by Ken Emerson

ACCENT ON MANAGEMENT

NCA convention dialogue:
Stephen Early asks clubs to change now for tomorrow

As reported last month, this month's column will be given over to comments made by Steve Early during the recent program in San Francisco, "Operation Aware: A Civil Rights Dialogue." Mr. Early is a native of Westchester County, N.Y., and attends Middlebury College. He is an active participant in anti-discrimination activities.

Please keep in mind that the program was presented not to provide Early with a platform, but to report to clubs what is happening in this sensitive area and what is being said and done by vocal and active critics of the private club industry.

The following are excerpts from Mr. Early's remarks:

"The warning or lesson contained in what I have to say is that in the coming years clubs are going to have a harder time attracting young people. Primarily because more and more young people are going to reject a system which evaluates people, not on the basis of their character or their individual characteristics, but on the basis of their membership in a racial, religious or ethnic group. I think younger people today are beginning to place a greater emphasis on the value of the individual, on what kind of person you are regardless of what kind of people your parents were, what skin color you have or where you go to church. I think they are going to object to any group which says 'this man is a Jew, we don't want him because he's a Jew, we don't care what his qualifications are as a person.

"I'm here today because I've been involved since last summer in a local campaign to eliminate, or at least reduce, the level of racial and religious discrimination in a number of private clubs in my home town.

"The most significant direct contact that I have ever had with a private club came when I was employed by one as a caddie for three years. Neither I nor my family has ever been a member of any club. I had some further contact as a member of a high school golf team and I had the opportunity to play at a number of club courses.

"There were many things I noticed about private clubs that would be pretty hard not to notice. The most obvious thing was that membership in all the clubs was generally restricted to people who were fairly wealthy because it was only people with money who could afford the cost of membership.

"More important, perhaps, was that money was not the only qualification for belonging to these clubs. There was a pretty clear distinction between clubs which were primarily for Jews and clubs primarily for Christians.

"This long-standing pattern of discrimination remains very much the same today as it was 20 years ago; the so-called 'Christian clubs' are still closed not only to non-Christians but of course also to non-whites. While this latter charge is a little harder to substantiate, it is nonetheless true.

"Now the same thing was true until only recently with respect to

(Continued on page 33)
If your greens do not look like this in the summer, you are not doing enough for them.

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adult guests who were black or Jewish or in some other unacceptable category. Club members who brought people like this to dinner were expected to gain some kind of clearance ahead of time so there could be proper seating arrangements made and precautions could be taken to avoid unpleasant incidents involving other less tolerant members who might resent the presence of such guests. Today, I've been told by people who are active in these clubs, this kind of thing has changed. Policies are much more liberal.

"My concern with the club system really stems from the fact that in this kind of suburban situation, clubs are major institutions. They play a significant role in establishing the social patterns of the whole community and have an enormous influence on the thinking and the outlook of its young people. So many kids in the area belong to the clubs and for them the clubs are a way of life. They grow up in them. They take advantage of the golf and tennis facilities; they learn to sail and swim there. They spend quite a bit of time at the clubs and enjoy it. But very few of them are ever really asked to consider—very few ever consider for themselves—the extent to which the clubs discriminate against many of the same people they willingly associate with at a public high school. The same Jewish or black youngsters with whom they date or socialize in a public high school, they unthinkingly discriminate against in their clubs. Unless something is done to bring to the attention of these young people the nature of the situation, unless something is done to ask them to change both the attitudes of parents and the policies of the institutions, the clubs, which their parents support, these kids are going to grow up to be very much like their parents. I don't consider that to be a particularly happy prospect.

"You may have noticed what happened to the fraternity system on college campuses. There has been a move away from the kind of discriminatory practice that for many years characterized fraternities. On some campuses fraternities have become quite liberal; there is incredible competition for black students which results often in nine or 10 fraternities at one school pledging as their first choices the few black students who are interested in joining. It's quite a change from only a few years ago, and I think it represents a trend—a trend that people whether officers or managers of a club, should be aware of and should think about.

"This is the kind of thing that people are becoming more aware of. They are going to demand that politicians and other prominent people justify their membership in clubs that are not open to everybody in the community. There's going to be more pressure brought to bear on individuals and groups which condone or practice social discrimination. And there's going to be a greater rejection of the values of the private club system because the system continues to deny the individuality of so many good and worthy people."

