

Caution: a slight improvement ahead

SOME SAY BUSINESS IN 2005 WILL BE A LITTLE BETTER THAN 2004

by
JOHN
WALSH

Overall, it looks like the business of golf will experience a slight improvement this year compared with last year. But many superintendents will still have to do more work with less money, or at least the same amount of money, because many golf course maintenance budgets won't increase that much. In a nutshell, business is steady.

During 2003, the average number of rounds played per golfer was 19, and the total rounds played was 495 million, according to the National Golf Foundation. NGF forecasts the average number of rounds played per golfer to drop slightly to 18 in 2004, and

the total number of rounds played to be between 495 and 500 million.

"In '04, we largely righted the ship," says Steve Mona, c.e.o. of the Golf Course Superintendents Association of America. "In '01, we began to dip, and we had three pretty tough years. In '04, there were signs of optimism, but no signs of an upswing."

The industry is trying to get out of a downturn. There had been a 2-percent to 4-percent decline of rounds played during 2002 and 2003, but there was an uptick of rounds played in 2004 largely because corporate profits have increased, causing corporate golf and corporate outings to increase, according to Mike Hughes, executive director of the National Golf Course Owners Association.

"There are larger and more fields of golfing groups at courses and clubs, and food-and-beverage sales have increased," Hughes says. "It all stems from the improved economy. That will pretty much be the same for 2005."

Luke Stavros, director of golf at the Coeur d'Alene (Idaho) Resort Golf Course, says rounds at the course increased 3.5 percent in 2004, which is better than the forecasted national average of 0.6 percent according to NGF.

"We're starting to see a positive increase in travel and spending," Stavros says, adding that most of the golfers that play the course come from the Western part of the country. "We feel good because we're better than the national average, and we attribute that to enhancing our overall product."

Even though certain sectors of the golf industry have settled, golf still isn't stable, according to Mona.

"'04 was challenging," he says. "In some cases it was better, but it was marginally better than '03."

Mona says most of the traditional, well-established private clubs that have long waiting lists managed to

On a scale of 1 to 10 (with 1 being a low concern and 10 being a high concern), please rate how much concern each of the following issues are to your business success in 2005.



Source: Golf Course News survey (403 respondents)

Golfer expectations and fuel prices are two high concerns of superintendents this year.

What is your total annual maintenance budget?



Source: Golf Course News survey (403 respondents)

Many golf course superintendents' budgets remained the same or increased slightly this year.

do fairly well in '04, even though members might not have been spending as much and clubs' waiting lists might not have been as long.

Generally, at the middle-of-the-road private clubs in the smaller metro areas, members are staying home and using their club more often because they're not traveling as much due to the economy, Mona says.

