Henner speaks out on European management firms

Q&A

As golf club management companies edge inexorably closer to Europe, having made great inroads in the United States and Asia, many people are wondering what the future holds. "carpet baggers" or "Salvation Army"? Thomas Henner, director of European Operations for International Group of Club Corp spoke with Trevor Ledger, International Bureau Chief of Golf Course News International.

GCNI: In our last issue of GCNI we reported ClubCorp's acquisition of the majority shareholding in PGA European Tour Courses. Is this a step toward "cornering the market" of golf courses?

Thomas J. Henner, International Group of Club Corp: We're excited about our relationship with European Tour Courses and have recently witnessed all of the properties held within the group. We are very optimistic about the future potential. Considering that in the United States we host a variety of PGA Tour, LPGA Tour, Senior Tour and Nike Tour Events at some of our properties, the relationship with European Tour Courses can provide a unique blend of specific areas of expertise from each of the major partners. As regards "cornering the market" our goal in Europe is to be involved with quality facilities in good locations with strong membership. We are not a wholesale buyer. Our real value, which we bring to the table as a company, is the belief that we are in the membership business and our relationships with the members of the clubs is of primary importance to us. It's impossible to pay that kind of attention to detail if you are in the business of mass buying.

GCNI: Where is ClubCorp International based in Europe?

Henner: Eighteen months ago we had the good fortune to purchase the Drift Golf Club in East Horsley, Surrey, England. It is an 18 hole championship golf course designed by Robert Sandow and Sir. Henry Cotton out of a mature woodland setting which was part of an original estate owned by Lord Lovelace. The Drift has been a major success story for our company and employee partners giving us the opportunity to become much more familiar with the English and European golf markets. It is here that we have based our European operation but, with the recent position that Club Corp has taken in the European Tour Course Group, this might be changing.

GCNI: Are you purely a Golf Management company?

Henner: Golf management is one of the business relationships we consider, however the majority of our business is in either outright ownership or joint venture partnerships structured in a variety of ways. The basis of our business is primarily private members' clubs, resorts which encompass golf, city and athletic clubs. We establish long term relationships and believe we bring exceptional value in each of these areas.

GCNI: Is there a ClubCorp "formula" for it's golf courses?

Henner: The formula is to provide consistent quality service, building strong and lasting relationships with the members, existing staff, our financial partners and actively being involved in the local community. We do not fly the Club Corp flag at each property and it would be difficult to find the company logo at any of the clubs. We work very hard at each facility in maintaining the traditions and cultures established by the individual members. Each property stands alone, they are not financially connected in any way, shape or form to other properties within the company. Incidental to that are the membership privileges bestowed upon all of our members: if you belong to a Club Corp Golf Club you are automatically...
Henner
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cally given membership privilege at all of the other courses in the company. That is a phenomenal benefit which very many of our members take advantage of on a regular basis.

GCNI: So where are you taking your steady, measured approach next?

Henner: We're working on some projects in Switzerland and Italy at present and we have a new club that opened in May just outside of Frankfurt, (Winnerod Golf Park). We are excited about Germany, a lot of people identify Germany as having great opportunities. Golf in Germany is an emerging market, it is still growing and there are still thousands of people who want to learn how to play golf. They are anxious to play and enthusiastic about doing so.

GCNI: Do you see Germany as a future base for ClubCorp International?

Henner: Our philosophy has always been to look at opportunities geographically which make sense economically. In Germany, as with anywhere else, we are being very cautious and we still consider opportunities individually. Club Corp originally grew in the States one club at a time, the same in the Far East and South Africa. It is a formula which has been successful for us, we are slow but sure.

GCNI: What about South Africa?

Henner: We have two management contracts in South Africa: one in Durban (Mount Edgecombe Country Club) and one in Pretoria (Silver Lakes Country Club). We are optimistic about South African opportunities and our initial mode of entrance was via management which has enabled us to get into the country, understand the culture and the customs and find out what opportunities exist for us.

GCNI: Multiple owning golf management companies are very well established in the United States, do you see that as the way forward for Europe?

Henner: While we have every intention of growing our base of business in Europe, we will still evaluate each club as an individual opportunity. I would question whether you can buy a lot of golf courses without compromising relationships, (with the staff and the membership), and deliver consistently high levels of service. I think that to be effective we have to become involved in the local communities, that takes time.

GCNI: You have an office in Singapore, what do you think is going to happen in Asia now?

Henner: Obviously it's going to be a while before things stabilize. We will maintain our office in Singapore as we have several quality clubs in the Far East and are currently in the development of 2 new clubs in the Philippines. We have enjoyed our relationships in the Far East and expect to remain involved for a long time. It's been good to us and future opportunities will present themselves.

Nelson to oversee improvements at Hawaii's Koolau

OAHU, Hawaii — Rob Nelson has been appointed general manager of American Golf Corp.-operated Koolau Golf Club in Kaneohe on Oahu. As part of his new responsibilities, Nelson will oversee more than $1.8 million in improvements designed to fully develop the club's potential.

Nelson brings more than 13 years of experience in the golf industry. He began his golf career in Hawaii at the Kahuna Golf Club on Kauai in 1985 and has also managed golf facilities on Lanai at the Challenge at Manele and on Oahu at the Kaneohe Klipper. Most recently, he served as director of golf at Jack Nicklaus-designed Kauai Lagoons Resort on Kauai.

Planned improvements to Koolau include renovation of the locker rooms and pro shop, enhanced signage, sandtrap refurbishing, and overall course maintenance and beautification.

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