Change with the times

FACILITIES IMPLEMENT EFFICIENT STRATEGIES TO REFLECT MARKET CONDITIONS

As rounds have declined in various markets in the golf industry, facilities have sought operational efficiencies to reduce expenses, increase revenue and compete more effectively in the marketplace. Some of these changes have been driven by the impact of economic pressures. Others have been adopted as proactive measures to avoid such pressures. Though the areas of focus are varied, almost all appear to be long-term changes – a permanent shift in the operating structure of a golf facility.

ASSESS CURRENT CONDITIONS
Although golf course management companies usually don’t reveal the details about their operational efficiencies, input from such companies in other course-specific situations provides ideas. First, bring in an experienced individual from outside your course administration or management team to review and rate your current operation. If the budget won’t allow you to hire an outside consultant, consider bringing in one of your peers in exchange for providing similar services at his facility.

Next, identify problem areas and group them within the two main categories they impact: expenses and revenue. Cre-
ate more specific subgroups under each category to fit the operational structure of your facility. Break down the specific problems under these subgroups. Identify the patterns. Brainstorm for solutions, first with your consultant/peer, then with your staff and administration.

Two major areas frequently targeted for improvement are personnel and technology. Generally, personnel is one of the top expenditures of the golf course. Restructuring to eliminate most mid-management positions usually proves to be beneficial.

With greater access to high-speed Internet connections for remote courses and the advancements in software programs designed for the hospitality industry, including golf courses, there are multiple technology options to explore. One resource for working through this process is the Club Managers Association of America and the Hospitality Financial & Technology Professionals joint publication: "RFI (Request for Information) Tool for Managers to Use When Selecting a Club Management System." A document explaining how to use the tool and a copy of the RFI that can be customized to fit the needs of a course are available for downloading at the organizations' Web sites, www.cmaa.org or www.hftp.org.

Another resource to help compare your facility to similar ones is the CMAA 2007 Club Operations and Financial Data Report. The report includes data for club operations during 2006. The survey tracked a series of questions about club operations during the past 20 years. Results also are available in a customized format that allows clubs to compare the overall results to their specific profile of club type, region, membership size and operational statistics.

**AHEAD OF ECONOMIC FORCES**

The economic downturn in the auto industry has affected the entire Detroit area, driving businesses to seek operational strategies to increase efficiency in the leaner and meaner environment. Jim Kokenyesdi,
manager of Fore Lakes Golf Club, a 7-year old, 18-hole public course in Kimball, Mich., says he and his staff have taken an aggressive approach to the market from the beginning. Still, they’ve seen a decline of many of their corporate events, and most of the remaining ones are smaller with tighter budgets.

"Gas prices are hovering around $3.50 a gallon," Kokenyesdi says. "Business is tough. Throughout the past few years, we’ve started utilizing more advanced technology, including software programs that work with each other, to help integrate our overall operations and manage our expenses better."

The course initially used paper-based systems with computer-generated documents or spread sheets. Keeping the information current and sharing it between departments consumed valuable staff time and often kept the client waiting as schedules were checked. Kokenyesdi researched the options and started initiating the conversion four years ago. Now the kitchen software ties directly into the purchase orders, and the banquet and meeting event software tie into the booking program. Everything in the pro shop is automated.

Kokenyesdi uses the Active Network for the club’s electronic tee sheet and point-of-sale information. Tee times also are generated online through the Web site www.activegolf.com.

Scheduling data for all departments can be checked from any computer on site, or even from linked Blackberries off site, and new information is immediately posted so anyone can book a tee time or meeting event. Kokenyesdi says. All financial information automatically feeds into the QuickBooks accounting system, including purchases from anywhere on the course.

Another major benefit of the software is maximizing tee times.

"We can see where the down time is and take steps to capture it," he says. "We might offer a special promotion or send an e-mail blast to a targeted group of our regular golfers. We now start league play on the first and 10th holes and are able to book nine holes before that by using the computerized system. The system color codes nine-hole and 18-hole play, making it easier for those booking tee times."

Another high-tech addition is an upgrade to a Toro automated irrigation system that incorporates a GPS program. Details of the existing system were posted on the computer, but in a coded format developed by the previous superintendent that was difficult for others to follow. With the new technology, details can be accessed from any computer and from a hand-held PDA while on the course. The exact square footage of greens, tees, fairways, bunkers and ponds also will be mapped out creating greater efficiencies in planning fertilization and control product applications.

Staffing is another area of change.

"We’ve basically eliminated the mid-level management positions with Kathy Torello-Almanza, events and clubhouse manager, and I filling the roles of department heads," Kokenyesdi says. "We’ve asked our department-level managers to take on greater responsibilities. We anticipated the cost savings. The bonuses are improved communications and the ability to set priorities and act on them more quickly."

Kokenyesdi is exploring advertising options with a few trial spots on regional cable stations. He’s found the targeted e-mail blasts effective but is cautious about overusing them and lessening their impact.

As part of planned growth, Kokenyesdi seeks a new market segment each year. He’s generated
success expanding into Canada and reaching out to seniors. A considerable upgrade of the banquet space one year, followed by construction of a gazebo the next, drew more special-event business. High-speed Internet access became available last November. The increased transmission speed boosted efficiency. It’s part of the next outreach, along with the upcoming installation of retractable flat-screen TVs in the meeting rooms to attract smaller, education-based group functions, the Active Network for property management and accounting programs — are interactive. The reservations system can handle tee times or hotel rooms and offers alternatives from the variety of choices. The software allows management to distinguish the various membership types, accomplish the customer tracking and centralize the billing. The centralized billing ensures a customer at any part of the facility receives an integrated statement. Revenues and expenditures are posted as they occur.

With the cluster of golf courses in a relatively small geographic area combined with the broad range of other amenities, comes the opportunity to cross-promote, selling the package. The challenge is exposing potential buyers to all possible sales opportunities — without overkill. On site, brochures and collateral pieces are placed strategically where people gather, subtly suggesting other experiences to explore.

Good systems only work well if they’re matched with good people, so Crystal Springs focuses on recruiting, training, supervising and developing people.

“We promote from within, which has been a valuable element of our growth,” Walton says. “As a result, we have relatively low turnover in our key positions. Most of those at the senior levels have worked up from junior positions, gaining experience as they advanced. That also allows us to leverage our personnel over multiple areas. While we have a superintendent at each course, our three directors of golf each oversee two facilities. Food-and-beverage has similar multiple site management.”

Three, soon to be four, of the courses have been built during the past 10 years. Just six miles separates the furthest course from the central hub.

“We realize great efficiencies by operating multiple courses out of a single clubhouse, as well as trimming personnel needs, property taxes and insurance are reduced,” Walton says.

Much of the maintenance equipment, other than what’s used daily, is shared among the courses. Though each superintendent develops the maintenance program specific to the needs of each course, product purchases generally are consolidated for better price points.

Frequent department meetings and overall strategy sessions keep everyone focused and moving in the same direction.

“But you can only trim operations to a certain point,” Walton says. “There are so many fixed costs and factors beyond your control that affect costs. Revenue is the first priority, so we hold marketing meetings weekly. If you can control the revenue side, operate efficiently, and differentiate your product, you can stay ahead of the market.” GCI

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