AGC to double learning center commitment

BY PETER BLAIS

SANTA MONICA, Calif. — With rounds, revenues and the economy flagging, a program that expects to create 30,000 new golfers this year is the type of good news the golf industry sorely needs.

"If half the public courses in America achieved half those results, we would easily achieve the goals put forth in the Golf 20/20 initiative to create more than a million new golfers a year," said American Golf Corporation co-CEO David Filsbury of the management company's Nike Golf Learning Centers. "That would benefit all of us — operators, manufacturers, and others."

AGC is so convinced of the importance of creating new golfers that it is pressing forward with its $3-million Nike Golf Learning Center program in the face of some difficult financial times of its own (see story on page 1).

"In a company that wasn't thinking strategically about its business, I could see a program like the Nike Golf Learning Centers being cut," Pillsbury said. "But we're actually doubling our investment. We're spending more in one year [2002] than we did in the previous four."

Nike Golf Learning Centers are operating at 50 American Golf-operated facilities, with another 50 planned to open in the next 12 months.

"They are located where we have our largest concentration of golf courses, major metropolitan areas primarily in the Sun Belt," Pillsbury said. "The new ones will be similarly located. We started out West and the expansion will be primarily into the East and Midwest. The more mature centers are doing very well — a couple in Southern California, a couple in Northern California and one in Chicago. Those are typically larger facilities with a strong population within a 10-mile radius. They are usually connected to a golf course."

Tee It Up 1

The Learning Centers combine traditional golf fundamentals Continued on page 23

GMI expands golf operations division

BY ANDREW OVERBECK

JACKSONVILLE, Fla. — Golf course design and construction management specialist, Golf Management Inc., has expanded its list of services to include golf course operations.

GMI was founded in 1999 by president Chris Wilkerson who spent 10 years as a vice president and director of construction for the PGA Tour. Wilkerson has steadily added to his team that consists of golf course architect Tim Freeland, ASCGA, and operations manager Rich Hohman. The firm cleared $47 million in revenue last year and now has 26 employees.

"We hired Hohman last year to go after third party management contracts," said Wilkerson. "We see an opportunity to pick up after some management companies that are dropping projects. If we can get them for a reasonable sum, step up the operations and maintenance, then we can bring good projects back to profitability."

MANY POTS IN THE FIRE

Wilkerson hopes that its design and construction management divisions will also turn into management deals. The company currently has several construction projects underway including: Pete Dye's Wintonbury Hills Golf Club in Bloomfield, Conn.; Tim Freeland's Old Hickory Golf Club in Prince William County, Va.; and Lighthouse Links in Freeport, Grand Bahama Island. The company also recently opened Joe Lee's Musket Ridge Golf Club in Myerstown, Md.

Hohman said the pooling of resources are dropping projects. If we can get them for a reasonable sum, step up the operations and maintenance, then we can bring good projects back to profitability."

Continued on page 24

Car makers optimistic despite slowdown

BY ANDREW OVERBECK

The economic slowdown, the events of Sept. 11, stagnant levels of participation and a sharp downturn in new golf construction have combined to create tremendous uncertainty in the marketplace. However, while most golf car makers report that buyers have deferred or delayed purchases in the last few months, some are cautiously optimistic about 2002.

"There has been some softness in the market as buyers go back and look at their fourth quarter balance sheets," said Dewey Holland, Club Car's vice president and business manager for golf. "New construction starts are down, but we look at the age of fleets and the fact that people understand the value of new cars and the quality they bring to the image of the course. We are cautiously optimistic about 2002."

Lower interest rates and other leasing incentives are also driving car maker's confidence.

"The irony of the whole thing [customers delaying purchases] is that financing costs are at an all time low," said Todd Saney, president of Columbia Par Car. "They can lock in at rates that will not go any lower."

To help customers justify the purchase of a new fleet of vehicles, car makers are working to introduce new products, add new features and roll out new concepts.

CLUB CAR

Club Car formally launched its new IQ System in July and 2001 sales quickly exceeded the company's expectations, said Holland. This year its cars will all come with the...
with instruction in such practical areas as golf jargon and terminology, proper etiquette, pace of play, how to operate a golf car, how to reserve a tee time, and, most importantly, how to transition from the practice range environment to actually playing the course. The program offers an introduction-to-golf package, Tee It Up 1, for $149 that includes six hours of instruction, five rounds of golf and other benefits.

New golfers completing Tee It Up 1 are invited to special weekly new-golfer "play-days." For a discounted rate, they can play nine holes with other new golfers and, at the same time, receive follow-up coaching from the pro. "Play days" are a key to retaining players, according to Trish Hinze, a PGA professional and director of instruction at AGC-operated Tilden Park in San Francisco, where she has taught for the past 20 years.

"The emphasis is getting the students onto the golf course," she said. "That's the most intimidating part of learning the game. Students want to know how to feel more comfortable on the course and keep up with the group in front of them. They want to fit in and not feel lost. Very few programs actually do anything with students on the golf course."

Additionally, the Learning Centers create incentives for their teaching professionals, paying instructors $10 for each time a Tee It Up 1 student returns to the course to play a round.

"Instructors are compensated appropriately for the time they are out on the course with students," Hinze said. "When I taught in a more traditional setting, it was hard to justify spending the time on the course with students. The choice was to spend time on the practice tee, where you could make money, or go out on the course and help students along. But you couldn't charge students for that on-course time, so many pros didn't do it. With this program, the pros are compensated for their on-course time because the operator wants people out on the course playing golf. That's going to help the facility in the long run."

The actual cost to develop the Learning Centers has been worth the expense, Pillsbury said. "The out-of-pocket expense is less than $5,000 per center for signage and sales materials. All the golf professionals are put on the AGC payroll instead of being independent contractors. They have medical benefits and a career path. The lesson fees charged pay the golf professional's expenses. The construction piece yields a very small profit — maybe $5,000 to $10,000. That doesn't include the income generated from the additional rounds these new golfers play. That's the ultimate motivation. So the Learning Center basically pays for itself."

The centers are an attempt to overcome many obstacles, including oversaturated markets, the golf industry has encountered in the past year. "The softness in the golf economy is a function of the number of courses expanding faster than demand," Pillsbury said. "We can't control the number of new courses that are built. But we can influence the number of new golfers coming into the game. The research data suggests there are 12 million best-profile customers standing on the sidelines interested in entering the game and looking for a safe entry point. We need to create that entry point and bring new players into the game."