Golf course management companies gain popularity in Asian countries

Southeast Asia is particularly attractive for big and small firms

By Don Spink

Starting from ground zero in golf course development and property development experience, many Asian developers are hiring management companies to run their projects.

International Marketing Group, created in 1990 by Mark McCormack, is one of the largest firms in the area.

"In the 1990s, Southeast Asia is going to be the growth area for all sports. Golf course design, development and management could represent huge dollars," McCormack said.

In the last few years, IMG has opened offices in Sydney, Hong Kong, Tokyo and Singapore, and the umbrella of IMG Resort Management. Heading the operation is Fred Settle, vice president of operations, Asia-Pacific.

Smaller management companies also exist. The Paradise Bay Golf Resort in Singapore is managed by Avtar Sighu. In addition to the course, his management responsibilities include 500 villas and 100 apartments.

Sighu said most Singapore-area clubs are self-managed and rarely hire outside firms.

Australian Golf Management Services is directed by Greg Smith, who runs a five-person office in Singapore. "What we do," he said, "is put people in place, then walk in and manage the operation.

Management companies' involvement varies. IMG's Settle noted his company works as a consultant, assisting with everything from agromechanics and back-up support to full management of the entire facility.

"We will provide a general manager, course superintendent and head professional/director of golf," he said.

Tracy Kennedy is national marketing coordinator for Arnold Palmer Golf Course Management Co., an IMG subsidiary that also manages golf properties. Kennedy stresses total involvement.

"We work with the clients developing market plans. We can even provide the scorecards for the course and handle their press releases," she said.

With a multitude of cultures, religions, ethics and nationalities in the region, there are differences in how business is conducted.

Sighu said: "The mushrooming of golf, experienced people are scarce," particularly in course maintenance and overall management. "There are just different ways of doing things. Procedures are not as they are in the West."

MARRIOTT TO MANAGE IPSWICH CC

WASHINGTON, D.C. — Ipswich Limited Partnership has named Marriott Golf to manage Ipswich Country Club near Boston. It is the 17th facility in Marriott's golf management portfolio.

Under terms of the agreement, Marriott Golf is responsible for managing all phases of the operation, including course management, food and beverage facilities and catering.

Ipswich Country Club is set on 350 acres of wooded landscape 35 minutes from Boston on the North Shore. It boasts a 57,000-square-foot clubhouse reminiscent of a country estate and an 18-hole Robert Trent Jones Sr. -designed championship golf course. The facility also offers an outdoor swimming pool, fitness center, sauna and tennis.

Rob Bartley, formerly head golf professional at Marriott's Golf Club at Wind Watch on Long Island, has been named director of golf.

Hood opens Myrtle Beach branch

MYRTLE BEACH, S.C. — Hood Management Group, a Raleigh, N.C., real estate firm has opened a branch here specializing in consulting and recruitment service for country clubs.

Owner Gary Skinner opened the office in October to deal with managers and executive chefs at country clubs.

"In today's fiercely competitive market, burdened with bankruptcies, low margins, impossible financing and fickle customers, realizing a return on an investment is increasingly difficult," Skinner said.

Referring to IMG's executive search services, he said his extensive background in the hospitality field gives him a firsthand understanding of the industry's needs.

By Mark Leslie

The Persian Gulf War, had local economic conditions, terrible springtime weather and unprecedented competition for PGA Tour-operated Golf Club of Miami, but Dade County officials defend the PGA Tour operators, and both are optimistic the 54-hole facility has turned the corner profit-making times.

"Things have already turned," said Metro Dade County Administrative Assistant for Finance Dick Slocum. "The parking lot is packed."

Gary Dee, director of operations for PGA Tour Public Golf Inc., said: "While 1991 operating results were less than anticipated, we think in 1992 things will continue to get better for us."

Dee and Slocum point to a combination of factors causing the facility to fall short of PGA Tour projections when it signed a management contract with Dade County in 1988.

