

Golf Course Management Companies: Friend or Foe?

BY SCOTT BELL

Bent Pine G.C.

Although the concept is not new, the mere mention of the term "management company" sends chills down the spines of many Florida superintendents. Like many words and phrases in the English language, this expression is interpreted differently by different groups of people.

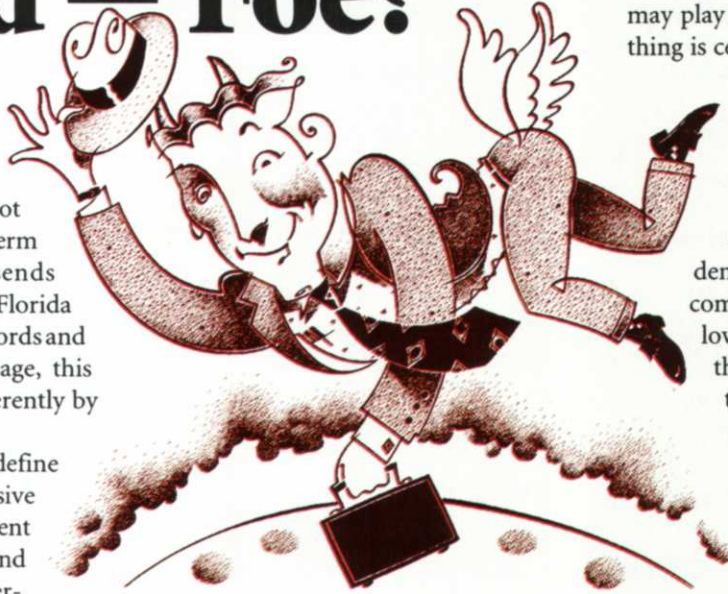
While a city manager may define it as a way out of an expensive labor contract, the superintendent may define it as low wages and lost control, while other superintendents see the phrase as an opportunity to make more money without the hassle of a layman directly supervising the position.

Management companies are not new as they have been around for more than 20 years. When I graduated from college in 1981, my two best offer came from "management companies."

The position I took started me out as a training assistant for not much money, but it offered a training program, nationwide advancement and access to the operations of a large corporation.

I am trying to be objective in this article so that all sides of this controversial subject are expressed. I hope to show not only the obvious superintendent point of view from both the pro-management company side and the feelings of superintendents who have been displaced as the result of a management company takeover. Other views on this subject will also be addressed by others in the golf course maintenance industry.

Before I go any further, I want to describe my definition of a management



company. These companies come in many shapes and sizes, with a variety of goals to accomplish.

The one common denominator among all of them is to make money. These companies do not exist to give superintendents and their staffs jobs. Business in this country has changed forever. Gone are the days where companies are able to compensate employees well and still make a profit.

Instead, the bottom line and investor dividends have caused companies to tighten belts, cut costs and lower payrolls. Many industries, most notably medical or service industries, have gone to management companies to improve profits.

In relation to golf course maintenance, some of these companies own the courses while others simply lease or are under contract to maintain the turf. Some companies offer a complete package from the dining room to the 18th green.

In the early 1980s I worked for Club Corporation of America. At the club

where I worked, they ran the dining room, pro shop and golf maintenance. I have also worked for the Tournament Players Clubs, and they also ran the entire operation.

Recently in my town a management company was brought in to run the golf course maintenance operation at our county course. Management companies may play many different roles, but one thing is certain — they are a part of the business.

Superintendents' Fears

Probably the biggest concern among superintendents in regard to management companies is the loss of jobs and lowering of salaries. The fear is that management companies, in their desire to reduce costs to produce low bids, will also scale back superintendent salaries.

To the superintendent at a course which is about to be taken over, the only choices may be to move on or take what the management company offers. This offer may be higher or lower than what the superintendent presently earns.

As with any management shake-up, some people do not survive, and management companies must choose the people who will make their operation work.

