Business As Usual

ECONOMIC SLUMP? WHAT ECONOMIC SLUMP?

By Todd Stumpf

T he stock market is a yo-yo and disposable income is no longer stretching the leather in wallets. But despite the economy’s fickleness, folks in the golf industry aren’t overly concerned that their business will see a downturn. Even if golfers’ disposable incomes take a hit, the prevailing theory is that they will find other things to cut from their budgets so they can keep playing.

Still, industry veterans are prepared for what could happen if their economy turns sour. If the cash doesn’t continue to flow, the maintenance department may take the heaviest hit. Courses might have to curtail plans for aesthetic changes or large-scale renovation projects.

“If [revenue] is down, you streamline your operation as much as you can,” said John Dodge, owner of Eldorado GC in Mason, Mich. “You could put off marginal or cosmetic improvements that might cost money.”

Keith Ihms, superintendent at Bent Tree CC in Dallas, said some money-saving measures don’t necessarily affect people or the quality of course conditions. Fewer overtime hours might mean less income for employees, but at least it’s not a job loss. Ihms seconded Dodge’s idea about postponing visual changes, like flowerbed and tree plantings. He also suggested leasing, rather than purchasing, big-ticket equipment items for the short run.

Interestingly, Ihms believes a continued sagging economy could increase the availability of labor. Ihms has trouble keeping a full staff during peak economic times because he can’t compete in wages with area fast-food chains and retail outlets. Should there be layoffs in those areas, Ihms believes he’ll have a better crop of potential help at his course.

“We’re understaffed and getting employees is a problem,” he says. “A lot of people work in construction, but that’s one of the things people pull their horns in on when there’s not a lot of money. If the economy [continues its] downturn, it will be easier to get employees.”

Judy Thompson, spokeswoman of the National Golf Foundation, said the economic slump outside the golf industry could actually spur business within it. Even if they lose their jobs, dedicated golfers will view their situations as having more time to play golf, Thompson said. “They may not
play as expensive courses, but they'll probably play," she added.

Another theory is that competition among courses will increase if the industry begins to struggle financially. Judy Hutt, owner of Shadow Valley GC in Boise, Idaho, says increased competition could initiate a change of attitude about customer service. "Golf courses are known for not having good customer service," she adds.

High-end public courses, the most popular among new courses, could take a hit if there's an economic slowdown in the industry. Consumers would play less glamorous courses to get more holes for their buck.

If the golf industry's economy does suffer, money will become even more of an issue than it is now. "Affordability is one of the great issues the industry has dealt with for years," Thompson says.

Stampf is a free-lancer from Akron, Ohio.

"The first time I ever saw a golf course laid out on paper, I said, 'Mr. Kidwell, that's what I want to do for the rest of my life.' He said, 'If you want to learn, I'll try to teach you all I know.'"

— Mike Hurdzan, on his mentor Jack Kidwell, a famous Ohio architect who died in April at 82 after battling Parkinson's disease for more than 20 years. (The Columbus Dispatch)

"It's not always easy being a Supreme Court Justice. ... But not all of their decisions are tough, and the pending one involving Casey Martin ranks in that class. This should be a slam dunk. Ladies and gentlemen of the court, give the man his cart."

— CNN:NI.com's "The Hot Button" columnist Jack McCallum on the impending Casey Martin vs. PGA Supreme Court decision

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Shopping for Hand-held Power Equipment

DO YOU KNOW WHAT TO LOOK FOR?

How many hours a week would you say your hand-held power equipment is in use, especially during your peak season? Are you ever worried that it's going to break?

To get the most out of your equipment — and your crew — you should purchase hand-held power equipment with these key factors in mind:

- Evaluate the durability of the product to ensure a good long-term investment.
- Test the power and power-to-weight ratio for maximum performance.
- Review important, and often overlooked, ergonomic features that lend to a better personal working environment — leading to reduced fatigue, increased worker productivity and improved worker satisfaction.

Generally, you should purchase equipment and accessories from manufacturers that spend a lot of time collaborating with professional users. As a professional, you benefit from the hours of hands-on research that goes into designing and manufacturing equipment to perform powerfully and comfortably.

Durability

Your crew works hard, which means your equipment takes a beating. Ensuring that your equipment will run long and strong depends on your initial purchase decision and your ongoing maintenance. While many manufacturers use the words “tough” and “durable,” take a closer look at the equipment to decide for yourself. Here are a few examples:

- How are the parts assembled? For example, check out the crankshaft. A forged connecting rod and forged three-piece crankshaft will provide longer life.
- When purchasing a string trimmer,
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for a low-emission engine with the power you need and a
low weight that is comfortable for the user.

Ergonomic considerations
Ergonomically advanced equipment, including many of
today’s hand-held chain saws, trimmers, brushcutters and
blowers, fight vibration and fatigue through the use of an anti-
vibration system that isolates the engine from the handle.

When purchasing a string trimmer, be sure it has an
anti-vibration feature. Take a close look at the handle mech-
anism. Can it be adjusted for the different people who use
it? An adjustable loop handle can slide up or down the shaft
to provide comfort for users of varying height.

