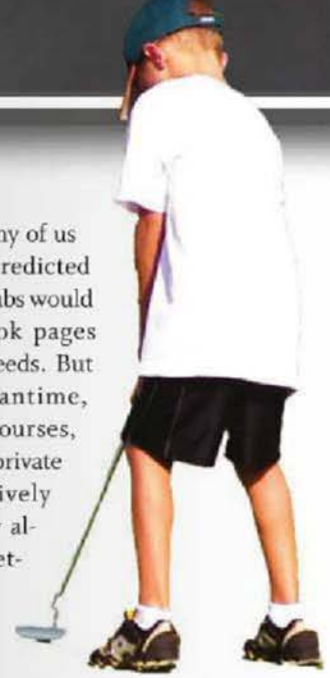
SO SAYS NOSTRA-BOB-MUS

IN 2010 GCI'S BOB LOHMANN MADE 10 PREDICTIONS ABOUT THE INDUSTRY IN 2020. FOUR YEARS OLDER AND WISER, HE TAKES STOCK OF HIS CLAIRVOYANT ABILITIES.

Way back in 2010, I was asked to play Nostradamus at the annual Wisconsin Golf Turf Symposium. I guess they thought I was old enough – at that point, we'd been in business for 26 years – to come up with plausible golf industry predictions.

Just the other day, with four years more experience, I happened upon those predictions. I want to share them with you – along with some current comments about how I did – or, in some cases, did not – hit the mark.

Maybe, when I come down from the euphoria of nailing so many of these, I'll forego another round of predictions and take this uncanny ability straight to the stock market.



PREDICTION 1

CHINA WILL ECLIPSE THE RECORD U.S. COURSE OPENINGS FROM THE 1990S, BUT WILL REPEAT THE MISTAKES OF THE U.S. BY BUILDING TOO MANY DIFFICULT, UP-SCALE FACILITIES AND NEGLECTING THE NEED FOR BEGINNER GOLF.

China hasn't been opening golf courses at a rate of 300 or 400 a year, which was the high water mark here in the States back in the go-go '90s. It's been more like 75-100 per year since 2010, though it's difficult to get reliable numbers in a country where the government has imposed a course-building moratorium – and developers go ahead and build them anyway, under the radar. Anyway, I was all wet on the numbers. But I'll stand by the "repeating mistakes" part: Nearly all these new Chinese courses are private, very expensive to join, and many are relying on real-estate components to make them economically viable. And we all know where THAT leads.

PREDICTION 2

COURSE CLOSURES (750 TO 1,000 BY 2020) WILL CONTINUE TO OUTPACE OPENINGS. NEW OPENINGS WILL INCLUDE ALTERNATIVE AND MIXED-USE FACILITIES.

In 2013, the U.S. golf market experienced its eighth straight year where course closures outpaced course openings. There were 14 openings in 2013 and 154.5 closures (all but five of them public courses). The net loss of approximately 140 18-hole equivalents has held steady the last three years. While the annual net losses were smaller from 2006-2010, do the math. Methinks I nailed this one. This correction could well persist through 2020, and the idea that we'll see more than 100 new openings per year? Those days seem gone forever.

PREDICTION 3

COURSES WILL LOOK TO ALTERNATIVE SOURCES FOR PLAYER DEVELOPMENT, MEANS OF REVENUE, AND USE OF THEIR PROPERTY.

I hinted at this in prediction No. 2 and here again. The bottom line is, we see evidence of this more and more, both first-hand and anecdotally. I think we all had a sense that programs like the First Tee would result in "alternative" practice facilities and short courses. If you've read my columns here at GCI.com, you know that we are supportive of First Tee, but also Links Across America, which we consider an even better model (we've personally been involved in designing/creating/opening three such alternative facilities). So this prediction was something of a no-brainer. What we didn't see coming (but which I predicted just the same) was the advent of disc golf and even footgolf at existing "traditional" golf facilities. We have two client courses that will be incorporating the latter into their routings starting this spring. These alternative uses are being incorporated into golf courses, in the same way fishing derbies, winter sports and hiking trails are being incorporated. The pace of this has surprised me, but it was only a matter of time. Especially at public courses, what's the difference between setting up a disc course within the traditional golf course, and having a wedding in the clubhouse? Revenue is revenue.

PREDICTION 4

CLUBS, ESPECIALLY PRIVATE, WILL HAVE TO FIND WAYS TO MARKET TO THE NEXT GENERATION.

I think the advent of social media strategies is enough proof that this has taken hold, in a huge way. Four years ago, I don't know that many of us would have predicted that private clubs would have Facebook pages and Twitter feeds. But they do. Meantime, look for all courses, but especially private clubs, to actively and creatively alter courses setups to allow for 3- and 6-hole loops, for folks short of time and attention span.

PREDICTION 5

EXISTING COURSES WILL CAPITALIZE ON ALTERNATIVE MEANS FOR FUNDING RENOVATION EFFORTS.

