

BRIEFS



KSL FAIRWAYS ADDS 2 COURSES

KSL Fairways has acquired two Wisconsin courses, Mequon Country Club and Lake Windsor Golf Club, bringing the Manassas, Va.-based firm's total ownership to 25, 18-hole courses at 22 sites. Mequon is a private, 27-hole club located 13 miles north of Milwaukee. The company plans \$1 million in improvements to the facility. Lake Windsor is a 27-hole, daily-fee facility located eight miles northeast of Madison.

LEGG MASON PROMOTES WELLS

BALTIMORE — Legg Mason Realty Group has promoted David Wells to vice president. Wells leads LMRG's recreational consulting practice, specializing in golf course properties. He performs market and financial analysis, development consulting and management/operational audits, brokers properties and works with other Legg Mason subsidiaries in raising debt and equity for recreational real-estate projects.



David Wells

SMITH TO HEAD BIGHORN

PALM DESERT, Calif. — Warren Smith was recently named general manager of Bighorn, an exclusive golf club and community in south Palm Desert. Smith will oversee all daily operations at the club as well as sales and marketing activities for the master-planned community. Smith formerly served as senior vice president of country club operations at Palm Desert-based Sunrise Company where he was involved in the development and management of Indian Ridge, Palm Valley and Monterey Country Club. He also consulted for KSL Recreation at PGA West and LaQuinta Resort and Club.



Warren Smith

HIRSH ELECTED INTO CRE

HARRISBURG, Pa. — Laurence Hirsh, president of Golf Property Analysts, was elected to membership in the Counselors of Real Estate (CRE). Holders of the CRE designation are recognized for superior real-estate, problem-solving ability in specialized areas. Hirsh specializes in the valuation, litigation support, feasibility analysis, ad valorem tax-assessment analysis and general analysis with a unique expertise in golf courses and recreational and leisure properties.

MARKETING IDEA OF THE MONTH

Llamas enhance the walk and the pocketbook

By MARK LESLIE

CANNON FALLS, Minn. — Welcome to Elmdale Hills Golf Course. Meet Hank and Pueblo, your caddies for the day. A gimmick? Perhaps. But a true drawing card, and that is the important factor here.

You see, Hank and Pueblo are llamas. And, in addition to carrying golf bags, their gifts are their ability to grab media attention and attract golfers to this new course trying to establish itself some 40 miles south of Minneapolis.

"We've gotten a lot of media attention," said Diane Brage, who with husband Bruce opened Elmdale Hills last July 1. "It got our name out there. Quite a few from the city have read about them, or seen them on TV and come out."

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Talamore Golf Club (left) in Southern Pines, N.C., is one of a growing number of courses using llamas to carry bags and attract golfers. In photo below, a handler leads a llama around a green at Elmdale Hills Golf Course in Cannon Falls, Minn.

MAN(AGER) ON THE STREET

Personal service called key to survival

This marks the first in what we plan as a regular man-on-the-street type question-and-answer feature with the heads of some of the country's leading course management companies. This month's question is: "Assuming that rounds and participation levels will remain relatively flat over the next 10 years, how will you compete for market share in your areas of business?"

Joe Guerra, executive vice president of American Golf Corporation

... Through virtual marketing or one-on-one marketing. AGC is developing marketing programs that will allow us to treat customers less generically. We are finding substantial opportunity for growth

by tailoring our marketing to each customer's playing habits, whereas in the past we have been guilty of offering these unique and separate customer groups a generic menu of products and services. For instance, the needs and wants of the avid core golfer are very different from those of the casual golfer and we are now able to develop and market a wider variety of products and services to each customer type.

... By leveraging to the benefit of AGC's portfolio of golf courses the technology and other marketing and sales tools which have proved successful in other service organizations. This is already occurring at AGC. As AGC looks to the next century, we

are positioning ourselves to provide the ultimate playing experience for the customer while at the same time maximizing revenue on behalf of our landlords and clients. Some examples include AGC's proprietary central reservation system, yield management systems and exclusive service excellence training programs.

Joe Black, president of Western Golf Properties

We will compete in the future, just as we do today, with superior conditioned golf courses and extremely high levels of service. We will simply try to create a better golf experience than our competitors.

