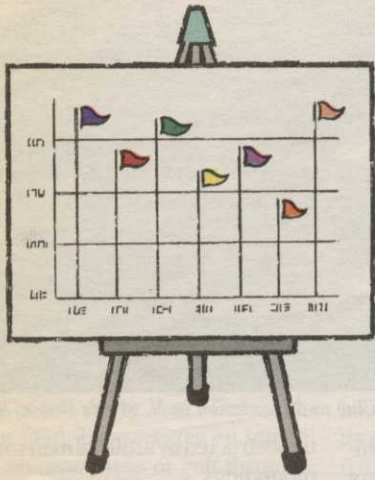


Briefs



CLARK JOINS U.S. GOLF

Dr. Elizabeth Clark is joining U.S. Golf Properties as director of golf instruction. A LPGA member, she was previously head teaching professional and director of instruction at Graysburg Hills Golf Course in Chuckey, Tenn.

Headquartered in Washington, D.C., U.S. Golf Properties owns and manages golf courses. It is directed by Charles Staples.

As director of golf instruction for U.S. Golf Properties, Clark will have overall responsibility for golf instruction at the company's facilities. She will recruit instructors and ensure all facilities have consistent and standardized teaching programs.

Clark has been an educator for 23 years and a specialist in teacher education since 1970. Prior to becoming a golf professional in 1974, she coached the University of Utah women's golf team and played the women's amateur circuit in Colorado.

MARRIOTT TO MANAGE TOFTREES

Marriott Golf has been named to manage Toftrees Resort Golf Club in State College, Pa. Toftrees has consistently been ranked in the top 10 golf courses in Pennsylvania by "Golf Digest" magazine and the number one resort course in the state.

Marriott will manage the 18-hole Edmond Ault-designed championship golf facility, golf shop, and course maintenance program.

Bill Lee, most recently a manager at Marriott's Seaview Golf Resort near Atlantic City, N.J., will be director of golf. Lee is a Class "A" PGA member and has prior experience at La Paloma Resort in Tuscon, Ariz., and Valhalla Country Club in Louisville, Ky.

Marriott will retain Toftrees golf professional Raymon Lancianese and superintendent Lew Morgan. Morgan has headed maintenance at Toftrees for 15 years and is a graduate of the Pennsylvania State University turfgrass management program.

MUNDLE TO HEAD MIDDLEFIELD

University of Oregon graduate Al Mundle is returning to that state as director of one of Oregon's newest golf courses, Middlefield Village in Cottage Grove.

Mundle will be reunited with Gene Mason, chief architect and consultant for the 18-hole facility located in the southern Willamette Valley. Mundle was assistant professional to Mason at Columbia-Edgewater Country Club in Portland in the early 1960s.

Mundle's duties include facility planning, administration, operations, promotions, instructional services, marketing and maintenance. Middlefield Village will emphasize learning and scheduled activities.

Managers can cope with the recession

By Peter Blais

The country is feeling better about itself since the Persian Gulf War, but many U.S. businesses continue to struggle through the recession.

Private country clubs are no different.

One of the best ways to keep your club afloat in troubled economic waters is to closely monitor financial statements, according to Betsy MacDonald, senior principal with the accounting firm Pannell Kerr Forster.

Speaking at the recent Club Managers Association of America Annual Conference

in Dallas, MacDonald said: "Managers often don't feel comfortable scrutinizing financial statements. But they need to look at every line to see if there is a way to increase revenues or cut expenses."

INCREASING REVENUES

This is no easy task during a recession. But there are ways to do it, according to MacDonald.

Increase function business. Some managers are concerned that outside tournaments or parties can increase the club's tax liability.

Often the extra revenue more than makes up for the added taxes. And occasionally it is considered member-generated business, in which case there may be no tax obligation.

"A manager should solicit function business from his members. A country club in Houston had many of the city's top businessmen as members. But they were holding their companies' functions elsewhere. The manager was able to get many to move that business to the club," MacDonald said.

Membership dues. Clubs often postpone

Continued on page 44

Mixed bag of financial news for private clubs

By Peter Blais

Private country club memberships rose but so did costs in 1990, according to a report on 325 private clubs conducted by an international accounting firm.