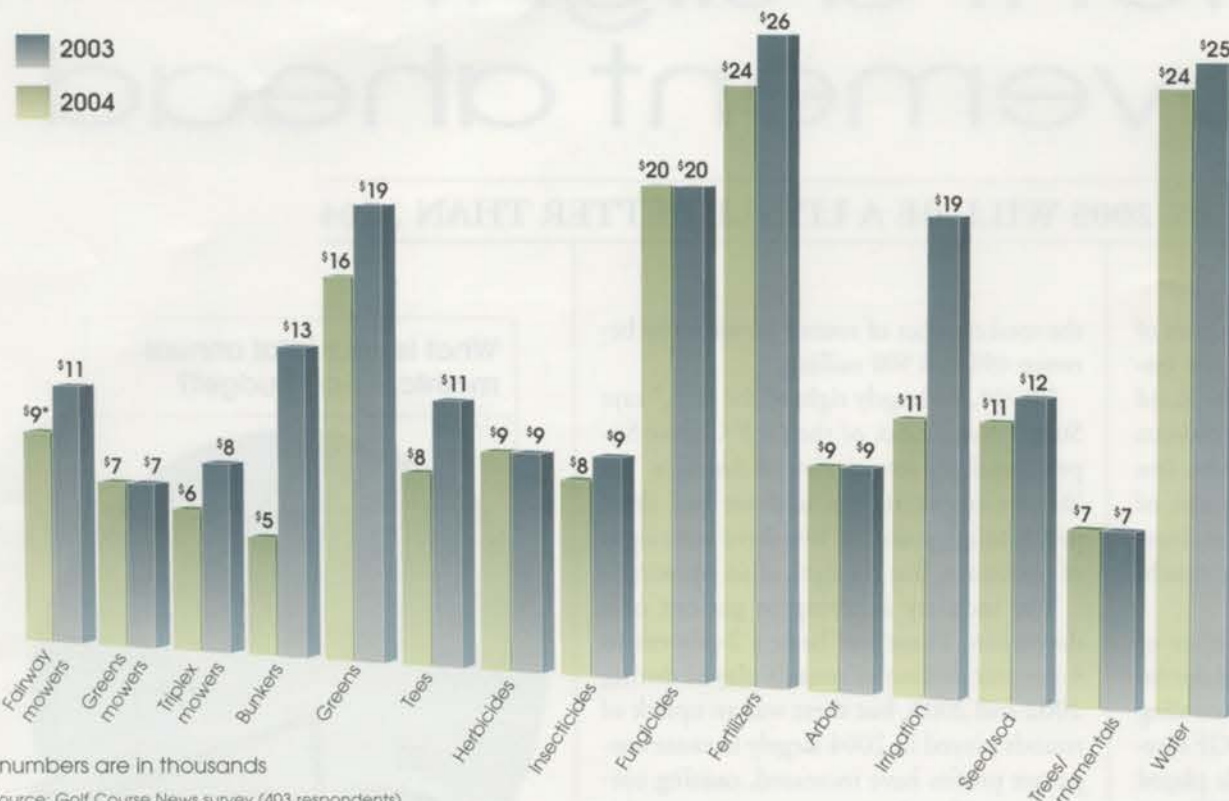
The public courses generally have been the toughest-hit area of the golf course industry, according to Mona.

"The middle to high-end facilities have a problem because they aren't private and aren't charging or collecting fees and monthly dues," he says.

However, the least expensive public courses continue to do well because they are inexpensive and attract people who can afford to play regularly, Mona says.

"There will be more optimism in '05," he says. "The stock market, which has had a wild ride, is doing better, people have more confidence and unemployment is steady.

Approximately, what is your total annual superintendent's maintenance budget the past two years for each of the following?



Despite continued budget tightening by owners, some superintendents predict 2005 will be better than 2004.

But there's a false sense of optimism that things are going to be marginally better just because the calendar turns. I'm fairly cautious."

For Hughes, course performance isn't a geographic issue, it's a market issue. He says private clubs are probably performing a bit better than public courses.

"If you're in the middle of a market, you have probably suffered more than if your

course is at the top of the market," he says.

Tim Perez, director of golf courses and grounds at Fiddlesticks Country Club in Fort Myers, Fla., estimates the bottom of the downturn was about 18 months ago.

"One of the tough things about this business is that it's a huge collaboration of factors that make the game expensive," Perez says. "The greatest hindrance to the business and the game is the cost to play. There is so much emphasis on playing-surface purity. Today, we are managing every square inch of the course. We've lost the game somehow, somehow. We are our own worst enemy. The average player will never be able to enjoy the perfect playing surface that he sees on television. I miss the challenge of the old game of golf."

Belt tightening

In these lean financial times, resourceful superintendents find ways to provide good course conditions even though budgets have tightened. Mona says efficiencies that have been created will continue even if business improves.

"One thing that will continue in 2005 is maintaining that same level of condition on the course with the same budget as last year," he says. "Many

superintendents are doing more with less or the same. There will be few budget increases in '05, but the same budget in '05 as was in '04 is really less because of inflation and the cost of living."

However, Hughes says that during the downturn owners were belt tightening and everybody was learning how to get more out of less, so there will be an immediate profit increase if the industry experiences a quick turnaround.

Improving the product

Despite the tight budgets, owners have been improving their products during the past five years and will continue to do so, according to Hughes. Because of the additional supply to the market during the past 10 years, the amount of modest renovations has increased.

"The competitive response to the supply was to renovate to compete with the new courses," he says.

During the downtimes, most facilities will make cutbacks and reduce prices, but Hagadone Hospitality Co., owner of the Coeur d'Alene Resort Golf Course, is doing the opposite and is spending money to renovate.