Unfortunately not all of us are perfect — some superintendents may not be willing to work hard enough to fit into a company's plan. If this is the case and a superintendent is let go, it is easy for that person to complain of the management company's treatment.

But perhaps if that person had been doing their job all along the management company would not have come in. It is hard to say who is right and who is wrong.

This underscores the complexity of the issue. Do we as superintendents have to fear management companies more than the general manager, project manager or greens committee that we presently work for?

In my research, I found that high su-

For years developers seemed willing to lose money on golf course operations because the losses could be made up in the sale of real estate. Governments seemed content as long as golf courses broke even and the course was in decent shape. But eventually things changed.

perintendent salaries are rarely the reason that management companies are brought in. The reasons instead range from poor course conditioning to developers not wanting to be in the golf management business to members not wanting the hassles of running the day-to-day operation. Without a doubt, one of the main reasons management companies are brought in is financial.

What management companies offer

Management companies offer a variety of services to the industry. It is estimated that just over 10 percent of the nation's golf courses are under some type of management services.

For years developers seemed willing to lose money on golf course operations because the losses could be made up in the sale of real estate. Governments seemed content as long as golf courses broke even and the course was in decent shape.

But eventually things changed. At courses that did not run efficiently, golf course management companies started to look appealing. The biggest benefit is writing one check per month for all the varied services.

Will a great profit be realized by the owner? Probably not, according to one management company executive. The ideal benefit is that the golf course is maintained to a high standard, while the owner does not have to worry about staffing, payroll, mowing, etc.

Think about being a small developer who has never run a golf course before. You know you want to be out of the project in a short time, so you hire a management company to run the maintenance operation, food service and golf shop.

Every year you know all your costs in advance, you don't have to worry about day-to-day operations and you can walk away from the contract fairly easily. In the ideal world, every developer would

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hire a great superintendent who would do a super job within the prescribed budget.

As we all know, the world is not perfect!

In regard to salaries, Scott Zakany of International Golf Management (IGM) maintains that in every situation that IGM has entered, the superintendent's salaries have either stayed the same or gone up.

Jerry Redden of Professional Turf Management (PTM) said his company also follows this practice. IGM offers other benefits including insurance packages, educational reimbursement for career development, retirement planning and encouragement to participate in the FGCSA, GCSAA and FTGA.

In addition, the hiring of a management company can bring a new attitude and new methods that energize the club.

According to Zakany, a large majority of the golf courses that they become involved with are lower-budget courses that truly need professional guidance and direction.

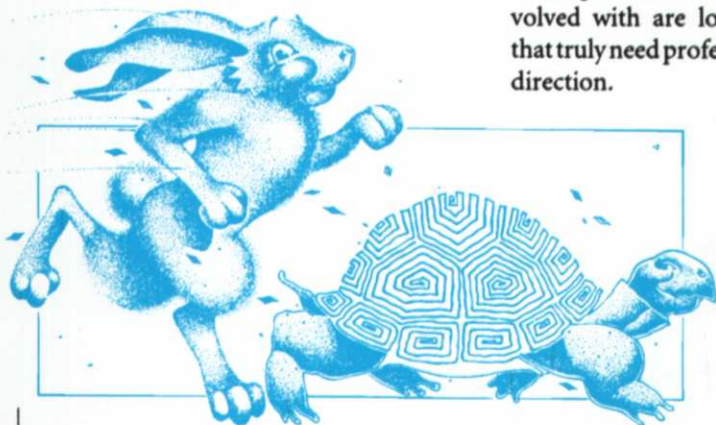
In these situations, courses that IGM manages get a well-trained superintendent, or they train the ex-

isting superintendent if that person shows a willingness to learn and improve. The superintendent is then given guidelines to follow, from shop cleanliness to IPM and the Audubon Cooperation Sanctuary Program.

In my opinion, situations like this are good for our industry because superintendents' careers are improved and advanced. The quality of superintendents hired tends to be quite high — Zakany said that 21 of 22 superintendents hired have college degrees, and three are certified.