Next month I will conclude with remarks from a man with a more conservative view as well as one with a "the middle of the road" view.

**Technical schools open**

Three two-year technical schools, which should help meet the need for qualified golf personnel, have been established. For information write: the School for Irrigation Technology, South Plains College, Levelland, Tex., attention, B. P. Robinson; the School for Golf Course Operations and the School for Landscape Operations, both a part of Lake City Junior College, Lake City, Fla., to the attention of Jerry Chessman.
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COMING EVENTS

Club Managers Assn. of America Workshop in Outdoor Recreation Administration, University of Houston, Houston, Tex., July 19-22.


CMAA Workshop in Executive Development, Executive Park Motel, Atlanta, Ga., July 29-31.

CMAA Workshop in Marketing Management, Executive Park Motel, Atlanta, Ga., July 28-31.

CMAA Workshop in Outdoor Recreation Administration, Cornell University, Ithaca, N. Y., August 10-13.


Third Annual Professional Golfers' Assn. West Coast Merchandise Show, Oakland-Alameda County Coliseum, Oakland, Calif., September 27-29.

Annual Hardware Show, Coliseum, New York City, October 12-15.

Central Plains Turfgrass Foundation Conference, Ramada Inn and Kansas State University, Manhattan, Kan., October 21-23.


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Pros are caught in a bind. What distinguishes a professional from other retailers is the services he offers. Yet, these very services can turn the pro shop into a deficit operation.

One of the old maxims of pro shop operation is that revenue from the storage and cleaning of clubs should pay for the help a pro has to employ. There isn’t any doubt that it applied a couple of generations ago when running a shop involved little more than teaching, the dispensing of golf sundries and not much more than the racking of clubs. Then, the shop could get by with one aide, and the revenue that came in from the back room operation was sufficient to take care of his salary.

It isn’t that way anymore. Any professional who has figured it out—and there can’t be much doubt that most have—has found that his storage and cleaning income goes only halfway or less in meeting the payroll.

The figures that prove it are simple enough. At a typical club serving 300 players, the professional may gross $7,500 from storage and cleaning charges. That is based on $25 per head, a figure that many pros swear is an inviolable top. Few would dare to boost it above this. To properly service 300 members, a professional has to employ two assistants a minimum of 10 months a year, plus two or three youngsters in the back room and on the range. The latter usually work only during the summer months. The pro’s payroll, depending on whether he has four or five people on his staff, ranges from $15,000 to $18,000 annually. So that $7,500 pays only about 40 percent, and not more than 50 percent, of the pro’s labor bill.

The alarming part, as most shopmasters see it, is that ground is being lost each year. Two midwestern professionals, who recently drew up figures on the differential between storage-cleaning income and payroll, agreed that it was approximately $5,000 at both their clubs in 1965. For 1970, they foresee something closer to $8,000. The difference of $3,000 will have to come out of their gross from teaching and merchandising and the salaries their clubs pay them. In both cases, their salary increases in the last five years have amounted to close to $1,500.

That leaves a $1,500 hole. Part of it will be made up by a small increase in teaching fees over 1965, increased sales volume and a slightly higher gross from merchandise than they were getting five years ago. In 1965 one of the pros was getting $20 for storage and cleaning; the other $22.50. Now, they are getting $25, which is the maximum in their area. Both think it should be $40, but no less than $35. Even if it were the lesser figure, the professionals at least wouldn’t be losing ground in comparison with 1965.

Both men believe that professionals have waited too long in years past to increase their cleaning and storage charges now. In
some of those years when the charges should have been increased by only $2 or $3, the shop operators held the line, figuring they could absorb the extra charges they should have been levying. As one of these men says, "We got hung up in the $15 range too long."

The cleaning and storage operation shouldn't bear all the brunt of putting the professional in the hole. After all, the service produces revenue for him. If he had only to pay the club cleaners out of his income, he'd be well ahead of the game. What really hurts him most is the unremunerated services he has to render in running his shop. Maybe it is time that he, or professionals as a group, introduce a "Service Charge" over and above the cleaning and storage levy to get reimbursement for the many miscellaneous services that are provided for golfers. No doubt, the new charge would arouse criticism on the part of members as another extra assessment, but if it were properly explained it would eventually be accepted.