"In 2003, we lengthened the course 500 yards and added more than 12 new tee boxes so we have five tee boxes a hole, added 21 new sand bunkers and planted 250 pine trees that are 12- to 16-feet high," Stavros says. "In 2004, we reconstructed one green and its surround and added a subair system to it."

Additional renovations to the course include new green surrounds on another hole, and new contouring and sod on the three other holes. Also, the irrigating system and landscaping are being upgraded.

In Florida, the main course at Fiddlesticks is being rebuilt.

"We're upgrading the irrigation, constructing USGA-specified greens, as well as upgrading the staff and equipment," Perez says. "We have all the right people involved. We have a good golf course construction superintendent.

"We'll be reduced to one golf course this year," he adds. "It will be tough if you are a player."

The Fiddlesticks renovation is scheduled to be completed by Nov. 1.

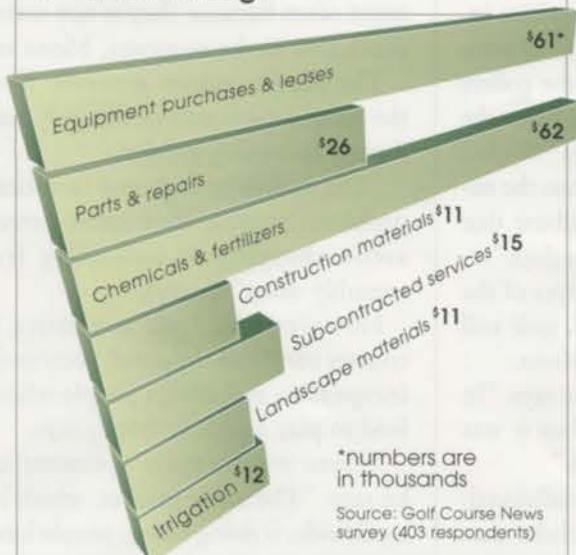
What to expect

Some superintendents are upbeat about 2005 and believe it will be a better year businesswise than 2004. Stavros says 60



Hughes

Approximately, how much are your average annual expenditures for the following:



Golf course superintendents will continue to be expected to do more with less.



Mona

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percent of the golfers at his resort come from the Pacific Northwest, 20 percent from the Western part of the United States and another 20 percent from elsewhere in the country.

"We're starting to see an increase of business outside the northwest," he says.

The Coeur d'Alene Resort Golf Course also is doing well enough to raise greens fees. Last year fees were \$210, and this year they will be \$225 for a day guest fee.

The golf season at the resort is from April 15 to mid-October, and Stavros predicts 2005 will be the best year since 2000, which is a result of group business and corporate spending increases, as well as the added value Stavros says the course provides.

Rich Eichner, superintendent at the 18-hole Discovery Bay Golf and Country Club in Bryon, Calif., says his budget for 2005 increased slightly partly because of cost-of-living increases. Fuel prices and energy costs have increased, too.

"Fuel prices are a crapshoot because they have been all over the map," Eichner says. "Gas went up 40 cents a gallon, then dropped 30 cents a gallon. Even the fuel suppliers can't predict the trends."

Eichner says California state law requires him to use oxygenated fuel, which is causing problems. He can't get fuel from out-

side the state because California is the only state that requires oxygenated fuel by law. This makes fuel more expensive. Additionally, in Northern California fertilizer costs will increase, but herbicide and fungicide costs will decrease and might cancel each other out, Eichner says.

Despite an increase in operating costs, Eichner says 2005 will be a good year because of the improving economy and additional members the club expects to gain.

"For 2004 and 2005, there is an upswing in the golf industry in northern California," he says.

But despite the optimism, there still is concern in certain areas of the industry. Mona says some superintendents in the North are trying to hire H2B workers but can't because there are none left. This is because people in the North prepare for their season later than those in the South.

"That is going to create problems," he says. "We have members that will be negatively impacted."

With all the emphasis on tighter budgets and hope that this year will be better than last, the GCSAA is encouraging superintendents to view themselves as part of a formula of success at their club.

"Our members are increasingly saying, 'I'm not only responsible for the course but

also the success of the club,'" Mona says. "We are encouraging them to do things such as help boost play and help increase revenue at their clubs. Superintendents are being encouraged to be more integrally involved in the business of golf."

