

# Golf said to lag behind in management innovation

By ANDREW CORNESKY

Despite the need to prepare for the new customer by becoming more flexible and responsive to change, managers of many golf and country clubs still live in the past. They resist innovation. In fact, most industries adopt new management practices at least twice as fast as golf.

Golf and country clubs are probably in the same position as our automobile industry in the 1950s: They believe they are the only supplier of the desired product, so they do not have to be so concerned about change.

In our travels we had the chance to study many golf clubs. We made a list of 77 Total Quality

Management (TQM) items that have been adopted by our best industries, i.e., Ford Motor Co., Xerox, Proctor & Gamble, IBM, Apple, etc., and compared them to 136 golf and/or country clubs. For example, the list included:

1. Your facility has posted a clear mission statement for all to see.
2. Your facility has a quality

manual that encourages employee initiative, self-directed responsibility, quality teams, and continuous improvement.

3. Your standard operating procedure includes methods to communicate clearly and regularly the expectation that all processes and procedures exist to help all stakeholders (employees and customers) develop to their full potential.

4. The manager conducts research and gathers data to do sys-

temic planning to anticipate problems associated with meeting the club's objectives and to correct the problems before they occur.

5. You compare your performance to the club's where the performance of employees is

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*Andrew Cornesky is vice president of research and development of Cornesky & Associates and a total quality management expert.*

## Intrawest

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British Columbia and a Cal Olsen layout at Mammoth Mountain, California by July of 1998.

"Golf will likely be a part of each resort and real-estate project we undertake," said Vice President of Marketing for Resort Operations Michael Davis, who oversees the company's golf operations. "Intrawest is committed to golf. We're looking to acquire more resorts. If there isn't a course already there when we acquire a property, then we'll build one if it's possible."

Intrawest entered the golf business in 1995 with its purchase of West Virginia's Snowshoe ski resort and its Hawthorn Valley Golf Course. The Gary Player-designed layout was rated the second-best course in the state by *Golf Digest* magazine, Davis said.

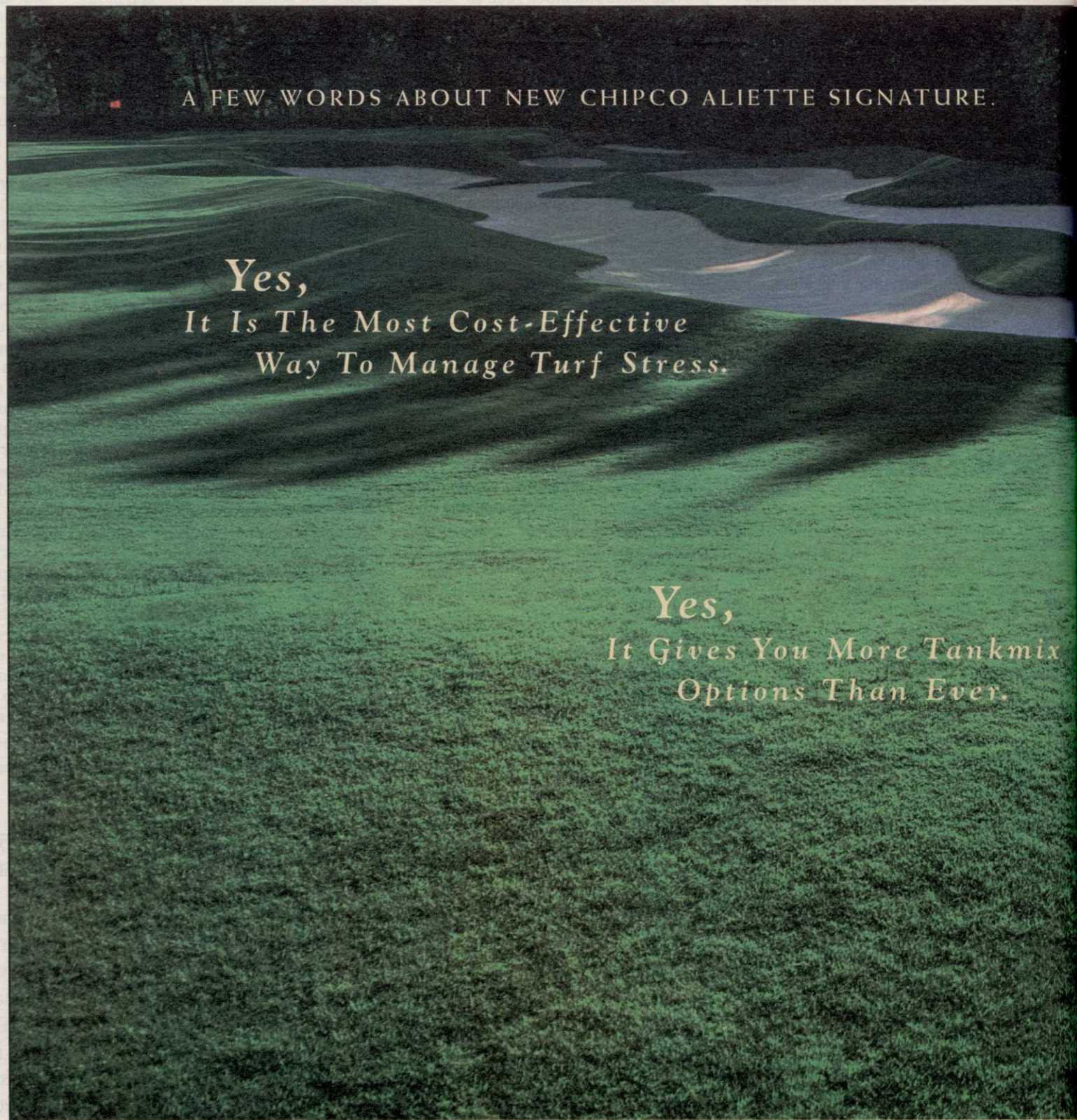
Last year Intrawest purchased Stratton Mountain in Vermont and opened Le Geant at Mt. Tremblant 90 minutes from Montreal. Stratton has a 27-hole, Geoffrey Cornish-designed course that is the former site of the LPGA McCall's Classic. Le Geant is a Tom McBride 18 that placed second among *Golf Digest's* best new Canadian courses in 1996, Davis said.