Memberships grew by a half percent through the fiscal year ending Sept. 30, 1990, reported *Clubs in Town and Country*, an annual assessment of the private club industry assembled by Pannell Kerr Forster. Regular memberships jumped 0.4 percent and other classes of membership 0.7 percent.

"A half percent is just about right, just

about average," said Patrick J. O'Meara, national director of club services. "Generally the club industry is in pretty good shape, although some clubs are starting to feel the pinch and waiting lists to join may be down."

The East was the only geographic region reporting a decline. The South and Far West were up 0.9 percent and the Midwest ahead 0.2 percent.

Meanwhile costs jumped 5.6 percent, more than twice the 2.3-percent increase in revenues.

The 2.3-percent hike in total revenues (in-

cluding dues) at private country clubs continued a 20-year trend during which revenues have risen 246.6 percent. The catch-all "All other sales and income" led the way over the past 20 years, rising 308.2 percent. Food and beverage sales have jumped 238.6 percent and membership dues 234.3 percent.

The 5.6-percent jump in costs moves the 20-year cost-increase figure to 330.9 percent, far exceeding the 246.6 percent revenue increase. Payroll and related costs are up 315.5 percent since 1970 and all other operating

Continued on page 45

American Golf Corp. plans to double size

SANTA MONICA, Calif. — American Golf Corp. officials anticipate doubling the company's growth in the next five years.

Chairman of the Board and owner David Price said AGC is aggressively instituting a strategic plan to increase the number of courses it operates to 250 locations. Privately held AGC now operates 135 courses in the United States, with annual revenues exceeding \$220 million.

The company's Statement of Strategic Direction says: "Future growth will be achieved through market development, acquisitions and above-average rates of return in existing operations."

Price reorganized the firm in January and implemented the strategic plan, saying, "This reorganization will focus our resources on our commitment to outstanding customer service, product quality and financial results."

Price founded AGC when he bought a country club in 1968. Two years later he developed the concept of approaching municipal owners with losing operations and offering to remodel and

Continued on page 43

Headhunters enhance club manager careers

By Peter Blais

With the professional stature and salaries of club managers on the rise, so are the numbers of employment specialists willing to help them find jobs.

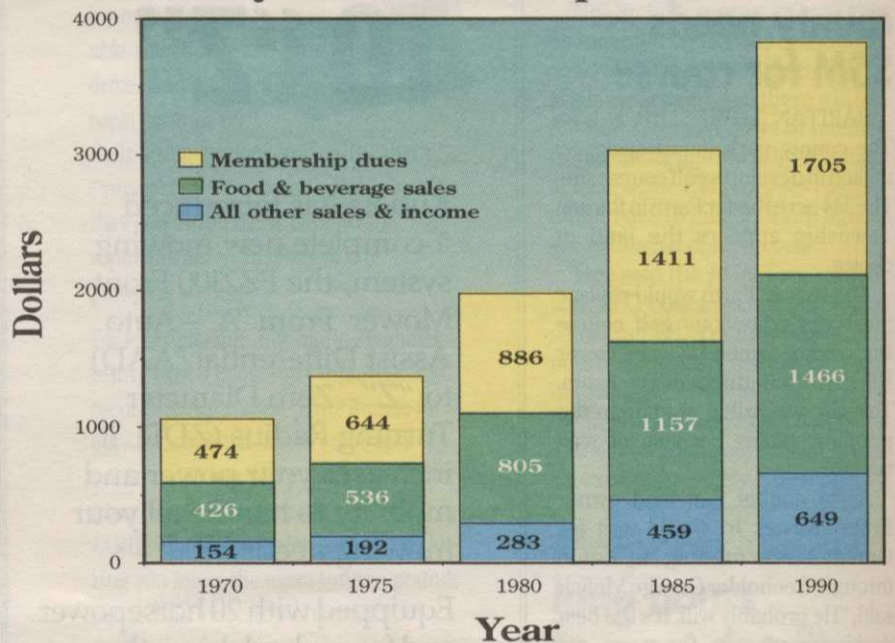
Executive recruiters, headhunters, employment specialists, outplacement workers — call them what you will. When a club manager is looking for a new position or finds himself between jobs, these professionals are another resource.

Three executive search firms were represented on last month's panel discussion titled "Using Employment Specialists for Career and Club Enhancement at the Club Managers Association of America 64th Annual Conference in Dallas.