Finally, always look for unique user-comfort features
that can maximize productivity. For instance, look for a
harness with good weight distribution on a backpack
blower. Typically, a backpack blower hangs from the oper-
ator’s shoulders. However, units that feature a hip pad dis-
tribute a good portion of the weight onto the operator’s
hips, like a true hiking backpack, which reduces some of
the weight on the shoulders. That’s an important benefit to
the operator saddled with the weight of a two-cycle engine
on a warm summer day.

The author of this story, Mark Michaels, is the business unit
manager of hand-held products for Husqvarna.

All Spikes Not Created Equal
MICHIGAN STATE UNIVERSITY SURVEY SHOWS DIFFERENCES IN ALTERNATIVE PRODUCTS

By Frank H. Andorka Jr.

Researchers at Michigan State University con-
cluded that the green-
friendliness of alternative
spikes relates directly to
the material used to manufacture
them.

Thom Nikolai, the turfgrass
education specialist at MSU who
over-
saw the study, said alternative spike
manufacturers must find materials
flexible enough to be green-friendly
while still providing adequate traction.

“The 8-millimeter metal spike
damaged the turf by pulling it out of
the ground,” Nikolai said. “If alterna-
tive spikes do the same thing, what dif-
fERENCE does the type of spike make?”

Softspikes, the original manufac-

Flexible material is key
to a green-friendly spike.

meric of alternative
spikes and maker of the
Black Widow cleats,
funded the 18-month study,
which concluded earlier this
year. Last year, the first generation of
Black Widows alarmed superinten-
dents because the damage they caused
eerily resembled metal spike damage.

“We wanted an independent study
done that compared all the alternative
spikes, including our reformulated
Black Widows,” said John Hyman,
Softspikes CEO.

To create a standard test protocol,
Nikolai and his researchers observed
wear patterns on golf course greens
around the country. Then they simu-
lated the patterns on their test greens
with volunteers wearing the same size
shoes.

“Other people had done other
studies, but there was no common
platform from which to work,”
Hyman said. “Therefore, the results
varied depending on the size of the
shoe.”

Nikolai’s study concluded that no
brand on the market perfectly marries
traction with turf friendliness.

Hyman said Sofspikes will involve
superintendents in future design plans.
To achieve that goal, Sofspikes created
a superintendents’ advisory panel ear-
lier this year.
Off The Fringe

What It's Really Like to Work for a Management Company

**Question:** It looks like my course is about to be taken over by a management company. Having worked at American Golf, what are management companies really like to work for?

**Heacock:** They can be good, bad or indifferent.

First, understand that each management company has its own culture, style and business plan, and all these factors affect what that company is "like" to work for. They all differ, especially in culture.

Some management companies choose to own their courses, but most lease them or contract them from independent owners.

Some do business entirely on their own nickel — taking a risk in return for most of the profit and paying a guaranteed minimum rent to the course owner plus a percentage of gross income. The owner still gets paid the guaranteed minimum rent even if there's no net income. Management companies that utilize this style of operation prefer to manage the entire operation, not just golf maintenance. AGC and Club Corp are two examples.

Other management companies spend none of their money; take little or no risk, get a small upside potential (usually based on what they can save from some pre-agreed expense budget) and in return are paid a fee by the course owner. This arrangement is sometimes termed "contract maintenance," but companies that do it are still referred to as management companies. Some of Environmental Golf's operations are this type.

"Who's paying whom" factors significantly into the culture and operational style of any management company and has an impact on the superintendent. Let's contrast some examples:

- **Company A** is paid a fee by the owner. In this situation, if the members like the superintendent because he does great work and/or schmoozes them, then his job is normally safe. This is similar to the typical private club job.

**Editor's note:** Golfdom welcomes Mike Heacock, former vice president of agronomy and maintenance for American Golf Corp., to its editorial mix. Heacock, a certified superintendent who spent 17 years with AGC, wants to field your questions in this new bi-monthly column. What gives him the right to answer your questions? Well, in his prestigious career, Heacock cured a turf disease that no one else could and negotiated major purchase deals for AGC, among other things. In short, he knows the business — from economics to agronomics. So if you've got a question, fire away. You can reach Heacock at mike.heacock@verizon.net or 310-849-5011.

- **Company B** takes on all business risk and pays major rent to the owner. But let's say you're the superintendent at a high-end daily fee course that won't meet overly optimistic revenue projections because of a down economy. If you ignore financial reality and keep spending despite warnings from your boss, you'll be "adios, amigo."

And the company really doesn't care how much the members/customers liked you.

- **Company C** is like Company B except that the superintendent conserves cash, comes in narrowly under budget and still keeps the course in decent shape while meeting or exceeding regional management's expectations. If they don't promote the superintendent to a regional position, he'll continue to be employed as the course's superintendent and earn accolades from management. He'll also be held as an example to the slackers around him, and he'll almost certainly get a raise during the next review period — though it won't be what he thinks he deserves.

The bottom line: Many management companies have commitments to banks, stockholders, and/or other entities regarding financial performance. So bad things will happen if they don't meet their numbers.

The only way to get away with underperforming as a superintendent is to stay below the corporate radar screen — and that's impossible in the long-term. The only way to do it as a career is to perform well as both a grass grower and a budget and personnel manager — every day.

You'll stay employed as long as you can keep everyone who counts happy.

For an expanded version of this column, see Golfdom.com.