Actually, the many unreimbursed services the professional and his staff perform take time, as much as lesson-giving and merchandising. The services can't be entirely written off as a business loss because indirectly they produce income for the shop. But the services are increasing from year to year and some way must be found to compensate for the increase. As one professional points out, "The expansion in service undoubtedly has resulted in many professionals being forced to hire an extra assistant in recent years. Where a lot of fellows used to get along with one assistant they now have two. I don't think the increase in sales and lesson business alone has justified taking on another man. It's due to the expanded demand for service."

The vast majority of professionals don't begrudge giving service. They are smart enough to see that the more they give, within reason, helps business. Paradoxically, they also see where they can service themselves into a deficit operation if the many unreimbursed tasks they perform start to overshadow merchandise sales and lesson giving. It comes down to the hard fact that a man in business can't give away everything.

What would make a "Service Charge" hard to explain to members is that service can be so intangible. It can be a real thief of time—a few minutes here, a few minutes there and before anyone realizes it, the professional or one of his assistants has spent an entire day spinning his spikes without really accomplishing anything of consequence.

Take handicapping, for instance. In the Chicago area, the Chicago District Golf Assn. administers the handicap system for thousands of golfers through a computer setup. The professional at a CDGA member club is only a middleman in the operation, collecting scores from his members, forwarding them to the computer service office and then posting whatever handicap changes there are on the club's board every two weeks. Theoretically, the job shouldn't require more than an hour a week. Many times, however, it takes one man from a half to a full day to chase down scores that should have been turned in or to straighten out some of the erroneous scores that have been submitted. This is only one way in which those intangible hours are eaten up.

At a club that isn't in a computer handicap pool, a committee may be appointed to do the bookkeeping. In many cases this is fine for maybe a half season—until the committee gets bored with the work or goes on vacation. Then usually, the handicapping devolves upon the pro department. Somebody in the shop may have to spend a minimum of four hours a week keeping the system up to date—at no reimbursement.

Responsibility for keeping the tournament program going throughout the season almost invariably is wished upon the pro staff, although most clubs have tournament committees. Pairings, publicity, scorekeeping, the staging of the tournament itself are handled by the pro department in practically all cases these weekly or twice weekly events are held. You never hear a professional kicking too much about running a club tournament because it is one of his important income producers. He is glad to do it. If he has any kick at all, it is because the illusion exists at many clubs that tournament committees do all the work and the professional does nothing more than stay in the shop and make money.

There isn't much doubt that more shop or staff time is taken up in running club tournaments than any other activity. Maintaining handicap systems or helping to maintain them probably is the runnerup. But the list doesn't stop with these items. In fact, it turns out to be quite lengthy, as one professional recently demonstrated in naming all the unreimbursed services he provides his members. It reads this way:

- Junior program for boys and girls: At least 100 hours of staff time plus some outlays for trophies and balls and clubs that are given as prizes;
- Starter in off-season: One of his assistants takes care of this detail before Memorial Day and after Labor Day;
- Reservations: These, too, are handled by the professional department in the off-season. It keeps an average of one man fairly busy in May, especially on weekends, and again for a few weeks after Labor Day.
- Caddie training: The caddie-master runs this program, but often calls for the pro and his aides to help out on instruction;
- Inside range: Two nets were originally provided by the pro for the back shop range plus practice ball;
- Tryout clubs: The pro has a fairly large investment in these;

(Continued on page 38)
GOOD GUY

(Continued from page 37)

* Guest club cleaning service: It's done to enhance prestige of the member and there is more of it than is generally realized. (At resort clubs the pro shop gets $1 per cleaning, the pro notes.)

* Playing privileges at other clubs: Quite a few letters are written to other pros in arranging this for members, plus some long distance phone calls;

* Handling of scorecards, special printing jobs, sign making: These are handled by the pro shop and can be time consuming;

* Repairs, carpentry, special equipment: Professional and staff take care of repairs and carpentry unless the shop is to be completely renovated. The professional buys fixtures, shelving, racks, pays for special lights, stereo, TV set, in some cases, air conditioner, if these replace original equipment.