"Golf is a very different business than it was 25 years ago," he adds. "It's different than it was 11 years ago, and a lot of it has to do with the changing world."

But it doesn't start or stop with superintendents. More and more owners are getting involved with growing the game, according to Hughes.

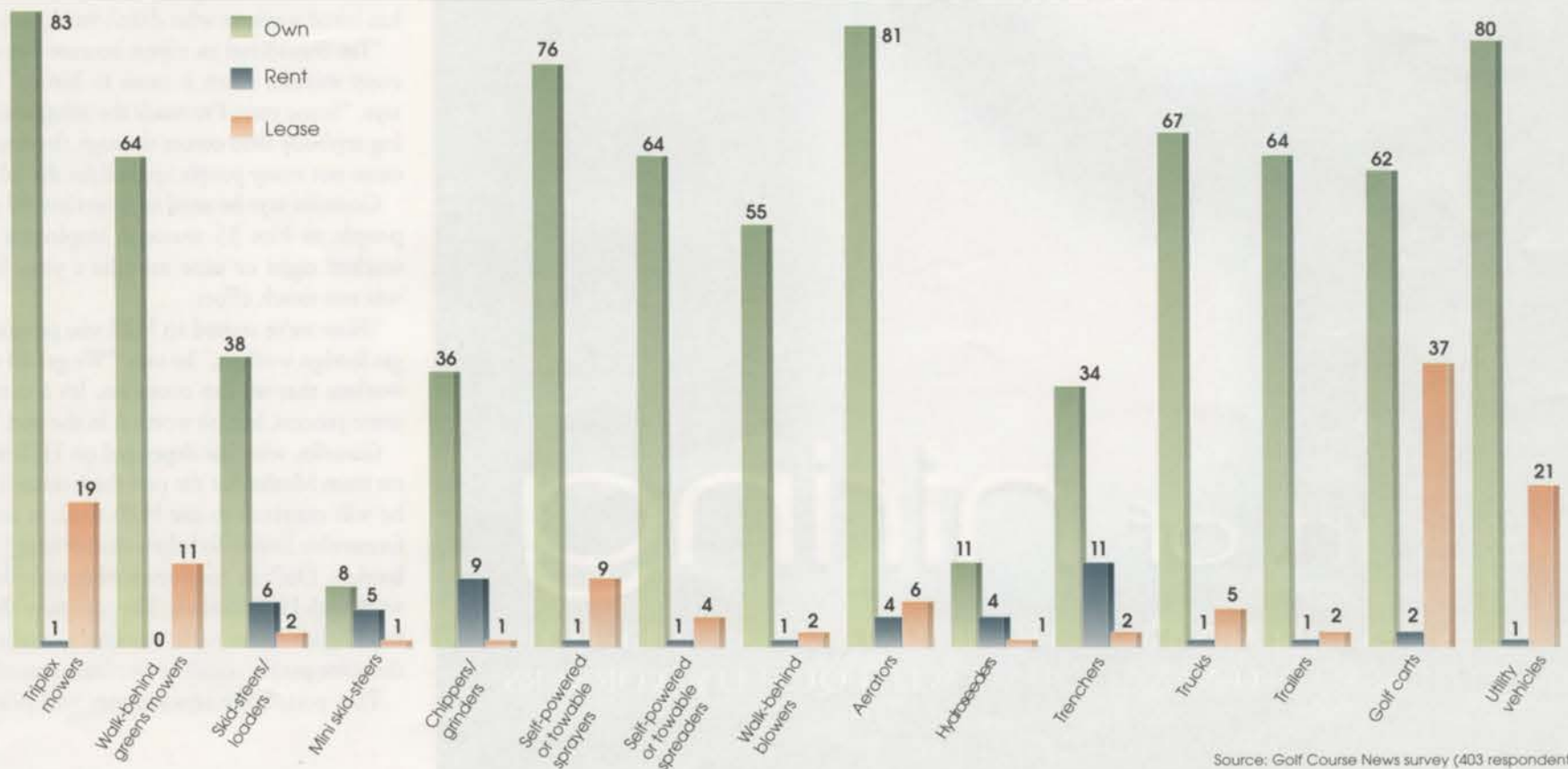
"People haven't fled the game in great numbers, but people are playing fewer and fewer rounds," he says. "Owners are producing programs to get more people out and play more often. These grassroots efforts are needed for a turnaround. There is no quick fix." GCN

John Walsh is the editor of Golf Course News. He can be reached at jwalsh@gie.net.