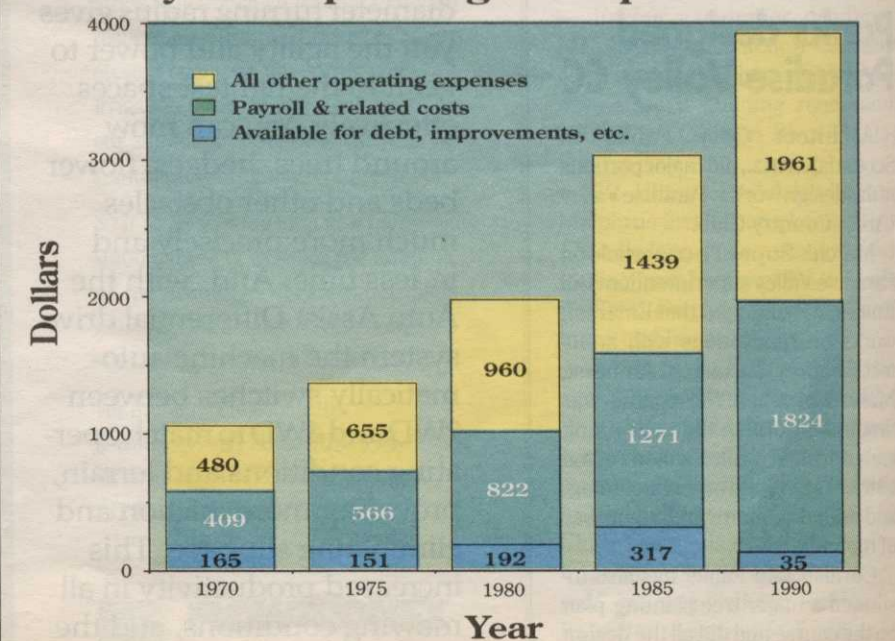
Continued on page 45

The two graphs below show where the money came from and where it went at 250 private country clubs reviewed during the 1990 fiscal year by the international accounting firm Pannell Kerr Forster.

Country club income per member



Country club operating costs per member



Source: Pannell Kerr Forster

Ah, but there's good (and bad) financial news tonight

Continued from page 42

expenses up 288.3 percent.

As for operations, total sales and income (excluding dues) rose 3.8 percent in 1990, resulting from increases in minor-related departments, 6.6 percent; sports activities, 4.8 percent; food, 3.9 percent; beverages, 2.1 percent; and other income, 1.8 percent.

"The harsher DWI (driving while intoxicated) laws have really hurt the beverage business," O'Meara said. "It used to be clubs ran on dues and booze. Now beverage sales

are way down."

Total operational expenses rose 6.4 percent, led by an 11.3-percent jump in minor-related departments. Expenses for sports activities rose 8.1 percent and food and beverages 4.9 percent.

Total unapportioned expenses increased 5.7 percent, including a 6.4-percent hike in administrative and general expenses, a 5.9-percent jump in utilities and a 5-percent rise for both repairs and maintenance as well as entertainment.

While the net cost of operations

increased 10.1 percent, membership dues rose only 7.6 percent, according to the report. This, combined with the 4.5-percent jump in real estate taxes and insurance, resulted in a 35.8-percent decline in the balance of dues available for debt service and capital improvements.

The average \$35 in dues payments available for debt service and capital improvements in 1990 is down from \$275 just two years ago. But the lack of funds to pay down the mortgage or invest in new irri-

gation systems isn't a major concern, according to O'Meara.

"Special assessments are often used to pay for those things today," he said. "Big swings like that are minor considerations."

Dues are the major source of income at country clubs, providing 44.6 cents of every revenue dollar. Food provides 28.6 cents, sports activities 11.9 cents, beverages 9.8 cents and all other 5.1 cents.

Payroll is far and away the biggest expense, gobbling up 47.7 of every dollar spent. Operating supplies and

expenses account for 30.4 cents, food and beverages for 14.4 cents, real estate taxes and insurance for 6.6 cents and debt service and capital improvements for 0.9 cents.

"Payroll continues to be the big kicker and the one managers continually try to get under control," O'Meara said.

That's definitely the case on the golf course where 61.5 percent of the average maintenance cost per hole (\$27,226) consists of payroll (\$14,031) and payroll taxes and employee benefits (\$2,718).