Not all management companies are the same. The good things that one company may do are not always equaled by others, and usually the mistreatments and firings by one company will get all the attention.

This is unfortunate, but not unusual. The rumor mill is fed not only by super-



Management companies may offer lower starting salaries for assistant superintendents but greater opportunities for training, specialization, and advancement.

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intendents but slighted suppliers and others who are affected when a management company takes over a course.

Code of Ethics

In the final analysis, the biggest question many superintendents have relates to ethics.

How can a company follow the GCSAA Code of Ethics and not solicit jobs while a golf course superintendent is still employed? Is a mass mailing advertising the company any different from a superintendent who randomly mails resumes to clubs?

IGM says that they do not mass mail, relying instead on word-of-mouth communication, magazine advertisements and trade shows. Zakany says that when an owner or club calls, he answers their general questions.

If it goes beyond that, he requests to talk to the superintendent. Zakany feels comfortable that IGM is following the Code of Ethics.

Zakany added that in most cases clubs have liked their superintendent and did not pressure IGM to replace him or her. If a management change is requested, IGM has tried to relocate the superintendent to another IGM location provided the person shows competence and ability.

I know that we have received phone calls and mailings from management companies at my club. Is this ethical? On the other hand, our club has also received mass-mailed resumes from superintendents wanting to relocate to the Sunshine State.

Are we just dreaming when we expect everyone to follow the Code?

Has the business world finally caught up with golf? It would be nice to know that if you do a good honest job, your employment will be secure. I hope in most cases this is true.

The best advice I can give is to do a good job and let the chips fall where they may. Just as there are good and bad superintendents, there are good and bad management companies. Do they all behave in the same manner? Probably not. Are they good for our industry? Friend or foe? That's for you to decide.

Management firms mixed bag for superintendents

Reprinted from Golf Course News, November 1996

Should superintendents see the growing influence of management companies as a good thing or bad thing in terms of career development, professional responsibility, salaries, benefits, etc.?

Josh Lesnik, Marketing Manager, Kemper Sports — In our case it's a good thing. We stress the importance of maintenance, which means a talented superintendent would mean as much or more to us than at a single-course operation. Superintendents are very appreciated [well paid].

Our superintendents are in charge of their individual courses. They may answer to someone in the home office. But they make up their own budgets and submit them to people here [corporate office] who understand what they are talking about. You could compare it to the relationship to a managed health care setting.

Marc Bergschneider, Chairman, National Fairways, Inc. — It's definitely a plus. There are more opportunities for career development by enhancing the services provided at a single course, grow a particular operation, manage multiple courses or go back to school.

Entry-level positions may not be as lucrative [as salaries at non-management company courses]. But that's offset by salaries paid head superintendents and those overseeing multiple courses.

Tommy Witt, GCSAA board member, chairman of GCSAA Career Development Committee and head superintendent at Wynstone Golf Club in Chicago — Management companies may represent a threat to one superintendent and an opportunity to another.

They generally provide more job security, the opportunity to move to another job without leaving the company and benefits that often surpass those at individual-owner golf courses.

But salaries tend to be lower. When a

management company enters an area, they tend to pull down or slow salary increases at surrounding courses. And when a management company superintendent is put in charge of several courses, the increased salary often doesn't match the increased responsibility.

Management companies are here to stay, but they still control a small part of the marketplace [an estimated 5 percent of U.S. courses]. Superintendents should view them as another option. The key is to figure out what the upside potential is and then make an intelligent decision.

Tim Hiers, head superintendent, Colliers Reserve in Naples, Fla. — There are places where management companies can be successful, especially in large, multi-hole facilities. However, I believe it could be extremely difficult for a management company to equal the quality output, level of care, constant attention to detail and the overall efficiency of an experienced, qualified and skillful golf courses superintendent on his or her home turf.

If management companies continue to emerge, there could be fewer traditional superintendent jobs. However, other opportunities within a management company, such as a consultant, could present themselves.

