

An Overview of Management Companies



Mill Creek Golf Club is managed by American Golf Corp.

Dave Braasch

Management companies are a growing presence within the golf course industry. They either offer to run grounds maintenance or the entire operation. You may wonder, what prompted me to write this article? Previously, I worked for a management company and was questioned by several colleagues as to how management companies' courses function as compared to privately owned and operated golf facilities. These questions became the foundation for a survey that I sent out to golf course superintendents nationwide who currently work for management companies that run public, private and municipal golf courses. The first half of this article includes their responses.

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I also asked superintendents from public, private and municipal golf courses that are not currently run by management companies to come up with a list of questions that they would have if management companies were to come to their facilities. Those questions were then sent out to three different management companies, Club Corp being the only one to respond. The second half of this article consists of information provided by Jim Faubion of Club Corp. (Thank you, Jim.) It is my hope that this article will educate and clarify any misconceptions superintendents may have about management companies.

Superintendents share their experiences

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is home base to more than 90 management companies. These companies combined manage more than 1,300 golf facilities worldwide, with the majority of them located in the U.S. According to Jim Faubion, Club Corp was established more than 40 years ago, in 1958. It is evident that this trend toward golf management firms is not new, just increasing in popularity.

Follow closely, because this may get a little confusing. Fifteen superintendents, representing an equal mix of public, private, and municipal courses, responded to my survey. Among the 15 courses, six different management companies were involved. Situations included lease, purchase and contract deals. Survey results were as follows.

- The majority of superintendents

The company appoints an area superintendent to interact with the site superintendents and perform duties such as budgeting, course projects and recommendations. The area superintendent oversees an average of five courses besides his/her own.

(with one exception) responded that the management company runs the entire operation.

- The general chain of command in each situation is as follows: president, vice president, regional director, director of golf or general manager, and then the superintendent. The company appoints an area superintendent to interact with the site superintendents and perform duties such as budgeting, course projects and recommendations. The area superintendent oversees an average of five courses besides his/her own.
- Although termination and/or decrease in salary may occur in some situations when a management company comes in, not one such incident was reported in the responses I received. The benefits packages offered

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included health insurance, 401(k), life insurance and payment of dues for national and local associations. Some of the perks mentioned that were discarded by management companies were vehicle allowances and dental plans; health insurance in some cases may have been of lesser quality.

- Generally speaking, it is not a common practice to share equipment between facilities unless it is a specialty piece such as an aerifier, trencher or backhoe and a situation where sharing means speeding up a project or keeping equipment costs down. All respondents also reported having a stationary crew and equipment technician, except in one situation where courses were close enough geographically for sharing staff to be effective.

- Because of their size, management companies are able to obtain national accounts with chemical and equipment companies. The site superintendents stated that this does not come without a few pros and cons. Superintendents get better prices with strong warranties and guarantees, while still being able to utilize local distributors. This is one positive aspect. On the other hand, superintendents are limited to one vendor and one brand of equipment or chemicals that may or may not be the "desired choice." In some cases, they may be subject to pay sales tax. Although this somewhat contradicts the statements above, items such as fertilizers and chemicals do go out for bid to get the best "bang for the dollar."

- Record-keeping at courses operated by management companies is basically the same as at any

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- The final question of the survey was, "Someone you know has been offered a superintendent position with a management company; what kind of advice would you give them to prepare themselves for the job?" Here are some of the responses I received. One superintendent said, "Avoid it . . . or be prepared to focus all of your efforts and attention toward money issues and the bottom line." Another stated, "Be prepared to walk a fine line between spending money to maintain quality

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versus spending too much money and affecting the bottom line." Another opinion: Be prepared to deal with a lot of politics and "stand up for what you believe in." And another: "Talk with other superintendents within that specific company as well as the normal inquiries about the specific site." "Keep an open mind . . . management companies will become more dominant in the future because of their purchasing power and vast information network." And last, but certainly not least, "Find out a pay scale for the entire crew and yourself. In addition, find out the turnover rate in the company and how much control you have in the budget process."

The management company's perspective

We will now look at these issues through the eyes of Club Corp. The questions submitted by the superintendents at private and public facilities were answered in full; unfortunately, municipal facilities are not Club Corp's primary business, therefore these superintendents' specific issues were not addressed. Items of interest include the following.

- Both private and public facilities are handled in the same manner, with the exception of private facilities retaining their individual boards of directors.
- A regional superintendent (a senior superintendent with five-plus years with Club Corp) is assigned to oversee each course. They are designated to advise and consult the club superintendent. The chain of command is department heads reporting to a general manager. In a private club setting, the board of directors serves in an advisory capacity to the club.

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- The benefits supplied by Club Corp for the superintendent, assistant superintendent and equipment technician are health insurance and investment opportunities. In addition, the superintendent receives a bonus based on meeting certain predetermined objectives.

- Records to be kept by the *(continued on page 32)*

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superintendent are as follows: payroll, budget, weather statistics, pest control, water usage, training, fuel and waste disposal, soil/water tests and equipment maintenance.

- Budgeting and purchasing were the two topics that generated the most inquiries. At Club Corp, the club manager sets standards for both the budget and capital improvements based on the input supplied by the golf course superintendent, board of directors (if applicable) and others. The budget is supported by the standards determined by the superintendent, with the approval of the general manager, regional superintendent and regional

vice president. Decisions as to length of season, expected course conditions and staff size must also go through the same channel. In order to get approval for capital improvements, the general manager and superintendents must submit request and justification forms to the vice president. Supporting evidence shall include cost versus benefit, support of the club's objectives, safety or replacement of worn out equipment, etc. As is common among management companies, Club Corp has purchasing agreements with major companies based on the quality of the product, service and cost.

In closing, I hope this article has given you a better understanding as to how Club Corp and

other management companies operate. As for the opportunities, they are endless. 

References:

1. Mr. Bruce R. Williams, CGCS, Los Angeles C.C.

Management company list

2. Mr. Jim Faubion, senior vice president, Club Corp

Survey response

Steve Van Acker -N- Crystal Lake C.C.

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- all landscaping and beautification around the new clubhouse.
- rebuilding green #17.
- resurfacing greens #2, 3 and 14.

During his nine years, Steve has:

- renovated 70 bunkers and implemented five new greens.
- added three new lakes and 300 trees.

All of the above, in only 70+ hours a week!

Steve and his understanding wife, Mary Kay, have been married for 22 years. Their son, Jason, is a senior at the University of Wisconsin-Parkside. Jason's career direction is still up in the air (maybe a future superintendent). In the off-season, Steve and Mary Kay love to travel to places with lots of sun,

sand, water and of course, golf courses. Steve is a devoted Green Bay Packers fan and loves to bowl. And based on his average (190), he is quite good at it.

Challenges, rewards are numerous

The soft-spoken Steve describes his biggest challenges as:

- keeping Crystal Lake C.C. up to his own personal quality and aesthetic standards;
- ensuring that 235 playing members are privileged and proud to be members of Crystal Lake C.C.;
- and finding enough time in his 70+-hour work week to enjoy his family and other hobbies.

His greatest and ongoing professional and personal rewards are:

- receiving continued support and appreciation from the members for a "job well done";

- knowing that once the long, long season is over, he will have serious time for his family, travel, bowling and watching the Packers beat the Bears;
- and beating Bob Lively and taking his hard-earned money.

As a new member of the MAGCS and coming from a totally different profession and background, I found getting to know Steve to be a real pleasure. Golf course superintendents truly love their work. Every season simply reiterates their commitment and desire to make "their" golf courses the best they can be.

Thank you, Steve, and all superintendents for allowing me to be part of your world. 