannell Kerr Forster.

Speaking at the recent Club Managers Association of America Annual Conference in Dallas, MacDonald said: "Managers often don't feel comfortable scrutinizing financial statements. But they need to look at every line to see if there is a way to increase revenues or cut expenses."

INCREASING REVENUES

This is no easy task during a recession. But there are ways to do it, according to MacDonald.

Increase function business. Some managers are concerned that outside tournaments or parties can increase the club's tax liability. Often the extra revenue more than makes up for the added taxes. And occasionally it is considered member-generated business, in which case there may be no tax obligation.

"A manager should solicit function business from his members. A country club in Houston had many of the city's top businessmen as members. But they were holding their companies' functions elsewhere. The manager was able to get many to move that business to the club," MacDonald said.

Membership dues. Clubs often postpone

About average," said Patrick J. O'Meara, national director of club services. "Generally the club industry is in pretty good shape, although some clubs are starting to feel the pinch and waiting lists to join may be down."

The East was the only geographic region reporting a decline. The South and Far West were up 0.9 percent and the Midwest ahead 0.2 percent.

Meanwhile costs jumped 5.6 percent, more than twice the 2.3 percent increase in revenues. The 2.3 percent hike in total revenues (including dues) at private country clubs continued a 20-year trend during which revenues have risen 246.6 percent. The catchall "all other sales and income" led the way over the past 20 years, rising 308.2 percent. Food and beverage sales have jumped 238.6 percent and membership dues 234.3 percent.

The 5.6-percent jump in costs moves the 30-year cost-increase figure to 330.0 percent, far exceeding the 246.6 percent revenue increase. Payroll and related costs are up 315.5 percent since 1970 and all other operating

American Golf Corp. plans to double size

SANTA MONICA, Calif. — American Golf Corp. officials anticipate doubling the company's growth in the next five years.

Chairman of the Board and owner David Price said AGC is aggressively instituting a strategic plan to increase the number of courses it operates to 250 locations. Privately held AGC now operates 135 courses in the United States, with annual revenues exceeding $220 million.

The company's Statement of Strategic Direction says: "Future growth will be achieved through market development, acquisitions and above-average rates of return in existing operations."

Price reorganized the firm in January and implemented the strategic plan, saying: "This reorganization will focus our resources on our commitment to outstanding customer service, product quality and financial results."

Price founded AGC when he bought a country club in 1988. Two years later he developed the concept of approaching municipal owners with losing operations and offering to remodel and

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Mixed bag of financial news for private clubs

By Peter Blais

Private country club memberships rose but so did costs in 1990, according to a report on 325 private clubs conducted by an international accounting firm.

Memberships grew by a half percent through the fiscal year ending Sept. 30, 1990, reported Clubs in Town and Country, an annual assessment of the private club industry assembled by Pannell Kerr Forster. Regular memberships jumped 0.4 percent and other classes of membership 0.7 percent.

"A half percent is just about right, just about average," said Patrick J. O'Meara, national director of club services. "Generally the club industry is in pretty good shape, although some clubs are starting to feel the pinch and waiting lists to join may be down."

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Headhunters enhance club manager careers

By Peter Blais

With the professional stature and salaries of club managers on the rise, so are the numbers of employment specialists willing to help them find jobs.

Executive recruiters, headhunters, employment specialists, outplacement workers — call them what you will. When a club manager is looking for a new position or finds himself between jobs, these professionals are another resource.

Three executive search firms were represented on last month's panel discussion titled "Using Employment Specialists for Career and Club Enhancement at the Club Managers Association of America 64th Annual Conference in Dallas.

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MARRIOTT TO MANAGE TOFTREES

Marriott Golf has been named to manage Toftrees Resort Golf Club in State College, Pa. Toftrees has consistently been recognized as one of the top 10 golf courses in Pennsylvania by "Golf Digest" magazine and the number one resort course in the state.

Marriott will manage the 18-hole Edmond Ault-designed championship golf facility, golf shop, and course maintenance program. Bill Lee, most recently a manager at Marriott's Snowcreek Golf Resort near Atlantic City, N.J., will be director of golf. Lee is a Class "A" PGA member and has prior experience at La Paloma Resort in Tucson, Ariz., and Valhalla Country Club in Louisville, Ky.

Marriott will retain Toftrees golf professional Raymon Lancianese and superintendent Lew Morgan. Morgan has headed maintenance at Toftrees for over 15 years and is a graduate of the Pennsylvania State University turfgrass management program.

MUDGE TO HEAD MIDDLEFIELD

University of Oregon graduate Al Mundle is returning to that state as director of one of Oregon's newest golf courses, Middlefield Village in Cottage Grove.

Mundle will be reunited with Gene Mason, chief architect and consultant for the 18-hole facility located in the southern Willamette Valley. Mundle was assistant professional to Mason at Columbia-Edgewater Country Club in Portland in the early 1960s.

Mundle's duties include facility planning, administration, operations, promotions, instructional services, marketing and maintenance. Middlefield Village will emphasize learning and scheduled activities.