

Big Golf Inc., coming soon to a golf course near you?

The consolidation trend in the golf course industry continued unabated in 2001 and it shows no signs of easing up for 2002. While there are fewer companies left to buy up, especially on the chemical side of the business, there is little doubt that slowing golf course construction and economic uncertainty will add more fuel to the merger and acquisitions fire.

This year alone Dow AgroSciences snapped up Rohm and Haas and Bayer made a play for Aventis CropScience. Last year, AstraZeneca and Novartis combined to form Syngenta and BASF purchased American Cyanamid.

The trend reaches beyond the chemical companies. On the distribution side, Royster Clark bought Pro Source One. Heller Financial entered the golf lending business by purchasing a portfolio from Bank of America and was then subsequently bought out by GE Capital. (See story page 19) On the management end, Golf Trust of America and Family Golf Centers fell by the wayside and GPS companies forged alliances with golf car manufacturers.

The most interesting and far-reaching set of acquisitions this year, however, belongs to John Deere. The company bought up landscape supplier McGinnis Farms and then purchased Richton International, the parent company of irrigation distributor Century Rain Aid.

As this month's front page story outlines, the newly formed John Deere Landscapes



Andrew Overbeck, editor

division is not only the largest irrigation distributor in the country, but it has also taken the unprecedented step of getting into the seed, fertilizer and chemical distribution business. No other turf equipment maker can offer this breadth of services, and the company has not ruled out purchasing other companies to expand its product offering further.

The possibility of one big golf company that meets all of a golf course's needs from turf equipment, golf cars, agronomic supplies, course management and maintenance services, etc. is edging closer to reality. But as customers in any industry would point out, this will not be possible unless companies can continue to offer high quality products and services.

is very little competition. I hate to say that ten cents here and ten cents there helps us make our decision, but every superintendent, owner and management group is looking at every dime right now."

According to Doug Larson, superintendent at Manufacturers Golf and Country Club in Fort Washington, Pa., chemical companies have changed over so rapidly lately that he has lost track of which distributor representative he is dealing with. "There is a lack of continuity more than anything else," he said.

While they see the benefits of a single source golf course supplier, superintendents also said it could erode their freedom of choice.

"If I am an owner and can spend money with one company, that makes sense," said Scott Cybulski, superintendent at Falmouth (Maine) Country Club. "But I am constantly searching for some obscure product or machine."

Larson agreed. "I have never been a fan of buying one brand," he said. "I have a hodgepodge of equipment and I have a hard time believing that someone who offers a one-stop shop could have the best products of each category. I don't see it happening."

While industry consolidation is inevitable in a free market economy, companies need to bear in mind that serving customers is just as important as pleasing shareholders. When

companies come together to broaden the scope of products and services there is an opportunity to increase both market share and customer satisfaction. As the consolidation trend continues to march through the golf course industry, let's hope that the version of Big Golf Inc. depicted in our editorial cartoon never comes to fruition.



SUPERINTENDENTS WEIGH IN

According to superintendents I spoke with, many have already been impacted by the effects of consolidation.

"What we are seeing initially is that there are definitely some service issues," said superintendent Neil Thrailkill at Silverhorn Golf Club in San Antonio, Texas. "And there

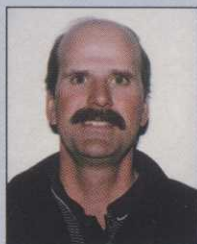
Remembering turfgrass fundamentals is crucial to success

As I sit in my office on this cold October morning, preparing to write this commentary, I am surrounded by technology. As I tap the computer keyboard, I see my fax machine, Palmpilot, and answering machines – and this is just in my office.

During my 25 years in this business, the turfgrass industry – from maintenance equipment to irrigation controls and turf varieties – has gone high tech. While these high tech developments are all great for our industry, superintendents need to remember the fundamentals and cultural practices of turfgrass management.

BACK IN THE DAY

When I first started working on a golf course we used to topdress greens by hand. Our topdressing machine consisted of three guys, a trailer full of a 1:1 sand/soil mix, and three large shovels. When I saw the first self-propelled topdresser, I thought I had seen it all. Now we have topdressers big and small, and for greens and fairways. I am happy that no one decided to topdress fairways when we were using the shovel technique.



Kevin Ross

For us older guys, "computer" was hardly a household word when we started in the business. Now we sit at a computer and tell it what we want to irrigate with the click of a mouse. The only mouse we knew years back were the ones in our maintenance barn, eating our low-tech grass seed. With my first central control system it took a while to build my confidence that a mouse click could program the system. It just didn't seem right not to inspect the course and visit each satellite for programming.

The largest technology leap, however, has occurred with turfgrass varieties. Whoever thought we would have a "gene gun" that would be capable of transforming a selected species of grass? The new "superbents" have also pushed the conditions envelope. Did we ever think that we would have bentgrass available that could withstand a cut of one-tenths of an inch? Thirty years ago we had Penncross and didn't consider that anything might be better.

BACK TO BASICS

Let's go back to the irrigation system. Water management is the single most important fundamental practice for turfgrass managers.

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