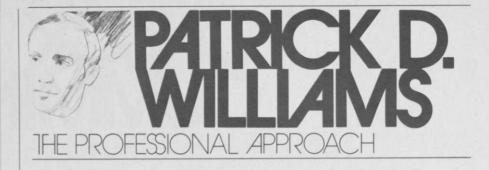
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## INFLATION

Inflation is a nasty word, and one which is uppermost in everyone's mind now because of the present economic turmoil. The golf professional is not immune from the problems of the national economy; in fact, he is likely to be more affected than most by inflation. The basic premise behind my concern regarding the inflationary movements of the economy and the related business of a golf professional is quite simple. When inflation of prices for goods and services exceeds the inflationary movement of wages and profits, the first sector of the society that feels the brunt of these movements is leisure and luxury. Golf falls into this category. For example, as corporate purse strings are drawn, a decline will occur in the activity of corporate memberships at many golf clubs. As unemployment increases, the activity at golf clubs and courses will reduce. As the money pinch gets tighter, each member or player will cut down on his playing and spending. It is a natural thing to do; it is a natural thing to have happen.

The irony of this mess is what happens simultaneously on the other side of the coin. Everything that is being done at the club or course costs more and more each day. I would guess that the cost of golf course maintenance has increased at least 10 per cent over comparable costs for last year. Some industry people contend that maintenance costs have increased by as much as 20 per cent over last year. Regardless of the actual rate, let's look at a simple, hypothetical budget for ABC golf course:

Maintenance	\$ 75,000
General overhead	\$ 55,000
Operations	\$125,000
Taxes	\$ 20,000
Total	\$275,000

See what happens if you assume a minimum inflationary increase of only 10 per cent. Now, the club must some-

how generate an extra \$27,500 to maintain its present position. At a public fee course where play runs about 30,000 rounds a year, the green fees will have to be increased by \$1.38 to maintain a relative position. Likewise, at a private club that has 500 members, an additional \$55 per year for each member has to be recovered. And even this analogy is not correct, because increased costs are paid for out of profits and not just by increasing prices by a comparable inflationary rate.

There exists no magical cure for controlling inflation. Economic experts have been trying to control it for many years, practically to no avail. The smart businessman usually combats inflation by getting dead serious about cost control. Invariably when business has gone through a prosperous cycle, it normally builds up a lot of waste.

Your first step is to analyze and measure your business waste and get busy figuring out how to get rid of it. Don't think it doesn't exist in your operation, because every business can be tightened up and run more efficiently and profitably.

It would be useless for me to specifically relate to problems at your club or course, because each course has its own peculiar problems. But the general operational areas, which usually involve waste of some type, are inventory and cost of sales, personnel and golf car operation. Take a look at the efficiency and profitability of these areas in your operation. Correct the problem of waste in each.

Run the club as a team. Sit down with the manager, the superintendent, the board and everyone else and plan the battle strategy against inflation. Contrary to what we have always heard, few things take care of themselves. Usually, there is a group of professionals seeing to it that the problems get worked out.