# Golf car fleet buyers must consider many variables

*By Joe Stahl*

Golf course decision-makers face a growing number of factors, and options, when choosing a golf car fleet. Durability, reliability, long-run profitability, local service, refueling/recharging practices and environmental considerations — as well as the gas-vs.-electric and lease-vs.-buy decision — all enter the equation.

Superintendents nationwide have their own set of circumstances that can be as different as day and night — the North's seven-month season compared to the South's year-round operation, a hilly Northwest course compared to a flat Southeast layout, emission-conscious California legislators or fewer landfills accepting batteries.

*Golf manufacturers offer a world of choices to fleet buyers.*

Jim Lewis, superintendent at Marriott's Tan-tar-a Resort and Country Club in a hilly region of the Ozarks in central Missouri, had his own set of compelling factors when he shopped for a rental fleet.

Lewis knew he wanted a rental fleet with enough acceleration, torque and power to handle elevated terrain. He also knew the cars would have to provide the durability and extended life necessary for long-term operating revenue. And, while environmental regulations had yet to take hold in central Missouri, Lewis was keenly aware that a noisy, fume-emitting fleet would hardly be in keeping with Tan-tar-a's exclusive image. Finally, he wanted to be sure repairs would be conducted as quickly and inexpensively as possible.

Due to the number of makes and models on the market, rising prices and a growing reliance on golf car rentals for revenue, the once-simple practice of selecting a fleet has become a major decision. Armed with a thorough knowledge of their courses' specific needs, the considerations involved in the purchasing process and common sense, superintendents can select a fleet that will positively impact a course's bottom line for many years.

### LONG-TERM PROFITABILITY

Crucial to the selection process is profitability — the trade-off between an attractive initial purchase or leasing price and long-term revenue.

Embedded in the long-term profitability equation are a host of basic management and maintenance issues. All affect whether a club's car rental program is a players' convenience or a profit center.

Superintendents want a fleet that combines top performance, maximum up-time and user flexibility with a minimum of "behind-the-scenes" headaches, such as breakage, parts replacement and excessive labor costs.

The secret to maximizing revenue over the long haul is to compute all known management and maintenance factors over the period of time a golf course anticipates using its cars, which today averages three to four years, nationally, according to the National Golf Foundation.

Value-conscious golf course operators must concentrate on the net present value of the purchase decision — that is, the fleet's long-term income/cost comparison, as well as its ability to withstand the rigors of everyday use.

### GAS VS. ELECTRIC

There is no general consensus on whether a gas or electric fleet has an advantage. Recent technological advances have both types running efficiently.

Historically, for hilly courses, there has been no substitute for the power and nominal torque of gas-operated cars. Gas engines still have torque advantage over electric motors when the path turns sharply upwards.

In overall performance, however, electric cars perform very cost-effectively and hold their ground remarkably well against their gas counterparts.

In fact, advancements in electric car acceleration via energy controllers, now enable electric models to deliver smooth, efficient power on most terrain.

The gas-vs.-electric debate usually comes down to questions of purchase price and long-range operating costs.

Gas models sell for more. In return, they offer as many as 30 to 40 rounds without refueling. They also cost less to run and require little daily maintenance.

In general, electric fleet owners trade off lower initial costs for the daily routine of recharging their fleet and occasionally replacing worn-out batteries. Electric motors are fairly simple, and may be the choice if the course can afford to build a cart barn for car recharging.

### ENVIRONMENTAL CONSIDERATIONS

In states where clean air standards have been imposed or are being drafted, environmental considerations must be factored into purchase decisions. In addition, as golf continues to grow in popularity, the sport's demands will test courses' physical resources and people will scrutinize a fleet's impact on its surroundings.

While electric fleets are the cleanest, the latest four-stroke gas engines generate the lowest levels of unburned hydrocarbons — the fumes created when gas and oil don't completely burn in the combustion process — in the history of the game.

Other constraints cloud the issue.

Concerned that fuel may be leaking into ground water from storage tanks, environmental legislation is being proposed that calls for improved drainage, leakage detection, encasement and ventilation modifications at facilities storing gas. For the gas-car enthusiast, the result is a cleaner operation at a greater cost.

In an increasingly waste-conscious society, many people feel electric cars are the way to go. However, electric models pose environmental problems also. While the lead in batteries can be recycled, the acid cannot — and more landfills are refusing batteries.

### FINANCIAL CONSIDERATIONS

Financing considerations — especially in fleet leasing — must be figured into the selection process. A number of third-party organizations tailor their leasing and billing structures to fit a course's individual budgetary needs. Thus, customized leasing and financing arrangements can be created for any fleet purchase — regardless of the make and model.

The primary advantage of fleet leasing is that it doesn't require a course to tie up large sums of money in a depreciating capital investment.

### THE BOTTOM LINE

While the largest source of golf course revenue is derived from greens fees, fleet car rentals are the second-leading source of profit. But cashing in on this financial windfall is far from easy.

It requires a thorough analysis of the many factors surrounding fleet selection, purchase, use and everyday maintenance. Perhaps most importantly, it requires today's decision-makers to give up their emphasis on short-term returns and profitability and consider a rental fleet as a long-term tool to maximize overall course and club revenue.

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