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BALANCING THE GAME WITH THE BUSINESS

With six of seven golf courses reported to have lost money in 2009 and the NGF predicting that 500 to 1,000 courses will close in the next five years, this statistic caused me to pause and contemplate our industry.

I found myself centered around two questions: Where is the game going and how will we remain a viable industry?

J. J. Keegan is managing principal of Golf Convergence, a firm that specializes in the business of golf. Jim has ground-breaking methods, based on hard data and extensive field experience, and he recently published a book, "The Business of Golf – What Are You Thinking?" (www.golfconvergence.com).

IS THERE A FORMULA FOR SUCCESS AT A COURSE IN TODAY'S ENVIRONMENT?

There are eight key concepts that accurately predict the success of a golf course: The age, income, ethnicity and population density within 10 miles of the course; the number of playable days measured against the efficiency of management; the integration of software to create actionable information; financial benchmarking facility performance against peers; continual "appropriate" investment in the course infrastructure, equipment and labor; ensuring the "assembly line" of customer touch points matches the desired experience; understanding the golfers' habits and preferences; and evaluating and developing customer loyalty.

IS THERE A COMMON THREAD YOU FOUND THAT IS THE SEED FOR FAILURE?

Golf courses often fail to crisply define their strategic vision. Are they trying to create a platinum, gold, silver,

bronze, or steel level experience for their customers? Many courses try to be all things to all customers – a sure formula for failure.

Golf courses are in the entertainment business, and golfers are value-driven. With green fees ranging from \$10 to over \$500,

IN WHAT OTHER WAYS CAN THE SUPERINTENDENT INCREASE THE FINANCIAL PERFORMANCE AT A GOLF COURSE?

Most golfers don't fully comprehend that a golf course is a living organism that is constantly growing. They rarely understand the challenges superintendents face in creating a superior

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a golfer's expectations are set by the fees charged. To the extent the golfer's experience equals or exceeds the price, customer loyalty is created. To the extent that the experience is less than the price, customer attrition results. The key is that the experience must equal the capital investment made and the revenue generated.

WHAT COMPRISES A GOLFER'S EXPERIENCE?

Creating a customer experience is similar to an "assembly line." From making the reservation to arriving at the course, to playing 18 holes, to the beverage at the end of the round, there are up to 13 opportunities to create a memorable experience for the golfer.

The most important opportunity is course conditions; hence, the incredible value role of a superintendent. In every customer survey we have undertaken in Europe, across America, to Asia, course conditions and price always rank as to the most important criteria in determining where a golfer plays.

playing surface. It is also unfortunate that the golf staff, management and owners often take for granted the superintendent's key role.

The superintendent is and should be a key member of the management team, one who participates in creating the annual budget, ensuring sufficient capital reserves are established, and clearly communicates the funds required for equipment and labor to fulfill the course's vision as to the entertainment experience desired.

WHAT IS THE SOLUTION TO REVERSE A COURSE'S FINANCIAL WOES?

The Golf Convergence WIN formula taught in the book is an easy-to-follow method that has consistently increased the financial return of golf courses while enhancing the customer experience to the desired level. This book sheds light on virtually every aspect of golf course operations – strategic, tactical and operational. My goal was simple – to encourage each course to use best practices to adroitly balance the business of golf with the game of golf. GCI