To this list might be added the gift wrapping service that is supplied year around by most shops and long distance calls that are often made to expedite special orders. But it is debatable whether or not these are unremitting services. Nevertheless, they eat into the pro's gross. It is debatable, too, whether or not the pro makes any money on the range operation, another service for which he is responsible. If he has to buy a ball dispenser, that represents a large initial investment that may take two years or more to liquidate. In addition, he supplies practice balls and a full or part-time employee to run the range. Some pros say they do well to break even on this operation; more concede they make a profit on it.

There is a windfall in the cleaning and storage charge that helps many pros over a financial hurdle early in the season. If all or part of the charge is paid at or prior to the start of the season, the professional can use some of the money to discount his bills; or, in some cases, he may use part of it to pay for the merchandise he initially stocks.

This does away with the need for getting a bank loan, or at least greatly reduces the amount of money he has to borrow.

As mentioned before, the pro doesn't begrudge giving service to his members. He'd be flaunting one of the oldest traditions in the game if he did. But he's wondering if the expanding service he has to give isn't going to eventually choke him. If revenue which he collects from cleaning and storage is falling $7,000 or $8,000 short of taking care of his payroll, compared to $5,000 five years ago, and maybe only $1,000 or $2,000 a decade ago, he is running upon critical days. Something has to be done to change the trend. The burden on his gross from teaching, selling merchandise and his salary is just too great.

There are only two choices open to him to counteract the situation. He has to find ways to increase his income from storage and cleaning, or through a service charge; or he has to cut back on services, which would imply a reduction in help. He has probably gone too far in giving service and couldn't curtail it if he wanted to. So that leaves only the alternative of increasing his income one way or another.

One suburban Chicago club has recently recognized its professional's dilemma. It collects the cleaning and storage charge and in turn pays the salaries of the assistant professional and three youngsters who work summers in the back of the shop. Only one assistant, incidentally, is employed at this club. This may be the ideal solution. The burden is off the professional's back and enables him to give more unstintingly of service than ever before. Whether other clubs would be willing to underwrite the unremitting services that members want and probably demand from the pro shop is open to question. It's a cinch that most clubs aren't looking to take on something that might leave them saddled with a $7,000 or $8,000 annual deficit.
Challenged
by Lawsuit

A New Orleans retailer seeks $1.5 million in damages from several major equipment manufacturers and PGA

A Federal judge in New Orleans has refused dismissal of a $1.5 million suit against 14 golf equipment and accessories manufacturers and the Professional Golfers' Assn.

Golf City, Inc., a New Orleans retail outlet for golf equipment, apparel and supplies, filed the suit at the end of last year. It claims that the defendants are in restraint of trade and that they have conspired to prevent Golf City from stocking and selling "pro-only" merchandise. Golf City also charges the defendants with fixing the market price of "pro-only" golf equipment, which is shipped in interstate commerce. "Pro-only" models—considered the prestige lines of manufacturers—normally are available only through shops manned by golf professionals.

The Golf City suit thus challenges the traditional pattern of golf equipment retailing.

The defendants—14 of the country's major golf equipment and accessories suppliers—have denied the Golf City charges, and several of them petitioned for a dismissal of the case. However, U.S. District Judge James A. Comiskey on May 5, 1970, refused their pleas and the case goes forward.

The companies cited numerous reasons for their sales policies—reasons which they feel leave them free of any violations of the restraint of trade laws, the price fixing laws or any other laws or regulations. For instance, Karsten Mfg. Corp. in a memorandum supporting its motion for dismissal, cited a decision of the U.S. Supreme Court:

"Any distributor is free to select the channels of trade through which he will distribute his product. There is no prohibition against a distributor electing to sell his product through one marketing entity or type of marketing entity to the exclusion of another." [United States vs. Colgate & Company, 250 U.S. 300, 39 S., Ct. 465 (1919)]

In filing answers to the Golf City allegations of conspiracy, most of the defendants insisted that the setting of "pro-only" policies was done unilaterally by each firm; all denied knowledge of the policies of other companies.

A.G. Spalding & Bros., Inc., for example, "... Denies that the sales of Spalding's pro line merchandise and golf equipment are limited to members of the PGA and avers that the Spalding pro line of golf equipment is sold through pro shops operated by golf professionals who are affiliated with legitimate golf course operations, irrespective of their membership in the PGA... Spalding specifically avers that it does not provide any of its customers or those of its affiliated companies with cooperative advertising allowances."

