

## BUDGETING & PURCHASING IMPORTANT FACTORS IN THE BUSINESS OF GOLF COURSE MGMT.

I think we can assume that the majority of American Golf Course Superintendents today share equal levels of agronomic skills. It is apparent that the number of highly qualified turf managers in this country is increasing each year with better education and research. But if we are all good turf managers than what qualifies an individual to be an outstanding golf course superintendent? I believe the answer lies in the competence of managerial and business skills that the superintendent has developed. In every part of the United States, the most sought after jobs, the best maintained golf courses, and naturally the highest salaries are all going to the superintendent that has skills above and beyond Turfgrass Management. Those business skills include: (1) Personnel Mgmt.; (2) Basic Contract Law; (3) Public Relations; (4) Labor Relations; (5) Accounting; (6) Public Speaking, (7) Business Management; (8) Budgeting; (9) Purchasing.

Budgeting and purchasing are important elements in the business of golf course management. Each year the golf course superintendent either prepares or helps to prepare his budget for maintenance and improvement of the golf course. Four basic principles in budget preparation should be followed:

1. **A budget should be based on a long range plan.** Using the basis of long range planning we can look at the condition of the golf course and evaluate what we have, where we want to be, and what it will take to get there.

2. **A budget should be based on a stated objective.** A stated objective may be written in the foreword of a budget. A stated objective should eliminate any grey areas and define the level of excellence a club desires. If you want a top conditioned golf course state that fact and prepare a budget accordingly. If you want an average golf course then state that fact and prepare a budget and maintenance program with moderation. It is important to realize that on a scale of 1 to 10 we cannot operate a golf course with a playing condition of 10 with a budget rating of 6. Inversely, if a club is spending money comparable to the better clubs in their area it should show in the high quality of playing conditions.

3. **A budget should fit into the guidelines of the total club fiscal picture.** In most cases the golf course is only one part of the total club budget. Be aware of total income and expenses of your entire club. All departments must work together to achieve the standards desired by the membership.

4. **A budget should be consistent with other comparable clubs in your area.** It is difficult to compare budgets but club members do it all of the time. Open the lines of communication among your peers and discuss your golf course as a business.

Once the needs of your golf course are established and converted into a financial forecast of dollars and cents, the next step in the budgeting process is the presentation. The presentation of the budget is usually done on both the Green Committee and the Board of Directors levels. The following items are helpful in the presentation:

1. **Be prepared.** Know your budget. If there are any questions be prepared to answer them intelligently and confidently. A well prepared budget will speak for itself.

2. **Neatness counts.** Be sure that your budget is typewritten and easily understood by your members. I suggest that you mail

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a copy to the necessary members for their perusal prior to the date of a meeting. Use visual aids, if necessary, to explain items in the budget. This might include slides, charts, graphs, blueprints, etc.

3. **Personal appearance.** When you are presenting a budget show your members that you are a businessman in the way you dress.

Once your budget has been approved shoot for 98% accuracy. Although the golf course superintendent is dependent upon weather conditions to establish his annual expenditures, a good superintendent can stay within 2% over or under his forecasted figures. Labor continues to be our single largest expenditure in golf course maintenance. Other large accounts include the purchase of chemicals, materials, parts, and expendable supplies.

The purchasing of the aforementioned items is an area where we, as purchasing agents, can save our golf courses thousands of dollars each year. The best example is a recent set of price quotes on chemicals which showed a price variance of as much as 30% for specific items. With golf courses spending between \$30,000 and \$100,000 annually on chemicals and supplies it is our job to get the proper materials, to do the proper job, for the best price.

The following guidelines will help in purchasing:

1. Know the materials you will need. Using past records and current research results, develop a program for the upcoming year and forecast the types and amounts of material you will need.

2. Develop a purchasing strategy relative to the club's financial position. Be aware of early order discounts and early pay-

ment discounts. Be sure that your payments for purchases fit into the cash flow of the club comfortably.

3. Shop around and compare prices. Buy only reputable products from reputable distributors. Send out a list of materials you are purchasing and let the distributors that you deal with quote you a price. If you are not currently doing this, the results will shock you! Prices for identical products may vary a great deal between different distributors.

For further help in budget preparation refer to **The Budget Process on a Golf Course** available from the Golf Course Superintendents Association of America. When purchasing items such as chemicals, fertilizers, paint, repair parts, etc. shop around and spend your clubs' money as if it were your own. Add to your foundation of agronomic skills and manage your golf course like a business - it is one.

**Bruce R. Williams, Bob O'Link G.C.**

## MUCH NAMES NGF EXECUTIVE DIRECTOR

NORTH PALM BEACH, Fla.--Sheridan (Joe) Much has been named executive director of the National Golf Foundation by David Hueber, the NGF's new president.

Much, 60, joined the Foundation staff in 1968 after a 20-year newspaper career. He traveled the West Coast as a field representative and served as Western Director before moving to headquarters in 1982 as director of field services. He was named acting executive director in July, 1983.

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