Visit www.golfcoursenews.com in the online extras section to read about why 2004 was a difficult year for some superintendents.



Do you own, rent or lease the following types of maintenance equipment?



Source: Golf Course News survey (403 respondents)

Many superintendents find it more valuable to purchase most pieces of maintenance equipment than to rent or lease them.

The art of hiring

SUPERINTENDENTS LEARN FROM THEIR MISTAKES AS THEY TRY TO STAFF THEIR MAINTENANCE CREWS WITH QUALITY WORKERS

by
**JOHN
WALSH**

Ask any superintendent what the most difficult aspects of his job are and hiring employees will be one of the first things mentioned. Hiring the right workers is as important as purchasing maintenance equipment, if not more, but is much more difficult.

Hiring people with the right skill sets and the right personalities is extremely important because they work as part of a team, according to John Gosselin, the assistant general manager at the 54-hole DuPont Country Club in Wilmington, Del.

"It's extremely hard to find the right help," Gosselin says. "There are a lot of good people out there, but finding and hiring them takes a lot of time and effort."

Hiring is the second or third most important thing superintendents do, according to Walt Wilkinson, superintendent at the public 36-hole Indian Creek Golf Course in Carrollton, Texas.

"It's extremely important to have the right chemistry, but it's difficult to do," Wilkinson says. "People who you interview tell you what they think you want to hear. Everybody wants to add their personal touch to the operation. I'm looking for efficiency and quality in the operation. That comes first."

Jim Loke, certified golf course superintendent and golf course manager at the 18-hole Bent Creek Country Club in Lancaster, Pa., has hired workers who didn't work out.

"I'm considered an expert because I've made every mistake when it came to hiring," Loke says. "Some years I've made the mistake of hiring anybody who comes through the door because not many people applied for the job."

Gosselin says he used to interview 80 to 90 people to hire 35 seasonal employees who worked eight or nine months a year, but it was too much effort.

"Now we've started an H2B visa program to get foreign workers," he says. "We get 20 to 25 workers that we can count on. It's a cumbersome process, but it's worth it in the end."

Gosselin, who has depended on H2B workers from Mexico for the past three seasons, says he will continue to use H2B workers for the foreseeable future. To help with communication barriers, DuPont employees who are bilingual work with H2B workers. The company also offers English classes to the workers. Gosselin says the same people usually come back annually.

This year, Loke says he, too, will bring in

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Photo: The DuPont Country Club

The DuPont Country Club likes to keep more people on staff to reduce overtime because it makes sense financially.

some H2B candidates from Mexico and is currently going through the process with the green chairman at the club.

"We are enthusiastic about it," he says. "The only red flag is that no one speaks Spanish, but they say one out of five workers will be able to translate both ways."

To fill out the rest of Gosselin's staff, he hires 10 college students from the area who aren't in turfgrass management programs, as well as retired people and people in between jobs from the area to maintain a good relationship with the community.

"Seasonal workers have limited benefits, and those are the hardest positions to fill," he says. "Full-time positions with benefits are easy to find. We carry 30 full-time positions in grounds and golf course maintenance. We have full-time equipment operators who have to be proficient on all equipment and have a good safety record. We always fill the operator positions with full-time workers."

For seasonal help, Wilkinson stopped hiring college and high school kids because school is lasting later and starting earlier and they end up working for only 12 weeks or less.

"I'm hiring contract employees as much as I can," he says. "Eight people are working on eight-month contracts, and 80 percent are foreign workers from Central America."

The interview

When interviewing candidates for a maintenance-staff position, Loke goes through an internal checklist with each. He starts by observing the appearance of an applicant, and looks at the neatness, clarity and detail of a

candidate's application. He also looks for preciseness, communication skills and style, and personality. Loke wants to hire people who are conscientious and determined.

Wilkinson asks candidates how they react in certain situations.

"If someone has experience in the field, I'm not asking where the start key is," he says. "I'm not looking for cowboys that want to hop on the equipment and go. I'm looking for someone who will take care of the assets that the employer has entrusted us with."