Depending on the variety of situations and circumstances, a superintendent who continues to demonstrate value to his or her organization through ongoing education, top-quality management, desire to excel, and a balanced personal life, shouldn't be overly concerned.

There will be exceptions to this. But if the superintendent produces a quality product for a competitive amount and communicates it to the necessary powers, that person will probably continue to be a successful individual in this profession.

The Bottom Line

BY DALE REASH, CGCS
Countryside C.C.

If you want to start up a controversial group discussion I guess you could use the topic "Management Companies in the Golf Industry." There seem to be a tremendous number of these companies out there today.

Are some good? Yes.

Are some not so good? Yes.

Whether they are good or bad, they all have one thing in common. The bottom line! These companies are in business to survive and make a profit. Along with profitability, these companies work to enhance the level of quality and efficiency in clubs and facilities. That is primarily how they are judged.

You will find that the companies that can blend profitability with quality enhancement and sound

business practices will be the long-term respected survivors in the golf industry.

Although everyone has the right to an opinion as to whether a company is right or wrong, honest or dishonest, ethical or unethical, it is merely their opinion. The "make it or break it" opinions and perceptions for the companies lie with the owners and members at golf club facilities who pay these companies to provide a service for mutually beneficial results.

Having worked for one of these management/ownership companies for nearly 20 years, I have experienced a great number of positive professional and personal opportunities.

The financial and job security factors are probably the highest on the list. However, things such as continued education, support for industry involvement, insurance and retirement programs, intercompany networking, legal support, purchasing power, technical support and other benefits are also just as important.

Some people may think that the drawbacks of working with this type of company are a lot of paperwork and too many policies, procedures and restrictions. These activities are only the by-product of running a business or, in the situation of a golf course superintendent, managing a maintenance operation.

Also, accounting systems and reports are invaluable when tracking the financial trends of revenues and expenses. It is

much easier to make purchasing decisions when these reports are produced on a regular, frequent schedule. Planning and forecasting are great tools to help keep operations organized.

Policies on operations, wages and hour issues help staff operate within efficient and legal boundaries. These activities are only part of the "on the job" educational sources provided by the companies that help to develop staff personally and professionally.

Any company that is developing and maturing is going to have its share of growing pains. Their policies, guidelines and operating procedures may need to be reevaluated and adjusted over time in order to keep up with competition and changing trends.

Those that are able to listen and react to industry and member feedback will have a better chance of surviving in their competitive arena.

Individuals in the golf business who understand the concept of the management company and are willing to be part of their teams will also be the individuals who will help direct and guide those companies toward improving, strengthening and providing a better quality service to their industry and clients.

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Microbes: Snake Oil or Revolutionary Product?



BY MIKE HAMILTON, CGCS

One of the fastest growing technologies in the golf maintenance industry today is microbial technology. I am sure by now you've either read information about microorganisms, had discussions with other superintendents about them, or you've been contacted by someone selling the technology.

Is the use of these organisms for plant growth warranted, or are they just another snake oil?

I think before you can answer that you must have an understanding of how microorganisms actually perform in the soil rhizosphere, or root zone.

The reason most new technologies in the golf industry get thrown into the category of snake oil is that it's human nature to be skeptical. It's easy to think that if these microbial products are as good as billed, they would have been around 25 years ago.

After all, most of us old-timers were pretty well educated 25 years ago. We were never taught to incorporate and feed organisms, and we were surely never taught that our cultural practices are what cause the demise of the organisms.

A lot of the blame for superintendents' attitudes has to be credited to the companies that sell the products. Many marketing strategies promote products as the cure-all of cure-alls. This overbearing type of marketing usually breeds skepticism.

Any intelligent superintendent knows that you can't rely on one product to maintain turf. It takes a combination of many tools, and good weather conditions, to make a maintenance program

successful.

The key to understanding technology is that it evolves, and with the development of the computer industry it is evolving at phenomenal rates of speed. Therefore it is only logical to assume that sooner or later there will be revolutionary products developed that will change the way we maintain our turf.

