QUANTITY BUYING

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The ins and outs of quantity buying and its hazards are explored, as well as tips for controlling maintenance expenditures

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Under the present inflation with its attendant cost hikes, and with demands being voiced by golfers for more services and better golf course conditions, how can the golf course superintendent keep his spending under control? (Although the superintendent, like everyone else, is powerless to straighten out the national economy, the one area he does control is his own spending.) Superintendents, who must work within their allotted budgets, are learning how to cut corners in their maintenance programs without diminishing the quality of their respective golf courses. Some of their methods are:

1. Investing in larger or more efficient automatic equipment, such as fairway mowing units, riding greens mowers and converting to automatic irrigation;
2. Mowing less often, such as greens every other day instead of every day or four days a week rather than six;
3. Eliminating one or two men on the peak season maintenance crew or paying overtime and higher wages to the most productive crewmen;
4. Filling in old or large traps that no longer are crucial to golf playing strategy, but are costly to maintain;
5. Hiring women for many jobs, such as mowing, raking traps and clubhouse landscaping;
6. Leaving areas of the course, which seldom or never come into play, in a natural, unmanicured condition;
7. Sharing special, seldom-used equipment, such as greens aerators, among two or more neighboring courses;
8. Leasing major equipment instead of tying up cash in purchase, plus funding depreciation and maintenance;
9. Shopping around and buying in quantity where a price break can be had.

In these days of tight budgets, the final point inevitably comes around to the question: Why not group buying? Would it be feasible for several clubs and their superintendents to band together and buy fertilizer, chemicals, seed, sand, and so on, in quantity?

In theory, this type of buying sounds sensible, until one explores the nitty-gritty details and problems inherent in such a plan. Of course, the idea isn't new; it has been tried before, but without much success.

Some distributors, dealing in competitive lines or market areas, would listen to such a proposal to sell materials, such as fertilizer, chemicals and seed, in large quantities to one buyer and give a price break. But most suppliers in these situations claim they already have marked down their prices to rock bottom levels. Government agencies and most larger clubs already take bids on major purchases.

But even if several superintendents could agree on what they wanted and when they wanted it—a major obstacle in itself—the manufacturer or distributor would first want the answers to these questions:

Would the material be picked up at the warehouse or be delivered? If the material is to be delivered, would the shipment go to one warehouse or course or to each contributing course?

How will the billing be handled? Will a separate corporation do the ordering and be responsible for collection and payment or will each club pay separately?

Asking around, one learns that most quality lines of equipment and materials have a standard unit price. One riding greens mower costs X amount at the factory plus freight to the nearest major terminal. Two mowers usually cost 2X. But in a competitive market, there is some room for dealing, more on the trade-in than anything else, just as in buying a car.

In buying materials, you get what you pay for. For golf courses, the price seldom can be cut by doubling the order or even by multiplying it 10-fold. Most established manufacturers deliver by the carload. Ten carloads cost 10 times as much as one.

Actually, ordering an abnormally large quantity to get a price break just ties up extra money sooner than necessary. That doesn't even count any extra expense incurred for warehousing until the materials are delivered to each course.

Small manufacturers, with no distribution network, would find it more beneficial to ship directly in volume and cut rate. A big order in a new area could be important to such a firm. It could afford to undercut the bigger names.

In theory, then, group buying sounds inviting. In practice, it hasn't worked so far and probably won't pay in most situations.

Look at it this way. A recent national survey on maintenance costs at better private clubs showed annual expenses averaging about $112,000. The total for "course supplies and contracts" items averaged $16,542.

Perhaps a group buying plan could save each course 10 per cent on some purchases. Using the above averages, that would reduce costs $1,654 for an 18-hole course, half that or less for a nine-hole course, which usually spends much less per hole than the 75 private clubs in this survey. In fact, more typical are some actual 1973 budget figures from these two midwestern clubs, one with 18 holes, spending $60,000 for maintenance and $12,000 for course supplies (chemicals, seed, topdressing, fertilizer and rock) and one with nine holes spending $14,826 as a total maintenance budget, including $2,418 for supplies.

But a penny saved is a penny to be spent somewhere else on the course. In some metropolitan areas with good transportation systems and many golf courses in proximity (for example, Denver has 40 courses in an area about 20 miles by 25 miles), group buying might work out and save clubs some money, assuming manufacturers would cooperate.

A superintendent should never believe that "it can't be done." But as one turf equipment distributor asked in discussing the idea: "Did you ever know two superintendents who could agree on what piece of equipment or fertilizer is best?" □