The Charles A. Eaton Company maintains, "It has been the consistent policy of the company over the years to market all shoes and clothing under the Etonic label only through well known, substantial golf courses, which maintain a professional golf shop in which golf equipment is displayed and sold. The basis of this policy is the company's determination that high priced shoes and apparel can be marketed economically and efficiently... only through such outlets..." The company "has no agreement, written or oral, nor any formal or informal understanding of any kind with the PGA or with any manufacturer of golfing equipment, golfing apparel or any other items associated with the sport of golf, with respect to the policy or practices of the company in marketing any of its products."

In filing interrogatory answers, the PGA told the court:

"The PGA has no contract with any golf equipment manufacturer or distributor authorizing the use by such manufacturer or distributor of the words 'pro only.'"

Golf City filed the suit last December. Named in the original suit were: A.G. Spalding & Bros., Inc.; Wilson Sporting Goods Company; MacGregor Sports Products, Inc.; Dunlop Tire and Rubber Company; Arnold Palmer Company; Ram Golf Corp.; Karsten Mfg. Corp.; Professional Golf Company; Acushnet Sales Company; Irving King; Walter Hagen Golf Equipment Company; Charles A. Eaton Company; Lamkin Leather Company; Uniroyal, Inc.; and the Professional Golfers' Assn.

Subsequent motions by the plaintiff dismissed the suit against Lamkin Leather and the Walter Hagen Golf Equipment Company. Hagen Company is a part of Wilson Sporting Goods Company. Brunswick Corp. was substituted for MacGregor Sports Products, Inc., because Brunswick is the parent firm. A.G. Spalding & Bros. was replaced by Spalding Sales Corp. Lamkin Leather was dismissed because it "has since the institution of this action, unqualifiedly dealt with and sold golf equipment to the plaintiff and has communicated to plaintiff its intention to continue so dealing."

Golf City claims that it lost $50,000 last year in business because it could not fill its customers' orders. When the golf shop placed orders with the various manufacturers, the plaintiff contends, it was "... systemically and arbitrarily turned down, ignored and otherwise refused."

Suing under the Sherman Anti-Trust Act, Golf City alleges that a conspiracy in sales policy was formed for the purpose of controlling the market price of "pro-only" equipment, to suppress or eliminate competition between retail golf equipment dealers who are not PGA members and those who are, and to enable PGA members to

(Continued on page 68)
Rather than waiting for permanent structures to be built before starting up operations, a golf club can build up a business in advance by using a mobile housing unit as a temporary base.

LARGE mobile homes that aren’t expected to go anywhere are helping several golf courses to get moving in the early days of operation by housing golf professional shops, food concessions, restaurants and other essential functions.

The length of time these clubhouses on wheels perform their all-purpose duties varies, depending on the time it takes to construct permanent facilities. Several courses in northern California have found that the temporary quarters have almost immeasurable value because they permit them to build up a business with clubs, other equipment and food services, which expands when the permanent structure is built.

Golf operators have found also that they can lease the mobile structures, conserving a cash outlay that can be used to good advantage in a number of other places, especially during start-up.

Plans at Franklin Canyon GC near Martinez, Calif., in the San Francisco Bay area, call for a permanent clubhouse bordering the creek at Franklin Canyon, but two mobile homes side by side serve as clubhouse, professional shop and snack bar, close to the site that will be occupied by the permanent building.

“We miss the locker rooms,” says operator Pat Markovich, “but this arrangement has given us a good start and allowed us to base our business on the golf course. The players we have attracted will be the nucleus for expanding our operation when we have the permanent clubhouse with complete facilities for banquets and large tournaments.”

One small permanent building at Franklin Canyon serves as golf car storage and doubles as maintenance headquarters.

Markovich showed the mobile home syndrome very early in the construction phase of Franklin Canyon. He moved onto the site during preliminary grading in a small house trailer that served as an office. Its kitchen produced countless cups of coffee and its complete facilities provided shelter from cool winds and winter rains. Markovich admits to spending a few nights aboard when days ended late at night or when he wanted to be on hand very early the next morning.

The two mobile homes at Franklin Canyon were specially