Technologies are being refined that are consolidating many of the commonly-used tools of today and making others obsolete. Many of the microbial programs being advocated today can be very effective tools, if used appropriately.

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Microbes are not new — they have been around since the beginning of time. Microbes can survive almost any atmospheric condition. Plant life and microorganisms have evolved and flourished on the earth for the past 500 million years without any help from man.

Plants have been able to do that because of natural balances and cycles that occur in nature. Plants and microorgan

isms have an interdependent relationship, and one could not survive in nature without the other. Put simply, microbes feed plants and plants feed microbes.

But how?

Plants use sunlight to execute photosynthesis. One of the processes of photosynthesis is to produce carbohydrates which the plant uses to do many metabolic functions.

What very few people understand is that 25% of all the carbohydrates produced are forced out through the roots into the root zone. This is the plant's way of enticing microorganisms. The carbohydrates provide a food source for the microorganisms.

Microorganisms feed plants in a couple of ways. When plants defoliate, microorganisms break down and decay the organic material dropped by the plant. The microbes then process in their digestive systems nutrients, acids, enzymes, coenzymes, and every other substance

that make up the hemicellulose of the plant.

When the microbes age and die, they release these processed nutrients and substances. The processed nutrients create long chains of amino acids and proteins that are used as a food source by plants.

Microbes also devour elements that are in the soil. They transport them and process them for the plant. When the plant is being fed in this manner, it doesn't have to expend any energy to feed itself.

Sounds pretty simple, right? So if all this really happens why do we have to use fertilizers and chemicals to keep plants alive? Because of man! In the last few centuries man has ignored the laws of nature and started growing plants with synthetic fertilizers and chemicals.

It has become a necessity to use man-made products because we are disturbing the natural relationship between plant and microbe. The disruption of the cycle has not been done just to be malicious—

it has been done to feed an overcrowded planet.

To feed mankind, we harvest plants for food instead of letting them return to the soil. Harvesting does not allow the nutrients and hemicellulose to return to the soil. Since microorganisms are not replenishing nutrients to plants, we have to do it with man-made fertilizers.

What is missing from man-made fertilizers are all the compounds that make up the hemicellulose. This deficiency causes a decline in the populations of beneficial plant-growing microorganisms.

Once the beneficial microorganisms dwindle, the root zone repopulates with organisms that are either detrimental to plant growth or do nothing except occupy space and eat carbohydrates. Many of these organisms cause disease. To control disease we use fungicides, which kill not only the disease pathogens, but even more of the beneficial organisms.

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When you get an extensive extermination of microbes, which you get from fungicides, the plant will emit pheromones to attract organisms to the root zone. Then it becomes a race for the organisms to repopulate the root zone. The organisms that usually win are the pathogens. Most pathogens reproduce from spores, and fungicides don't kill spores.

Most of the beneficial organisms reproduce sexually. The bad thing about using man-made products is that the more you use them, the more you have to, because you kill the antagonistic organisms that are preventing the pathogens from occupying the root zone.

We create even more of a deficiency in golf course maintenance by cutting the turf much lower than it is genetically designed to grow. When turf is cut low, the amount of photosynthesis is decreased because the leaf area has been reduced.

A reduction in leaf area means carbohydrate production is diminished. A diminished carbohydrate source means there is not substantial food to sustain a sufficient population of microorganisms.

When you begin understanding this relationship you begin to understand that it is truly magical that plants can survive

man. Like all living things plants are survivors. If there are not enough microbes to feed the plant, the plant will initiate its energy to process its own food.

The plant will begin sending out negatively-charged electrical impulses. These impulses attract positively-charged elements that are in the soil. This process requires energy. The plant uses energy to pull the elements into the exchange zone of the plant.

It also requires energy for the plant to turn the elements into amino acids and proteins. All this extra energy the plant is using is being directed away from other metabolic processes. This energy drain causes stress and imbalances in the plant.