Bob Husband, president of Cobblestone Golf Group

First I do not agree that rounds and participation levels will remain flat over

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LEGAL CORNER

Employer's right to trade secrets examined

By NANCY SMITH

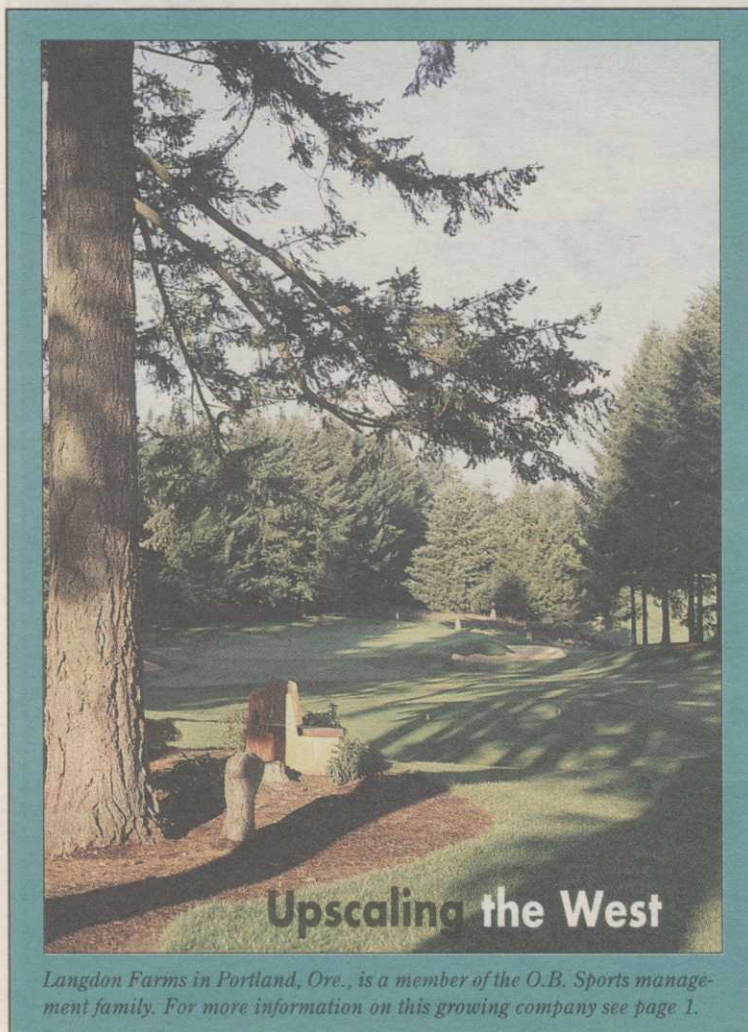
If a country club manager left to join the cross-town club, board members and co-workers might give "good-luck" wishes for the new post. But if that manager took a copy of the list of members, could that be unfair competition or just good ol' American enterprise.

Unauthorized use of a list of members and potential draws questions of trade secrets — and just how far a business can limit the acts of a former employee in a free country.

Some cautious employers ask employees agreements regarding information learned on the job. Some such agreements even make employees promise not to compete with the employer after other employment is obtained. But such agreements may not be worth the paper they are written on if they violate the basic tenets of fundamental individual freedoms and the right to openly compete in the marketplace.

Whether an employee can be kept from using information learned on the job turns largely on the nature of the information. Client or member lists may

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Upscaling the West

Langdon Farms in Portland, Ore., is a member of the O.B. Sports management family. For more information on this growing company see page 1.

Nancy Smith is an attorney working in Pasadena, Calif., and a regular contributor to Golf Course News. She can be reached at 818-585-9907.

Man(ager) on street

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the next 10 years. There are currently 124 million people in the United States between 18 and 49 years of age. Their average participation rate is 13.4 percent versus the national average of 11.6 percent. As people age they tend to play more golf, particularly as they reach their 50s.

If these people follow the trends of their parents, the demand for rounds will increase dramatically over the next 10 years and there is every evidence that this will happen, even if no

new people enter the game. In 1995, 250,000 people entered the game and core golfers (defined by the National Golf Foundation as people who play eight or more rounds per year) increased 3.4 percent.

Our company has experienced constant growth in the number of rounds played in the markets we serve and therefore we remain very bullish about the future of golf.

Marc Bergschneider, chairman of National Fairways Inc.

The short answer is quality. Quality of product, including the course and personal service. The

idea is to exceed expectations of the customer so that value is perceived at every price point. If we do this successfully, the courses we own and operate will retain or even increase market share. This requires a careful study of the market position the facility holds so that the product delivered is commensurate with the customer. Therefore, when operating a municipal course, we will make it the best public course at a modest price. When operating a private club we will again make it the very best in golf and charge accordingly.

Another idea to perfect is that

of making the courses fun and friendly places to play golf. People like to be part of the product. So it is important to retain a local feeling to the course and have the members and/or patrons take emotional ownership. The secret to this is making the employees a team with pride in their work. It will be obvious in the service product they deliver.

If we are able to consistently incorporate the above ideas into the final product, our market share will be fine and our business will prosper.

Claye Atcheson, vice president of Marriott Golf

Marriott Golf has a very positive outlook for the future of rounds of golf at our existing portfolio of facilities and for the facilities in the development stage. Our high-service delivery standard will continue to be aggressive in anticipating and exceeding the needs of the guest. Our team of professionals in every area of the business will continue to have the focus of either delivering the service or supporting the staff members who are face-to-face with the guest.

Knowing who plays our golf courses and their preferences for services offered will play a large role in the future rounds played. Customer loyalty and providing value added products and programs to these customers is mandatory for enhancing the profitability of the golf properties.

Behind the scenes we will be making use of the technology that is becoming available or that we are developing to refine our operations and to analyze our business. Yield management of tee times is a primary objective of our golf operators.

Steve Lesnik, president of Kemper Sports Management

Kemper Sports Management has adopted an integrated marketing communications approach in order to compete for market share in our areas of business. Our site managers, overseen by Kemper Sports' home office, coordinate the use of advertising, publicity, sales promotion, point-of-purchase communications, direct marketing, personal selling and event marketing to promote our facility.

The first step in this process is to define what segment of the particular market we will target, and what it is about our product that is special to the target market. We encourage our site managers to run creative promotions and always measure results.

Eric Affeldt, president of KSL Fairways

KSL Fairways' acquisition philosophy is to attempt to purchase courses in clusters. This strategy has and will allow us to lead pricing in our various markets and also more effectively promote KSL Fairways' golf courses via our reciprocal play program. Our tie-in to our parent company, KSL Recreation, and their related destination resorts at Doral, PGA West, La Quinta and Lake Lanier Island, Ga., add another dimension to our marketing program.

Finally, while many markets have seen a flattening trend in rounds and participation levels, we remain very confident that our facilities will not only maintain but grow market share through our constant attention to superior customer service.

You're scheduled to put down herbicides this afternoon... but now there's a thunderstorm 50 miles to the west. *What do you do?*

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Next month's question:
"What other industry will the golf course management business most resemble 20 years from now?"