PARTING SHOTS

OF TURF AND TULIPS

Allow me to tell you a tale of tulips to illustrate my take on the current state of the golf industry.

In the year 1637, there was a unique moment in history when the most valuable commodity on earth wasn’t gold or diamonds or Apple stock or five blissful minutes without seeing a Kardashian on television. For a brief time, tulip bulbs were as coveted as any object known to man. Go figure.

For reasons that elude most modern historians, people went briefly gaga for tulips and the Dutch—being smart sonsabitches—created an entire economy around them that boomed like crazy for short time.

Massive fortunes were made and then lost as interest waned, circumstances changed and tulips went back to forever being just something your teenager ran over when she backed the mini-van out of the driveway too fast.

Golf had its version of the tulip craze in the last couple of decades of the 20th century. Golf had grown along with the suburbanization of America and, in the mid 1980s, we stood at about 10,000 facilities. About half of those were traditional private clubs and the other half were a mix of mom-and-pop facilities, resorts and munis.

Then, along came a whole bunch of things that led us down the tulip-lined garden path. Developers became convinced that every subdivision needed a course as an anchor. The National Golf Foundation released a report suggesting there was enormous unmet demand for golf. Private and public entities decided to build courses as money-makers to keep up with the "endless" demand for corporate customer outings. Tiger came along and got us fist-pumping about the potential growth from minority participation.

Finally, futurists told us how the looming retirement of the baby boomers would line all of our pockets with gold as affluent oldsters headed to the Sun Belt to play golf all day, every day.

Our bubble quickly grew large. We added 5,000 new courses and dramatically increased expectations for conditioning and quality in just 20 years. We all had stars in our eyes as everyone threw money at the game. Only a handful of cynics noted that supply (courses) seemed to be growing faster than demand (rounds), but we ignored that gloom-and-doom stuff.

When comes the madness? Did it end like the Dutch tulip market, that’s been no crash and there probably won’t be. Rounds are only down about 10 percent overall from the high water mark a decade ago (revenues are a different story). And, for a whole bunch of reasons, even the 30 percent of facilities that are consistently unprofitable continue to operate. In short, the state of the industry today is "limping along in limbo." Compared to collapsing like the Dutch tulip market, that’s not such a bad thing.

In my opinion, golf will endure this self-inflicted, smoldering crisis. The core values that attract people to the game—a challenging physical experience in a beautiful outdoor setting—will continue to keep a lot of people interested. But not enough to support 16,000 facilities. Anyone sitting around at a badly managed operation waiting for "the old market to come back" or for some dumbass to pay them an inflated price for the land is in for a bloody long wait. The only winners will be those who follow the Marine Corps motto: improvise, adapt and overcome. And they better get busy doing it soon.

This is survival of the fittest time, folks. The smart will live and the dumb will die. And please God, let the dumb die soon for they hurt all of us through discounting, poor service and turning people away from the game by treating customers like crap.

So, my advice to those pondering the state of this business is to get smart or get out. Otherwise, a lot of us are going to be sitting around someday staring at a pile of worthless tulip bulbs disguised as the golf market.

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