The two Robert Trent Jones-designed golf courses — far from their superior condition in the days when Arnold Palmer was the professional and Jackie Gleason a member — had to be restored, including all new greens and tees. The clubhouse had partially burned down, and many members had found other clubs. And the facility faced multiple other short- and long-term obstacles when neighbors asked Dade County to buy it to prevent a subdivision being built.

LinksCorp shoots for 20 courses

CHICAGO — Two leading golf management executives have teamed up with three Midwest venture capital firms to form LinksCorp, an equity-based company that hopes to acquire and manage up to 20 golf courses over the next five years throughout the United States.

LinksCorp, headquartered in Northfield, Ill., acquired its first golf course, Lakeside Country Club in Atlanta, Ga.

Combining forces in this venture are Ben Blake, LinksCorp's chief executive officer, General Electric Co., his president and chief financial officer, and their financial supporters — Batterton, Johnson & Wang Venture Partners and William Blair Venture Partners, both of Chicago, and Northwest Venture Partners, L.P. of Minneapolis.

"With the lack of equity in the marketplace today, coupled with the availability of quality golf courses for sale, we believe LinksCorp is in an excellent position to reach its growth goals while building a golf company comprised of well-managed and fun-to-play facilities," said Blake.

"One of our primary goals in forming LinksCorp was to establish a strong capital base to ensure our long-term viability," said Hamlon, founder of Southern Golf Management Group of Jacksonville, Fla. "The association with our venture capital partners has positioned us well and provides us with the financial strength needed to take advantage of current market conditions in the golf industry."

Prior to launching LinksCorp, Blake was executive vice president at Northbrook-based Kemper Sports Management, responsible for all golf operations including Kemper Lakes.

Blake, a member of the PGA of America, also has experience in tournament management as co-executive director of the 1989 PGA Championship and executive director of the LPGA Women's Kemper Open.

As owner of Southern Golf, Hamlon developed River Edge Golf Course in Atlanta, and Oak Hills in Columbus, S.C. Prior to founding Southern, he was chief financial officer and executive vice president of Stokes-O'Stein Communities, Inc., a golf course community.

Civil Rights Act could affect clubs

WASHINGTON, D.C. — The Civil Rights Act of 1991 is considered the most far-reaching bill enacted into law during the second session of the 102nd Congress. Its impact on employment discrimination is considerable, although tax-exempt, bona fide private clubs are exempt.

In an article written for the January/February 1992 issue of Club Director, the National Club Association counsel G. John Tysse noted in part: The act amends two existing federal laws: Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination by private employers against people on the basis of their race, sex, national origin, color, religion or disability.

The act amends Title VII of the 1964 Civil Rights Act and the recently enacted Americans with Disabilities Act. These two laws prohibit discrimination by private employers against people on the basis of their race, sex, national origin, color, religion or disability.

"In the 1990s, Southeast Asia is going to be the growth area for all sports. Golf course design, development and management could represent huge dollars."

IMG President Mark McCormack

Continued on page 32

Continued on page 30

Continued on page 32

Continued on page 32

Continued on page 32

Continued on page 30

Taken from page 28
Many factors blamed for poor showing of Miami course

Continued from page 29

development people here have realized for years we need more first-class hotel rooms. But those plans were made before 1991. Little did they know the United States would go to war in January 1991, or that Canadians and Europeans, who usually flood into Florida, were cautioned by their governments not to travel. Or that 30,000 jobs would be lost in the area and that Eastern and Pan Am airlines, Southeast Bank and savings and loan institutions would go under.

"Combine that with the normal elasticity of south Florida pricing," Slocum said, and you have trouble. "The public golf market in south Florida is a unique animal. We misread the public golfers. Public golfers here would rather drive a half hour to save $5, and I've never seen so many ads and deals being offered (as in early 1991)."