"Golf helps with the seasonality of the mountain resort environment," Davis said. "We like to think we're in the mountain resort business, not the ski business. Golf is an important amenity for the summer resort and real estate developments."

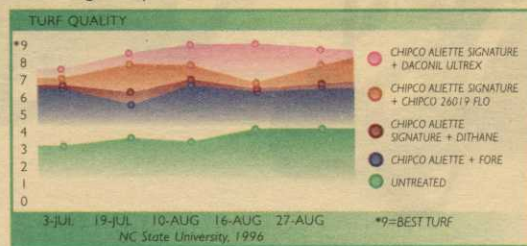
Golf accounts for five to 10 percent of Intrawest's total revenues, Davis said. But it also helps fill resort rooms that would otherwise go empty in summer; increases spending in ancillary businesses like restaurants and shops; and helps provide year-round employment for the company's key employees.

Intrawest manages all its courses. It is just beginning to market its courses as a group, placing an ad for Snowshoe, Stratton and Mt. Tremblant in April's *Golf Digest*. Davis is negotiating group buying agreements with course maintenance and pro shop suppliers.

"Operating a number of courses definitely gives us some operational flexibility," he said.



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## Cornesky

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In our study we did not or could not identify when a facility adopted one or more of the items, but probably should have. We don't contend that all 77 items are useful to all clubs. Even clubs that competed aggressively for members or customers were no better in adopting these TQM procedures

than clubs that had virtually no competition. One might think the stress in clubs with declining memberships or small revenue reserves would induce innovation quicker. This was not true.

One might think innovations that required significant capital would be adopted more slowly than those that did not. Again, this was untrue. We could not find any correlation, but then again, our sample size is rather small.

One might think that clubs where either the managers had a higher education, or the members had a higher education, and/or both the manager and members had advanced degrees would be most likely to implement TQM procedures. Again, no correlation.

Why is the pace of innovation in golf so slow? Perhaps they are insulated from competitive pressures that would force them to stay on the cutting edge of good

management in attempts to please the stakeholders. Each facility differs from all others. Some are more convenient for a certain group of stakeholders. Others have a more prestigious atmosphere and some degree of market power that enable them to resist the competition. They can draw from a larger market area. Some have their markets assured, so they are not particularly responsive to innovation.

It appears, therefore, that golf and country clubs are indeed insulated from many competitive pressures. But when either the supply of clubs begins to meet and exceed the demand — and this will happen within the next five years — or when the facility in an area begins to take a TQM approach like the Japanese automobile industry did in the 1960s, the playing field will be changed.

No longer will facility managers operate reactively. Their agendas will not be molded by who screams the loudest. Short-term problems will not be as important as the large picture.

A TV ad for an oil filter says, "Pay me now, or pay me later." I say, "Innovate and use TQM principles now, or suffer later."

## OB Sports

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pursuing several possibilities in Seattle and other prominent Western markets, we both knew it was the right time for him to rejoin the company."

Green, who has managed OB's Angel Park Golf Club in Las Vegas for the past 18 months, is a former president of the Southwest Section PGA. In 1994, he was named the section's Golf Professional of the Year while serving as director of golf at Club Terravita in Scottsdale, Ariz.

In other OB Sports Golf Management news, Bill Campbell has been named vice president of construction and agronomy, and Stacey Little has been promoted to director of merchandise.



Phil Green

Campbell was instrumental in the redesign and construction of Edgewood Tahoe along with Vincent back in the late 1970s and has worked in various capacities for OB Sports since that time. He also served as superintendent for Sahalee Country Club, host of next year's PGA Championship, from 1979-1988.

Little has coordinated the buying and golf shop presentation for The Legacy Golf Club since 1990 and now oversees the long-term direction and philosophy for all OB golf shops.

At John Fought Design, the golf course design division of OB Sports, Todd Schroeder has been hired as a design associate. Schroeder's background includes three years of experience with Wadsworth Golf Construction, where he supervised key areas of construction including Rush Creek Golf Club in Maple Grove, Minn., a course Fought co-designed along with Bob Cupp.

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