Wilkinson tries to give candidates as much of a feel for what they will do in a week on the job, and it's not the same thing every day.

"If they're looking for continuity at the work place, arriving early for work is the only continuity I can give them," he says.

Hiring assistants

Hiring an assistant superintendent is a more involved process. Loke's checklist is similar to the summer-help applicants, but there are more steps. He begins with the resume, cover letter and application, looking for clarity, grammar and detail, as well as for education and field experience.

Loke has at least two face-to-face interviews with an applicant for an assistant superintendent position and looks at the person's communication style, appearance, attitude, sincerity, intuition and willingness to work, learn and be managed.

"Is he able to lead and manage a crew, and is he someone who will become a superintendent in the future," he asks. "Will the person represent the industry and the coun-

try club in a responsible way?

"I'm looking for perspective," he adds. "Will they provide me new, insightful ways to do things, will the person intellectually stimulate me and does he have natural curiosity about the industry?"

Loke has an informal discussion about various topics with a candidate and then has him spend time with other members of the staff. He also goes through an assessment program generated by an outside company that determines energy level, truthfulness and the ability to answer SAT-type questions, as well as how candidates think through easy and complex problems.

"This test separates the four closest applicants," he says. "This assessment provides me with questions I can further delve into with each interviewee, i.e., behavioral situations, and focus on their strengths and weaknesses. It does a much better job than I can do."

Gosselin enjoys finding someone for a leadership position, such as an assistant superintendent, superintendent or mechanic, to make his operation better.

"It seems like we hire one or two leadership positions a year," he says. "We generally look for someone with diversified experience — someone who has worked at private clubs and public courses and has worked with small, medium and large budgets."

When interviewing for assistant superintendents, Wilkinson asks technical questions such as, "What's the difference between sulfur-coated urea and ammonium nitrate?"

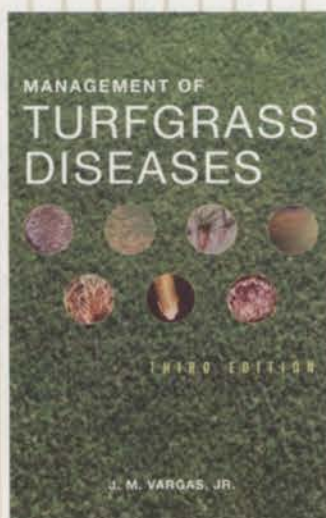
"I want them to understand the physics of the soil and the product they are putting down," he says. "They should be able to respond to people in the field. If they are asked



Photo: Indian Creek Golf Course

Matt Conrad is part of the maintenance staff at Indian Creek Golf Course in Texas.

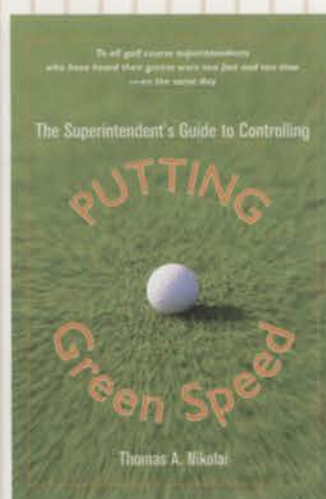
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J. M. Vargas, Jr.
ISBN: 0-471-47411-8, Hardcover,
336 pages, November 2004