When the plant has to feed itself it is not selective of the elements that it takes up. This can drastically affect balances in the plant. The uptake is simple electricity. The plant takes up the first available positively-charged element in the soil. Unless you have perfectly balanced soil, deficiencies will occur in the plant.

However, when microbes feed plants, they are selective—they can break chemical bonds that tie up elements. When you have sufficient populations of beneficial microbes, the nutritional balances inside the plant will be much greater than the

balance in the soil. This can be detected by tissue testing on a regular basis.

Many years ago microbiologists began to study plants that flourished in nature. Through these studies the scientists discovered that several different species of organisms occupied the root zone. These beneficial species performed many different functions to help the plant grow. Some processed nutrients, some affected gas and water exchange, some were antagonistic and defended the root zone from pathogens. Scientists also found that when everything was in balance, the plants became selective of the organisms that occupied the root zone. In the last few decades microbiologists have learned how to isolate and culture the beneficial species of organisms. The problem that arose was getting living organisms from the laboratories to the field. In the last ten years breakthroughs have been made that enable us to get the organisms into the soil alive. Solutions and other carriers have been developed that hold the organisms in a hibernative state. When these solutions and carriers are added to water the organisms slowly rejuvenate and migrate to the root zone.

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Repopulating the root zone with an adequate amount of microorganism that will be beneficial to the plant can be achieved in a very short period of time.

One of the early mistakes made with microbial technology was to think that merely incorporating the organisms into the soil would solve the imbalance and deficiencies. Something that you have to understand is that the number of organisms is directly proportionate to the amount of carbohydrates in the soil.

So to achieve the goal of sustaining a sufficient population of beneficial organisms you must supplement a carbohydrate source. You also have to replace the hemicellulose that you remove when you remove clippings.

There are hundreds of compounds that make up the hemicellulose in plants. A plant must have all the components in hemicellulose reprocessed, so that it can achieve natural balances.

When the plant gets into balance, the energy is then directed to its metabolism instead of using it for food production or a number of other stress factors. When the plant achieves these balances it will allow the plant to grow to its genetic potential. When the plant is in balance the beneficial microorganisms will thrive, and an interdependent relationship exists.

There are still skeptics who say you cannot incorporate non-indigenous species of organisms in specific areas. However, most of the organisms that are being used by the microbe companies are indigenous to most areas of the United States.

There may be a few that are not indigenous but they are being fed a pure food source before they enter the root zone. Because they are strong going into the battle they have a very good chance of surviving and establishing in that specific area.

Soil microbiology is much more complex than I just explained. I tried to make this abstract as condensed and simple as I could so that you would understand it without hundreds of hours of studying and years of research.

Repopulating the root zone with an adequate amount of microorganism that will be beneficial to the plant can be achieved in a very short period of time. There are long-term effects from using microbes that I did not discuss that are even more astonishing.

So is the use of microorganisms a snake oil approach? No chance. Is the use of microorganisms revolutionary? I would say so. Any product that can minimize the use of pesticides and fertilizers, and enable you to grow turf as good as or better than you are doing now, has a place in every maintenance operation.

Is the use of microorganisms a cure-all?

No, but it is a tool that you can use in conjunction with other proven cultural practices, to give insurance against plant stress and, even more important, personal stress.

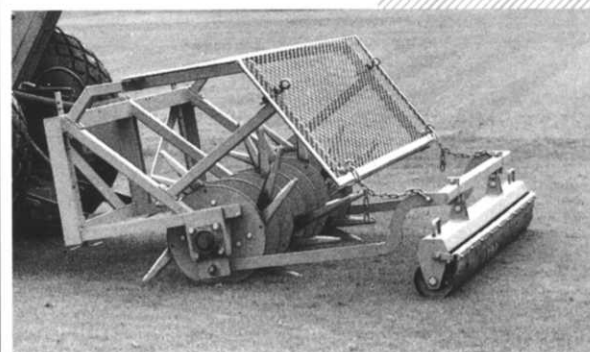
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