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ANOTHER SHOW SEASON IS IN THE BOOKS

Call it the annual rites of winter. In the first quarter of the year, golf professionals gather at the PGA Merchandise Show, club managers learn at the CMAA World Conference and golf course superintendents, owners, designers and builders convene for the Golf Industry Show. Even without the proverbial big top, the annual three-ring circus is filled with inspiring people and ideas. Here are my takeaways from the 2012 Orlando-New Orleans-Las Vegas swing.

OPTIMISM IS MAKING A COMEBACK. Attendees, manufacturers and officials at all three conferences were in agreement that 2012 will be better than 2011. Their outlook is backed up by the latest Small Business Optimism Index, as measured by the National Federation of Independent Business. The index is up 4.4 points (94.3) since its low of 84 in Q1 2009.

INNOVATION HAS SLOWED. Reflecting the trailing-edge nature of many golf ventures, the show season was marked by the lack of new products. Golf equipment-makers offered remakes and repaints of former models; technology providers demonstrated upgrades and enhancements on established platforms. But in the absence of volumes of new products, some new thinking caught my attention. Two examples:

- Western Golf Properties seems to have uncovered a better method for building revenue at the clubs being operated by the boutique management company based in Santa Ana, Calif. Bobby Heath, president, and Christina Khamis, WGP marketing guru, have focused on best management practices that are generating substantial increases in member and customer retention, improved volume counts and increased revenues within the daily

fee units within the WGP portfolio.

- Tom Bennison, a partner with Fore Golf Partners, says he "looked at 120 deals in 2011 and we actually closed on two of them." The discipline and unique understanding gained from years of service as an acquisitions executive at Club Corp are helping

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Bennison and Fore Golf sort through properties to improve margins from previously flat operations. They provide guidance for other buyers and sellers.

PRICES ARE INCREASING. Costs of supplies and resale goods produced in Asia are on the rise. Labor costs in Asian producing countries are escalating, and it appears this trend will carry through into 2013. The per barrel increases in oil are inflating freight costs, and many are planning for as much as a 3 percent increase in 2012 on everything delivered to the club. In addition, costs for most chemicals, pesticides and petroleum-based products will escalate. To reverse fuel surcharges, savvy managers are seeking delivery credits on bulk deliveries.

PRIVATE CLUBS ARE RECOVERING. Stephen Johnston, founder and president of Global Golf Advisors and my partner, told CMAA delegates the most noticeable difference between clubs that are performing well and those still struggling is in two parts: a concentrated focus on facility and program upgrades; and programmed member-

ship sales. According to Johnston, clubs that cut spending and capital improvements at the outset of the recession are suffering while clubs that committed to quality and service are growing. Successful membership sales result from properly planned market placement, which is based on diligent market analysis, strategic messaging and tireless sales efforts.

FOCUS ON REVENUE PLANNING. Most segments have embraced the necessity of planning. Before the economic downturn, many operators lacked long-range strategic plans. When the cold winds of change began to roar, these ill-prepared operators were badly damaged and some did not survive. But many top-performing managers and operators have taken a deliberate approach to planning, incorporating the three-step process we advocate to our clients:

- **Develop a comprehensive strategic plan.** This identifies the primary goals and objectives, analyzes market conditions, identifies opportunities, executes a dispassionate SWOT analysis and produces succinct findings and recommended actions.

- **Convert the strategic plan into an annual business plan.** The business plan describes in detail the actions and tactics that will be executed in support of the strategic plan.

- **Drive down accountability to the management team by measuring and rewarding key performance metrics.** Many club managers, golf professionals and superintendents are not given precise goals and objectives, which can be directly related to disappointing performance. The precision comes in the selection of the key performance indicators that must be measured and monitored.

With another show season in the books, we can only wait to see if these trends gain momentum in 2012. **GCI**