Golf course maintenance expenses rose 7.8 percent in 1990, led by an 11-percent increase in payroll taxes and employee benefits. Payroll expenses rose 8.5 percent, slightly more than the 8.1-percent rise for course supplies and contracts expenses.

Increases in golf shop, caddy and committee expenses tied that of net golf expenses, 12.3 percent. Income from golf fees, golf cars, etc. rose only 5.1 percent.

Regionally, net golf expenses rose more in the Far West (13.6 percent) than in the other three regions — East and South (11.9 percent), Midwest (11.6 percent).

The Far West remains far and away the most expensive area to maintain a golf course at \$34,328 per hole. The South checks in at \$27,443, East at \$25,143 and Midwest at \$22,567.

Per-hole maintenance expenses have increased about 500 percent in the past 20 years, from just over \$5,000 in 1970 to more than \$27,000 today.

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Headhunters

Continued from page 42

Taking part in the discussion were Horace Duncan, vice president of Club Professional Outplacement, Inc.; Robert Southwell, vice president of John Sibbald & Assoc.; and Harvey Weiner, president of Search America.

WHY USE A SPECIALIST?

To get more money is the most obvious reason for using an employment specialist.

According to Southwell: "You usually end up making more money when you use a headhunter. The boards in these clubs are offering low salaries through ignorance rather than intent. They really want to be told what to offer."

The headhunter acts like an agent would for a pro football player, presenting the client's strengths and seeking the highest salary possible, Duncan said.

The objectivity of a third person also allows the applicant to get answers to questions it might be embarrassing to seek himself.

"For example, 'How much vacation do I get?' Do you want to ask that question before you start the interview process? You have a right to know that. But the headhunter might be the best person to find out," Weiner said.

The headhunter can also be the

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Executive recruiters become increasingly popular

Continued from page 45

lightning rod, absorbing the anger over disagreements between club officials and the manager while a deal is being hammered out, he added.

The executive recruiter provides other services that assist the manager in the job hunt.

"A headhunter can provide appraisals and guidelines for self-improvement," Duncan said. "It helps a manager recognize his shortcomings."

"For example, a manager may be playing more golf than his members feel is appropriate. The specialist would point that up."

Many managers are technically qualified

for a potential job. But they may have personality faults that crop up during the interview process. Helping job applicants make better impressions during interviews is an important contribution of employment specialists.

Duncan uses video cameras so the applicant can view his own performance and rehearse questions and answers.

"If we can find a weakness in the manager's personality, we might go so far as to recommend a Dale Carnegie course or something to improve the way he comes across in an interview," he said.

An executive recruiter can help an out-of-work manager through the emotional turmoil of the job search.

"When you lose your job it's a lonely situation," Duncan said. "Having someone on your side looking after your interests is a great help."

Duncan's firm helps in contract negotiations between manager and club. Matching the right club with the right manager involves extensive background research on both parties.

"We try to find the best fit between the personality of the manager and that of a club," Duncan said. "The most important factor in helping a person find a job is finding the right club, a club where you would fit, function well, feel comfortable, and where your values parallel those of the club."

"For example, if you're the kind of person who would like to manage a traditional club, one with family members who have come down through several generations, you might fit in. But you might not fit in at one that is more contemporary in nature."

WHAT DO BOARDS LOOK FOR?

"To be frank, 90 percent of search committees don't know what they're looking for," Southwell said.

They may say they want someone who is a great accountant, cook or personality, but they can't be more exact, Southwell said. His company helps the committee focus on its needs by developing a job description. By asking members questions, the description grows and constantly changes over the three or four months it usually takes to hire a manager.

"We started with a club in Houston where the committee didn't want the manager to have anything to do with the golf pro or superintendent. But as they interviewed people and found out there were competent managers out there, they started to say, 'Hey, we better put the golf pro and superintendent under the manager.' They ended up with a full general manager with a two-year contract," he said.

"What I get a kick out of is that these committees listen to me. They may end up paying more, but they get a better person."

Clubs hope to get someone who will stay in a position for many years, Weiner said.

"Our industry has traditionally had excessive turnover and it's a serious problem," he said. "The fact managers change jobs every two years says something is seriously wrong."

Personal happiness within a community is very important, said Weiner. The managers he's placed have stayed at their jobs an average of eight years. If a manager is reasonably content with his job and community, apart from a personality conflict with a board member, Weiner recommended working through the personal problem and staying in the position.

