Golf Summit '92, Oct. 21-23 in Orlando, will assess
the state of the game and the business of golf. ...3

Developing the North Country
The Banff Springs area of Alberta could be home to
10 new golf courses 30

Environmental liability
at issue on finance front
By PETER BLAIS
Fleet Financial Group Inc. recently became the
first major bank in the country to require nearly all
major commercial real estate lenders to obtain envi-
ronmental liability insurance before getting a loan,
a move likely to be followed by other financial institu-
tions that could add thousands of dollars to the cost
of a golf course development.

Ransomes America working to sort out consumer confusion
By HAL PHILLIPS
MINNEAPOLIS—Different names, different
colors, different sets of distributors, different di-
rections. Cushman Inc., Steiner Turf Equipment and
Brower Turf Equipment have all come under the
Ransomes America Corp. umbrella since 1988. Not
surprisingly, the last four years have brought a mea-
sure of consumer confusion in terms of name rec-
ognition and distribution logistics.

Course owners explore the intricacies of group buying
By HAL PHILLIPS
The National Golf Course Owners Association (NGCOA) is imple-
menting a cost-saving measure that management companies have employed
for some time: Group purchasing.

Withdraws funding slated for USGA
By MARK LESLIE
The Golf Course Superintendents Association of America has withdrawn fi-
nancial support from United States Golf Association research programs.

Environmental liability
at issue on finance front
Continued on page 30
Ransomes America working to sort out consumer confusion
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The ups & downs of regional buying

Somewhere between group and individual buying lies the purchasing hybrid of regional buying.

"Management companies with a geographic concentration of courses have for years purchased chemicals on a regional basis. The same goes for sand and top-dressing — any maintenance need nearby courses might have in common.

If enough courses share needs, and the distance isn't too great, regional buying makes sense.

And with the advent of technology like the Hydroject and Verti-Drain, management firms have seen fleet of trucks to keep the price savings. The real value lies in the expense side of the ledger. But we've really just started."

— Mike Heacock, American Golf Corp.

"One of the dangers with this regional idea is you start getting into the trucking business," said Mike Heacock of American Golf Corp. "If you share too much, you need a fleet of trucks to keep up. We don't want to be in the trucking business — we're in the golf business."

"But it can save you a lot of money. Not every course needs its own Verti-Drain."

Course owners explore intricacies of group purchasing

Continued from page 1

"Superintendents and club managers aren't used to being told what to buy," according to Mike Heacock, who administers centralized purchasing for American Golf Corp. "But it doesn't make sense for our 36 courses in Southern California to use different sand. So you've got to get everybody in a room and hash it out."

"This is why golf course superintendents associations aren't purchasing organizations. People can decide they don't want to spend as much this year, then someone else backs out and the deal is dead. What are you going to do? Sue them?"

The NGCOA recently entered into a partnership with Truck Centers, Inc., whereby NGCOA members can purchase GMC vehicles at a savings of 2 to 7 percent, depending on the option package. The NGCOA and its 1,125 members have also arranged for volume deals with U.S. Sprint and Alamo rental cars.

Negotiations are underway on purchasing the following products in bulk: golf cars, maintenance equipment, golf course chemicals and uniforms. The job of negotiation falls to NGCOA Executive Director Mike Hughes.

"Because of our size, we've been received well by manufacturers," said Hughes. "What we've tried to do is concentrate on the 10 or 15 items that are most significant on the expense side of the ledger. But we've really just started."

"It's a long process, according to management company executives. Kemp Management, for example, didn't begin concentrating on group buying until three years ago — and the strategy is still evolving.

"We certainly haven't been doing it since day one," explained Steve Lesnick, president and CEO at Kemper. "You have to be a certain size to make it worthwhile. We're large enough now (14 clubs nationwide) that we can get the type of buying power that a group buyer can realize."

Further, added Heacock, "It's not an easy deal. Everybody wants to do it, but the mechanics are very difficult. There are potential savings out there, but you have to manage it.

"It takes a long time to make these agreements work. It also takes time to convince people in your own company it's the right thing to do. Another problem is that local management maintains the responsibility. They're the ones that have to make it work — yet they're also the ones whose decision-making responsibilities have been curtailed."

Heacock is quick to point out the potential hazards, but there's no denying the savings. At one point, American Golf had been using 26 different kinds of paper cups, "Which is crazy," said Heacock.

AGC had been buying rakes on a local basis. Now the firm buys them centrally for its 136 courses in 23 states — at a savings of 15 to 20 percent, according to Heacock.

Kemper buys its chemical and heavier equipment in bulk, as does AGC. In fact, American Golf has entered into several long-term exclusive contracts for golf cars, mowers and seed.

The value of such a deal is not so much the price savings. The real value lies in allowing companies like AGC and Kemper — no longer hostage to distributors — to deal directly with factories.

"This allows us to go way beyond price," Heacock explained. "It comes down to a question of 'How does, say, Toro support American Golf?' and rice versa."

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