2002 NEWSMakers

2002 an up-and-down year for management cos.

By DEREK RICE

In the 18 months since Golf Course News last published its management company listing, there have been many changes in the industry. Several companies have either gained or lost a significant number of courses in their portfolio, while others have emerged on the scene or closed their doors.

There is no question that the flattening of rounds played numbers and the sagging economy have caused problems for the golf industry. More notable among management companies struggling to get by have been American Golf Corp. (AGC) and Golf Trust of America (GTA). At press time, AGC was in the midst of a buyout and merger with National Golf Properties, while GTA's shareholders were expected to approve the company's latest plan for liquidating its assets at the company's annual meeting in the fall.

2002 NEWSMakers

Meadowbrook on track for growth in 2003

By DEREK RICE

CHAMPIONSGATE, Fla. — Capping off what has been a busy year, Meadowbrook Golf Inc. has teamed with The First Tee to found the inaugural First Tee program in Philadelphia. At press time, the Meadowbrook-managed Franklin D. Roosevelt Golf Club (TDR) was to break ground in November with an eye toward a May 2003 opening.

Meadowbrook has been through a lot of changes, both in its programs and its management team, this year. The hiring of industry veteran Don Rhodes as vice president of acquisitions and development completed a nearly top-to-bottom change-over among its leadership.

"Every one has turned over here," said Don Rhodes, who joined the company in September. "Apollo [Real Estate] has cleaned house and I'm the last guy of the new team. [CEO] Ron Jackson is a good guy for this company now. He's not a golf guy. He has run big companies before." The same month Rhodes was hired, long-hinted-at financing came through for the company in the form of its Honors Fund, backed by Apollo.

"We've taken a look at what we're doing strategically and how we're going to grow both geographically, as well as in product type," Kelly said in the April 2002 issue of Golf Course News. "We've got a very clear plan for the next three to five years as to how we're going to approach that."

In addition, Meadowbrook increased its focus on both sides of the business, yacht, athletic and spa facilities, and International Club Alliance as a marketing tool. And operators to buy into the alliance as a marketing tool. It's not a golf guy. He has run big companies before."

2002 NEWSMakers

InVicta continues growth, expansion plans

By DEREK RICE

SAN CLEMENTE, Calif. — InVicta Club World Alliance, an alliance of owners of golf, business, yacht, athletic and spa facilities, and International Club Alliance (ICN) have embarked on a program into Canada. InVicta's program teams 10 to 20 golf course owners in a local alliance that is tied into the worldwide network.

Recently, ICN comprises about 200 clubs around the world, and InVicta will soon have a similar number. Earlier this year, InVicta teamed with Strachan Management Ltd. (GCN, June 2002) to market and expand its program into Canada. InVicta's program teams 10 to 20 golf course owners in a local alliance that is tied into the worldwide network. Members receive reciprocal playing privileges at private clubs as well as preferred pricing and advanced booking at daily-fee clubs. This alliance allows owners to drive members to their facilities, said James Hoppenrath, InVicta's president.

The trouble, Hoppenrath said, is getting independent owners and operators to buy into the alliance as a marketing tool. Hoppenrath said InVicta has many more plans for expansion in 2003. These may include partnerships with a financial institution and perhaps some golf properties.
Management cos.
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November.
The biggest gainer in number of courses under management since GCN's last management company list has been Troon Golf of Scottsdale, Ariz. The company has added more than 30 properties, with more coming on line almost monthly. KemperSports Management has been the number-two gainer, increasing its portfolio by 17.
Meanwhile, AGC has been the biggest loser, dropping more than 36 in that same timeframe. Meadowbrook Golf has dropped 12, but is looking to reverse that trend through a series of changes and new financing (see story on previous page).
For the most part, however, companies' portfolios have remained steady over the last 18 months (see abbreviated management company list on previous page).
The complete 2002 Golf Course News management company list will be available on our Web site in December. The goal is to keep the list updated on a regular basis. A printed version, similar to that found in the June 2001 issue, may follow as space allows.

Gotham Golf
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Neil Koenig of First Union said the amended plan brings the merger closer than ever to finalization.
"The structure of this is very different from what originally started out last summer (2001)," he said. "Nothing ever got this far along or this specific."
In April, a source close to the negotiations told Golf Course News the deal was expected to close sometime before the end of the third quarter. Koenig said the delay in completing this deal, which has been in the works for more than a year, is par for the course and that the two are committed the merger.
"A special committee of certain board members deemed this to be the best alternative [for First Union]," he said. "It's more of everyone agreeing on an ultimate structure because there are a lot of different pieces that come along with the transaction and how to deal with each of them individually was very difficult. That just takes time."
First Union has issued a proxy statement to shareholders that details the transaction, but has not set a firm timetable for completion, which would make Gotham Golf Corp. a publicly traded company.

InVicta Alliance
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course management companies.
"All of these efforts will provide participating club owners with additional membership sales, rounds and revenues, along with numerous other long-term competitive advantages," he said.
Hoppenrath said 2003 should be a big year for the alliance.

Marketing (GCN, Sept. 2002) and customer loyalty. For its marketing initiative, they teamed with Scottsdale, Ariz.-based In One Advertising & Design and Edmonds, Wash.-based Cybergolf to bring its initiatives online.
"From what I've heard from our customers, they need help, and they need help particularly from a marketing standpoint," Kelly said.
"What they are now being forced to do, and haven't necessarily had any experience with, is learning how to market their property, develop strategic relationships, advertise and how to develop a public relations campaign.
"Owners are struggling with that, and I mean really struggling," he added. "When we talk to people, that's primarily one of the main topics."
Recognizing that customer loyalty is essential to golf course operations, Meadowbrook introduced Honors Club in September. The program offers a consolidated membership and loyalty program that is recognized at several Meadowbrook courses across the country.
While the number of courses Meadowbrook manages has fallen slightly since June 2001 (see related story on previous page), the company hopes to double the size of its portfolio, which currently comprises 43 courses, in the future.

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