But if it's time to move on, Weiner recommended first finding out as much as possible about the community where the manager and family would like to live. A good source is the local Chamber of Commerce, which can provide information about business, cultural and educational opportunities.

"Let's face it. You might work 12 to 15 hours a day, seven days a week. You might not get out into the community that much. But your family has to live there, and that's important," Weiner said.

Duncan also recommends the job seeker extensively research the job and community before the interview process. If position, community and manager seem to be a good fit, the manager will go after the job with more enthusiasm.

"You're not going to be as enthusiastic about a job if you discover the club has had 10 managers in 10 years. That's a good sign there are probably problems that you're just not going to be able to fix," Duncan said.

Search committees and managers may both be hesitant to discuss shortcomings. But it is much better for both to be honest about the past, Southwell said.

"Better to find out about problems during the interview process than six months after someone is hired," he said.

SELF APPRAISAL

Clubs often receive 100 applications when advertising a management opening, Duncan said. To differentiate oneself, a manager must analyze what characteristics he or she has that the competition does not.

"What are your marketable skills and tal-

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with club managers in search of new positions

ents for this position?" Duncan asked. "If it's a country club with a golf course, do you have experience in course management? If it's a city club, what's your experience in the food and beverage area?"

Fiscal management skill is one of the first abilities any club, even non-profit ones, look for, Duncan said. Equally important is the manager's image.

"When a member brings a guest, does the member seek you out to introduce you to his friends? Anybody can be a caretaker, but it takes more than that to be an executive. So that's what it comes down to. What are the marketable skills that you can sell to the club?" Duncan said.

The appraisal process includes determining what salary a manager should seek, Southwell added. Some managers overestimate their value. But far more tend to underestimate it.

Asking peers what they earn is one way to determine your value. But that can be embarrassing, Southwell said.

"An advantage of using a headhunter is that *he* can ask about salary. In many cases that's better than doing it yourself," he said.

Most hiring decisions are made in the first five minutes of an interview, Weiner said.

"The interview may go on for two hours or an entire weekend. But you usually make it or blow it in that first five minutes. The rest just confirms their decision," he said.

Boards are looking for several specific things during the interview, Weiner said. They are:

- **Taste.** How appropriate is your taste for their members.
- **Judgment/maturity.** This has nothing to do with age. Boards want someone who will be fiscally responsible and manage the daily activities. That frees the board to do its job of setting policy.
- **Stability of background.** Generally the fewer job changes the better. But someone who has changed jobs many times can argue that he or she was serving as a consultant, especially if he was successful in turning around several bad situations before moving on.
- **Technical skills.** Board members generally know little about the technical skills needed to run a club. They assume the applicant does.

Mainly they want a manager they can be proud of.

Once the board narrows its choice to five or so applicants, Southwell recommends interviewing them all in one day rather than over several days or weeks "so they can compare apples to apples." The two or three finalists should be brought back, with spouses if possible, he added.

"Boards know spouses have a great influence on managers," he said. "Mainly they are looking for negatives, but hoping they don't find any."

Added Duncan, "The board is looking for how compatible the two are together."

HEADHUNTER'S CONTRIBUTION

"The really successful people in this business don't look for 40- to 50-percent salary increases every time they change jobs," Weiner said. "Those are the people who change jobs every year or two."

Weiner recommends lower salary increases in exchange for security and potential salary growth.

Search committees usually take just salary into consideration when developing a compensation package. A headhunter is more familiar with a new manager's needs. He is

likely to suggest setting aside something like \$200 a month for a new manager to go to dinner at nearby establishments to evaluate the competition, Weiner said.

Duncan suggested a dry cleaning allowance since a manager is likely to spend considerable time in the kitchen.

Job security is an important consideration, even though it's somewhat of an illusion.

"Let's face it, if the board wants you to go, you're gone," Weiner said.

But the headhunter can help build

things into the contract the manager and board might not be aware of, Weiner said. For instance, if the manager gets sick, and the club pays the premiums for long-term disability insurance, the benefits are taxable. But if the board jacks up the salary, and the manager uses the extra money to pay the disability premiums, any benefits are tax-free.

