Management companies have helped more than they've hurt

By ROGER MAXWELL

In the early 1970s the golf industry was witness to the creation of primarily two management companies — American Golf, and ClubCorp of America (CCA) — each of which moved in uniquely different paths in their quest to grow their portfolio of golf management properties. Of course, as we know them, each is highly successful and each plays a major role in our industry today.

Roger Maxeell

In the mid- to late-1980s our industry saw numerous new groups enter the arena seeking opportunities. Much of this surge of new players in the management business came as a result of the National Golf Foundation's (NGF) "State of the Game" report. It cited a need to develop one new golf course per day until the year 2000, in order to keep up with frequent player demands, as estimated by the NGF.

At one point in 1989-90 it was documented that some 30 golf management companies were actively seeking facilities to manage. Indeed, it was a crowded playing field. Then came the early 1990s, when the nation's economy slid, much due to the savings-and-loan debacle and the downturn in real-estate values. The result was an inability of developers, corporations, etc., to locate the financing necessary to develop new facilities. Even the most seasoned corporations and golf-savvy groups were unable to secure financing for public golf facilities, not to mention upper-end golf facilities.

This all changed as we moved into the mid-1990s with the emergence of a handful of groups, to include the original pioneers in the golf management area aggressively competing.

At the same time, there was a shake-up of management companies, with some fall-out and consolidation, and with the two original pioneers that began it all in the 1970s gaining strength in numbers and in their management talent.

Today, we find what must be American Golf, CCA, Cobblestone and Brassie Golf as the major players in terms of numbers of facilities either owned or managed. With these follow a host of players, including Hyatt, Marriott, Hilton, TPC, KKR, etc.

Ownership vs. Management seems to be the norm today as compared to earlier years. "Cash" being "King" clearly identifies the major players.

I believe the advent of today's golf management companies to have been extremely positive on both the game and for those who make their living in the golf industry.

They have provided a strong sense of security for young golf professionals and grounds superintendents. They have, in most cases, provided an infusion of capital improvements to facilities that were in need of improvements. They have instilled a strong sense of business direction to an otherwise cottage industry.

Through clustering of multiple facilities within one metropolitan area, golfers have benefited in terms of their cost to enjoy the game. I also firmly believe that the golf professions have been enhanced through their involvement with management groups and corporate ownership of facilities, as likewise can be said of golf superintendents. No question, the traditional roles of both individuals have been radically altered, causing many onlookers to become critics.

If I were to agree that there were any shortcomings with respect to corporate involvement in golf, it would be that the support structure evident in corporate golf tends to diminish one's "creative spirit" and power to learn all aspects of their respective roles.

Corporate ownership of golf facilities will continue to grow in dramatic proportions. I believe pure management companies not operating under "real-estate investment trusts" will exist and provide a service to many clubs, yet not become any more dominant than they are today.

The golf industry and those involved have benefited because of management companies and corporate golf ownership. Their continued involvement is positive and should be encouraged by all golf organizations and associates.

A former Marriott Golf executive, Roger Maxwell now operates "In Celebration of Golf," a chain of specialty golf retail stores.

Phillips comment

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low-ball prognostications of years past. They admitted the market was strong, but ...

"... Some areas of the country are seriously overbuilt. Besides, did you know that nearly a third of avid golfers agree that fertilizers and other chemicals used on golf courses pollute lakes and streams?"

This time last year, I stubbornly refused to publish an actual story on the record 381 (!?!) courses that opened during 1994. Why bother? Instead, *Golf Course News* ran a chart that spelled it all out in black and white (well, we did throw in some color to spice things up).

This year, after a two-year hiatus, I couldn't resist writing another installment in the "Poor-mouthing Golf's Growth" series (see page 1). Despite the christening of more than 400 courses — an all-time record, for Pete's sake — the general industry outlook remains one of studied practicality. Putting the damper on things this year is a recent study showing that rounds are flat.

"If we keep building courses at this rate and rounds don't increase," the pundits warn, "the whole thing could collapse of its own weight! If that should happen, the industry would be lucky to open 250 *blah blah blah blah...*"

Where did these people come from, the tennis industry?