Dee said, "We were left with 78 feverish golf operators competing for far fewer golfers than normal." The facility was 10,000 rounds below its budget projection for the first four months of the year, yet finished 1991 just 13,000 rounds below projections, "so we basically stabilized after the first four months," Dee said.

Slocum said the Golf Club of Miami got a great boost when the Tour brought in general manager Paul O'Dell from Turnberry Isle. "O'Dell," he said, is expert in marketing golf packages for corporate meetings and that sort of event. Next on the agenda are the clubhouse building and the hoped-for hotel. "The financial iceberg is beginning to melt," Slocum said. The county has approved $3.3 million to build a new clubhouse, and officials are seeking a private developer to build a hotel on the site, he said.

"South Florida needs first-class hotel rooms. This will help immensely to draw visitors," Dee said. The Tour has amended its relationship with the county, taking no management fees for 1991. He said the $140,000 a local newspaper reported was paid for management fees, actually was a reimbursement for operating losses on the South Course. The Tour is responsible for operating losses on the North Course and the county on the South Course.

The county commissioners voted 8-1 in July 1989 to confirm the contract with PGA Tour to manage the facility. Tour management reported it reduced the facility's operating expenses by $500,000 — in proactive recession management strategies — to approximately $2 million.

With all the changes and course upgrades, "they'll certainly make a profit this year," Slocum said.

LinksCorp

Continued from page 29

developer based in Jacksonville, Fla. Batterson, Johnson & Wang manages a fund of $33 million to provide equity capital to new or growing businesses with the potential to become major enterprises. Managing General Partner Leonard Batterson serves as chairman of the board of LinksCorp.

William Blair Venture Partners, founded in 1982, also provides capital to early- and later-stage businesses, and has more than $330 million of committed capital. The firm is affiliated with William Blair & Co., a full-line investment banking firm headquartered in Chicago.

Norwest Venture Capital has invested approximately $200 million in more than 250 businesses since its inception in 1983 and manages four investment funds with nearly $500 million of capital and commitments, including Norwest Venture Partners, L.P.

Civil Rights Act

Continued from page 29

section 501 (c) of the Internal Revenue Code will not be subject to the new law.

The EEOC's position also requires clubs to be "distinctly private," and private clubs still might be subject to state and local antidiscrimination laws, even if they remain exempt from the new federal law. Also, some states allow victims of job-related discrimination to sue under common-law tort theories, such as wrongful termination or intentional infliction of emotional distress.

The new federal act includes most private businesses with 15 or more employees, and also includes profit clubs nonprofit taxable clubs; and those tax-exempt clubs that do not qualify as distinctly private. The act will mean higher monetary penalties in cases where intentional discrimination against minorities, women and individuals is proved. This includes suits for sexual harassment.

The act puts a cap on the total amount of damages a victim can win.

Why play a round with goosegrass and crabgrass...and with the safety of your greens?

Only SCOTTS® Goosegrass/Crabgrass Control can offer over 10 years of proven performance as a safe and effective method of eliminating both goosegrass and crabgrass in the most demanding golf course application — close-cut bentgrass greens. SCOTTS® Goosegrass/Crabgrass Control has demonstrated bentgrass safety on over 30,000 different greens under a wide range of soil conditions (natural to sand-modified soils) and on all major bentgrass cultivars.

Goosegrass/Crabgrass Control offers a unique formulation of bentazone and oxadiazon for effective, preemergent goosegrass and crabgrass control. It comes in convenient, ready-to-use granular form, with no measuring or mixing required. Its uniform particle size makes it easy to apply evenly with a rotary or drop spreader.

And only ProTurf® products come with a Scott Tech Rep, an agronomically trained professional ready to help you develop a total turfgrass program that assures proper application and maintenance scheduling. For more information, contact your local Scott Tech Rep, or call 1-800-543-0006.

With over 10 years of successful Goosegrass/ Crabgrass Control applications (on more than 4,000 golf courses and 30,000 greens), your choice is clear: You can depend on Scott's proven performance record, or someone else's promises.