Again, I'll take credit for being spot on with this one – but with so many publically owned facilities struggling today, as we've noted above, it's really a matter of renovating or closing their doors. What I couldn't foresee, but perhaps should have, is the way some municipalities have leveraged stormwater and water-quality management projects to pay for these renovations. We at LGD and Golf Creations have been involved in dozens of projects where our renovation work aided a city's water-retention and/or water-filtration efforts. But we didn't see this coming in 2010: New state statutes recently obliged the city of Appleton, Wisconsin to improve water quality and stormwater retention, vis a vis the nearby Lower Fox River. The city wisely used Reid Municipal GC to make this happen – and the city paid for what turned out to be a substantial course renovation, because you can't add all those ponds and wetlands without radically changing a course routing. This is a model that should be followed elsewhere, including private clubs.

PREDICTION

COURSES WILL DO "MORE WITH LESS," EMPLOYING UNIQUE, AFFORDABLE RENOVATION STRATEGIES TO MAKE IMPROVEMENTS AND UPGRADE INFRASTRUCTURE.

Hardly rocket science, this prediction. The way golf courses spent money in the years prior to the economic downturn of 2008 simply wasn't sustainable. To me, however, the solutions golf has deployed in response to tighter budgets is the lemonade we've created – having been handed such a big basket of lemons. The gas and regrass option, for example, has proved a fine alternative to costly, full-on greens renovation/reconstruction. Ditto for push-up greens construction. Four years ago, I would never have dreamed our renovation jobs would feature so much in-house labor, meaning course maintenance crews. The biggest and most significant cost-saving advance might just be the Asset Management Plan, or AMP, whereby we at LGD deconstruct a master renovation plan, break it into affordable chunks, and help clubs work those projects into annual budgets.

PREDICTION

COURSE MANAGERS WILL CHALLENGE TRADITION IN THE WAY THEY SETUP AND MARKET THEIR PRODUCT.

I'm not a marketer, but I think golf still has a ways to go in the non-traditional marketing department. So the jury's still out on that front, and we're making slow progress on the set-up side. Here's one step forward: Mike Sprouse, the super at Randall Oaks GC in Dundee Township, Ill., has experimented with allowing golfers to tee it up wherever they choose. No markers. This essentially allows people to "Tee It Forward", the program promoted by the ASGCA. But Mike's experiments are unique in that they also provide him real useful information on usage and wear, i.e. where his teeing grounds should be bigger, smaller or eliminated altogether. We know Mike because we designed a Links Across America short course there at Randall Oaks, back in 2010 actually, and have been helping him upgrade the 18-hole course since the 1980s. I will probably talk to Mike further for an upcoming article, because I love what he's doing. In the meantime, I'm still waiting for the tech revolution to allow for flexible course rating and handicapping, meaning from all yardages, using GPS.

PREDICTION

MANAGEMENT COMPANIES WILL CONTINUE GROWING THEIR PORTFOLIOS IN THE PRIVATE AND PUBLIC SECTORS.

If courses are going out of business in such numbers, a certain percentage of those courses can surely be plucked by management companies for pennies on the dollar. So, it's no surprise that management portfolios are growing. The NGF confirms that here. Of course, I think the economic downturn probably separates the truly competent management companies from their less competent competitors. I'd like to see some figures from the NGF that show the number of course closures where the facilities had been under third-party management the previous 36 months.

PREDICTION

COURSES WILL INVEST IN UPGRADES WITH LONG-TERM SUSTAINABILITY AND IMPACTS ON MAINTENANCE.

I think golf did an all-around admirable job of developing more efficient irrigation control, water conservation, water sourcing and heat/drought-tolerant turf species before the downtown. So it's no surprise that these efforts have taken on more urgency in the four years since this prediction. Of course, it's one thing to have these advances available – the powers that be at golf facilities still have to pay for them, and that's a tall order these days. Look at Better Billy Bunkers. These are proven cost-savers in the long run, especially in terms of man-hours. But they require a significant investment. And lookee here: GCI poobah Pat Jones weighs in with a whole new generation of technical diagnostics, most of which should lead to economic or resource efficiencies. Unfortunately, it's not clear to me whether enough golf courses are making the necessary technological investments today.

PREDICTION

GOLF COURSE ARCHITECTS WILL BE RELIED ON MORE TO BE TEAM FACILITATORS RATHER THAN MERE DESIGNERS.

There is no better example of this prediction coming true than the AMP process. I never thought we'd be so intimately involved with a client's long-term budgeting, which is a facilitating role if there ever was one. But when you're economizing, it's a no-brainer. And architects are uniquely placed to serve in this role, because our relationships with clients are normally long-term. It's already happening and I'm convinced that what we architects refer to as "the creative process," once limited to drawing pretty pictures, will increasingly focus as much on implementation and delivery as it does on the design itself. **GCI**

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