

There was a time in the golf business when formal training of golfing assistants did not exist. Years in service were more important than years of growth in knowledge.

Today golf is a fast-paced, diversified business. Golf professionals and their assistants in that business have to be increasingly knowledgeable in many areas. It thus becomes the responsibility of Class A professionals and directors of golf to have a program which stimulates the overall development of their assistants and forces them to take on as much responsibility as possible. Then when the

## Callaway pro shop system overcomes merchandise inventory handicaps

by Don Ferrone



Don Ferrone and Don Padgett go over the pro shop inventory books together at Callaway Gardens.

day comes that the assistants have the authority, they will be fully equipped to do the job.

At Callaway Gardens, assistant professional Don Ferrone has the responsibility for our pro shop merchandise control system, among other things, so I'll let him tell how it works. — Donald E. Padgett

Callaway Gardens consists of 63 holes and plays well over 100,000 rounds of golf annually. Two golf shops service our guests at the Lake View and Mountain View courses, though the Mountain View complex does the majority of our total retail business. Being a golf resort business, we deal predominantly in softgoods — such as hats and caps, gloves, golf balls, golf shoes, men's and ladies apparel, and jackets — for most of our gross sales. We carry a large selection of emblem headwear, screened logo jackets, and a broad selection of crested shirts and sweaters to accommodate our golfing guests.

Incoming merchandise is checked into a central storeroom where all packaging slips and invoices are carefully checked. All incoming merchandise is then recorded in a perpetual inventory ledger which accurately keeps a running inventory of our storeroom, before being transferred out to the golf shops. A transfer out form is completed, and then that total is subtracted from the current balance.

Upon written request from the golf shops, merchandise is transferred out of storeroom. Separate ledgers for each shop are kept on all merchandise transferred out. Markups and markdowns are also recorded to reflect changes in retail prices. This information is then posted in the perpetual inventory ledger.

Our receiving storeroom is set up under a perpetual system, which is easily administered. Our two golf shops use a retail inventory system which records cost and retail dollar

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Don Padgett and Don Ferrone are the head professional and assistant professional, respectively, at Callaway Gardens Golf Resort in Pine Mountain, Ga. Padgett was also elected recently to a second term as president of the Professional Golfers' Association of America.

amount of inventory shrinkage. This is merchandise unaccounted for at the end of the month or sold at discount.

In planning our fall and spring lines twice a year, in May and September, merchandise analysis and projection reports are submitted to the golf director for approval. The merchandise analysis describes how many units of a particular item were sold with a total cost and retail value amount. This information will assist us in determining our markup percentages and the profit returned on each dollar that was invested. The projection report will forecast what we need to purchase. It includes total units to be ordered, dollar amount to

**“When a salesman arrives to show a new line, we know exactly what we want to buy.”**

be invested, and size breakdowns and color assortments to be chosen. Inventory control levels are exercised by spreading out shipment of hats and caps, gloves, and golf balls over several months.

When the salesman arrives to show his new line we know exactly what we want to purchase: how many units, the size run, and the dollar amount we are spending. By buying early we can take advantage of all discounts which will improve our profit margin. We build into this report a certain dollar amount that we keep in reserve. This gives us some flexibility in bringing in new lines or perhaps to buy closeouts — in which case we pass the savings on to the customer. We always make a bargain table, which has proven successful, for it tends to get some golfers in the buying mood and also serves to discount our slow-movers. We are attempting in these reports to prevent overbuying, to have sufficient merchandise in stock, to reduce the amount of older merchandise, and to carry inventory related to anticipated sales.

Both reports are compared with previous year's business to get a past

history of merchandise performance. Buying the right kind of merchandise requires a considerable amount of study and time to accurately program our merchandising needs. The more information that we can gather, the more precisely we can allocate our monies in stocking our golf shops. We can also better identify the products that our guests are willing to purchase and discontinue those items that tend to be slow-movers. In preparing the buying plan we attempt to set sales goals in each area of softgoods. We strive to minimize buying errors and purchase those items that will yield a better profit.

Each year in January, a complete merchandise profile summarizing a total picture of gross sales in each area of softgoods is submitted. Outlined are total units of goods sold, the retail value amount, the turnover rate, and the markup percentage on each item. It also includes a breakdown of sales between Lake View and Mountain View. It clearly shows how well particular items are moving and permits us to compare what percentage of sales were made at each shop.

With the above information we draw comparisons of merchandise sold versus rounds played. We compare these figures to each golf shop, and we can anticipate how much merchandise revenue will be generated based on total rounds played.

In summary, we are constantly striving to increase our knowledge in inventory controls and more effective use of analysis, projection, and profile studies. The working formula of Project — Buy — Sell — Analyze — Profile has proven very successful in our golf operation.

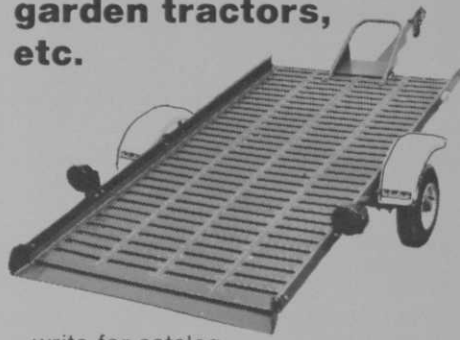
- Project what you want to purchase.
- Buy the merchandise at the best possible price.
- Sell the merchandise at a reasonable profit.
- Analyze what you have sold.
- Profile total merchandise sold.

This revolving formula should be beneficial in assisting new golf shop operations — as well as those golf shops with no buying plan — to program their merchandising needs to better serve their golfers and show an increased profit each year. □

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