

THE GOLF COURSE SUPERINTENDENT - A TRUE PROFIT CENTER

Tommy D. Witt, CGCS
Wynstone Golf Club
North Barrington, IL

Any golf course, be it a public, private or resort facility is generally a revenue producer. However, in virtually every financial statement, the golf course maintenance operation of the Golf Course Superintendent appears in the expense section of the monthly operating statement. Where are the figures representing the income side of the golf course? In most cases, the revenues are actually found in other sections of the profit and loss statement, in an area totally unrelated to the Golf Course Superintendent. Instead of being viewed as the manager of an expense center, let's examine the evidence that proves the Golf Course Superintendent actually manages a profit center.

With regard to a golf facility, it would be difficult to view the revenue sections of a profit and loss statement without noticing there are numerous forms of income and revenue that are generated directly by the existence of the golf course. Depending on the type of golfing facility, the Golf Course Superintendent can, and does, significantly influence revenues in the following areas:

- Green fees
- Cart rentals
- Private club initiation fees
- Private club monthly dues
- Resort reservations (rooms and conferences)
- Food and beverage sales
- Golf Shop sales
- Housing development property sales

It becomes readily apparent that the Golf Course Superintendent manages a facility's most valuable asset: the golf course.

Many times the accepted attitude is "it all comes out of the same pot, so why worry about where the expenses are listed?" . Although the placement of expenses and revenues within the financials may merely be a matter of semantics, a true picture of an operation cannot be defined without accurate financial documentation. In order to provide a true and accurate picture of the Golf Course Superintendent's contribution to the golf facility in question, it is essential that his or her expenses be compared to the revenues he or she is responsible for. This will provide a more accurate picture of what the Golf Course Superintendent really means to the facility.

Without question, golfers visit or become members of public, private and resort golf courses to play golf. The condition and management of the golf course falls within the responsibilities of the Golf Course Superintendent. Revenues derived from, and associated with, the golf course should be identified, documented and placed within the proper location of financial statements so as to give credit where credit is due. Is it fair or accurate for another department head or manager to claim credit for revenues that are accumulated or derived from another's efforts?

To illustrate this point, I provide the following example. In a private club setting, a new member may

pay anywhere between \$5,000 and \$100,000 in initiation fees for the privilege of joining the club. He then pays monthly dues of between \$100 and \$700. When he plays golf, he generally rents a golf cart at \$20-25 per round, and may bring a guest and pay \$20-100 per round. He will probably purchase merchandise in the golf shop, and most likely will have something to eat and drink before leaving the property. For social entertainment, he quite possibly will visit the club for dinner a number of times per month with his family or with business associates. All revenues in this case revolve around the existence of the golf course. In the case of a resort or public golf course facility, similar revenue comparisons can be drawn.

Let's face it, the Golf Course Superintendent manages the golf course, which is the key asset and resource to virtually every golfing facility. Without the golf course, you are trying to market and sell a restaurant, a tennis center, a swimming club, or a golf discount house. To this end, to accurately identify and analyze cost and expense centers and the individuals who manage them, it is incumbent upon us to recognize an individual's contribution, worth and value to the business. It would be very interesting to track every dollar of revenue at a facility and see just what percentage of the revenues are generated by the golf course, it's condition and the person who manages it.