The headhunter will also get involved in non-financial contractual matters, like instituting regular reviews. Weiner suggests quarterly reviews the first year and semi-annual

ones after that. One of the first quarterly reviews should concern salary. Another should require the president of the board to sit down and review the manager's performance.

"A lot of people never review the manager. You don't know anything is wrong until someone knocks on the door and tells you you're out of work," Weiner said.

Southwell recommended a transition committee be established that performs regular reviews and helps the new manager through the first 12 months.

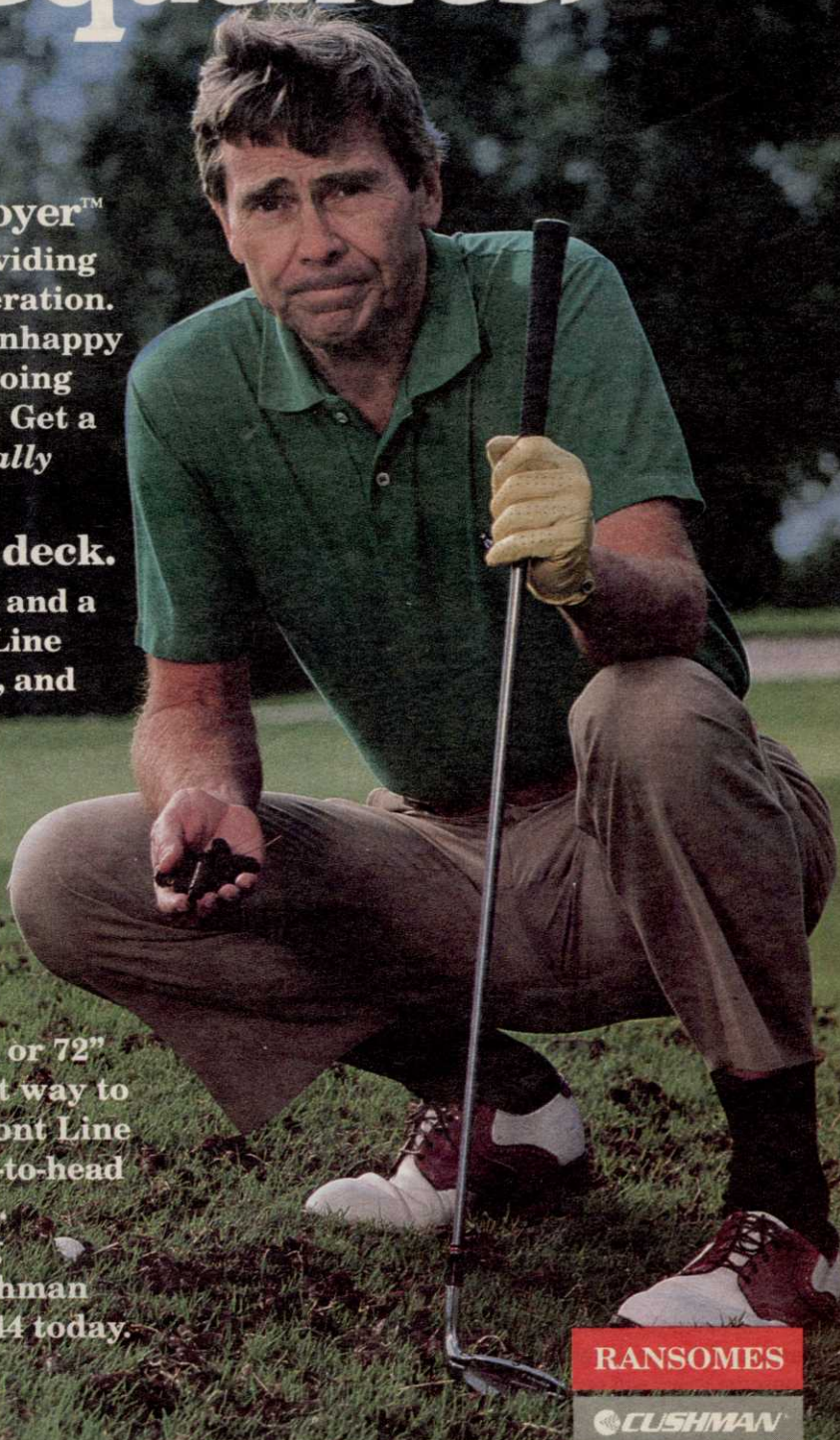
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