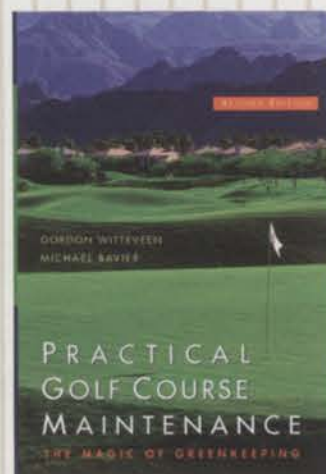
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Thomas Nikolai
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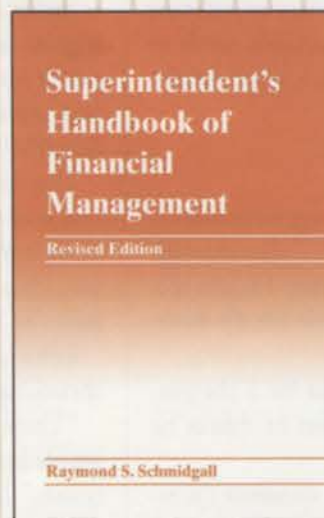
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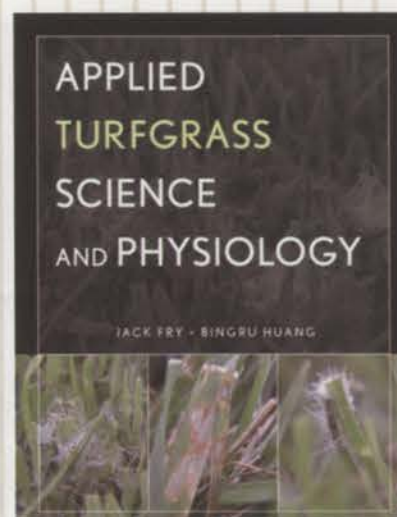
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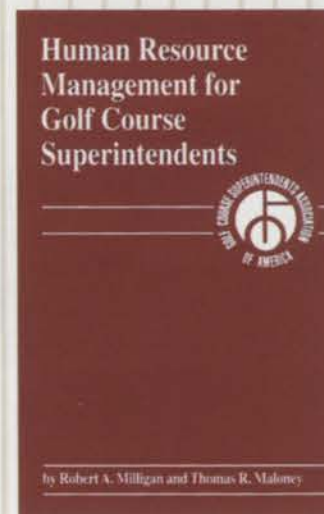
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what they are putting down, fertilizer shouldn't be the answer. It needs to be more specific than that.

"The golden rule with assistants is that I will hire attitude over skills any day," he adds. "I can train skills, but I can't train attitude, which is very important."

Wilkinson says sometimes he will pay a mechanic or a technician more than an assistant superintendent because a mechanic needs to be a good engine mechanic, a good welder and a good troubleshooter.

Lessons learned

Loke recommends other superintendents don't just hire anybody who walks through the door even if they're desperate. He also recommends not hiring someone for \$9 when he is accustomed to \$15.

One red flag Gosselin looks for is the person who's not willing to learn or thinks he knows everything.

"I like people who always question themselves and us," Gosselin says. "Those who claim to know it all tend to make mistakes,

and mistakes cost money and reputation."

Gosselin says it's better to have more people on staff to reduce overtime because it makes more sense financially. He also suggests not chintzing on a good superintendent's salary.

"Don't save \$5,000 or \$10,000 on salary," he says. "Get the good superintendent. It saves money in the long run because they make fewer mistakes. I would rather pay \$20,000 more for a good superintendent and take that money out of his budget, than to pay less for a superintendent who isn't as good and have that \$20,000 in the maintenance budget.

"I would rather have an ambitious, assertive and confident superintendent for three years and have him leave than have someone who does enough just to get by and is here for 20 years," he adds.

Loke says the labor pool in his area is shrinking.

"There were unique years in which we had ample bodies because there was less competition," he says. "We opened in 1993, and throughout the past 10 years, strip malls have been popping up and have taken much of

our resources. We can't compete against fast food restaurants that pay more and provide uniforms. We used to have 40 applicants per one opening, now we're down to five applicants per one opening."

Loke also likes a diverse work force.

"I have found that having a blend of age groups and sexes provides a chemistry that is very positive because there's a unique support system," he says. "For example, college boys don't like to be outperformed by older people and females."

One of the red flags Wilkinson sees when interviewing candidates is if they tell him they like to work outside and like to play golf.

"I won't hire them if they say that because that means they just want to take advantage of the golfing privileges workers have," he says. "It's a crapshoot. You can make bad hires. Some people I thought would rule the world and then they end up not making six weeks with us." GCN

John Walsh is the editor of Golf Course News. He can be reached at jwalsh@gie.net.



At Indian Creek Golf Course in Carrollton, Texas, superintendent Walt Wilkinson lets job candidates for the maintenance staff know they will be doing something different every day.

Photo: Indian Creek Golf Course

Design case study

Isleworth Country Club's golf course was transformed for the game of high-tech equipment and long hitters. It is now Florida's longest course at 7,544 yards, according to general manager Kurt Kuebler.



Photo: Isleworth Country Club