Pro Credit Appraisal Shows Better Method Need

By HERB GRAFFIS

OF ALL subjects on which one of repotorial temperament may write in a spirit of sweet Christian charity and helpfulness, credit undoubtedly ranks first. So, in this review of that interesting volume, "The Quarterly Composite Credit Report" of the golf club and ball manufacturers' associations there is malice toward none but a questioning unlift of critical eyebrows toward plenty.

The plot of this far too big book is carelessness. And may we make it plain even to our own good cash customers, the manufacturers, they rate about 50-50 on carelessness with the professionals. In the first casual look over the book one of the writer's acquaintance with pro personnel is amazed at the easily corrected wrong addresses to which pro bills are being sent. There is a deplorable lack of cooperation among the manufacturers in this respect, for most of the wrong addresses could be corrected inside of a week if the manufacturers' salesmen were instructed to religiously report on this matter and clear the information through the association. The number of accounts from $5 to $30 allowed to run six months or more after shipment indicates to this kindergarten student of business technique that something is sour with the collection methods. Although radio stores, sporting goods stores and other outlets in addition to pros are given on the tardy roll of the associations, the pros naturally constitute the bulk of the book, probably for the reason that the pros do the greater part of golf goods retailing. The accounts in arrears are divided on approximately the following basis:

Less than $100	47%
$100 to $500	36%
$500 to $1,000	11%
$1,000 to $2,748.39	6%

Tough Luck Plus Ignorance

This amount of $2,748.39, which is the peak on the credit list I examined happens to be owing six manufacturers by a pro whom I know. Now this fellow, I am satisfied, is honest but he certainly has not been reeking in luck during the last two years, and he has plenty of need of help in making him a retailer. He's improving fast and I wouldn't be surprised to see the October report show a decided improvement.

Since the association started to function on this credit list and since the able business pros, the P. G. A. and GOLFDOM started plugging on this credit situation there has been a vast improvement. More plugging and a complete clean-up is today's motto. Ben Johnson, secretary of the Golf Club Manufacturers' association, told the writer recently that his collection letter sent out in behalf of the club and ball makers last fall, brought in $50,000. To me that proved two things: (a) the boys would kick in when they had the dough, and (b) the manufacturers need to jazz up their collection work during the more active parts of the season. Johnson also spoke of the letters on credit rating the association got from clubs considering hiring pros. Some of the fellows who could not be reported on favorably undoubtedly had bills in dispute. It's to the mutual advantage of pros and manufacturers to get these wrangles ironed out pronto, and this investigator is inclined to think that there are a lot of such cases of debate, judging solely from the large number of small items shown in the report.

Pros Not Overloaded

As a general thing the amounts owing are not at all out of line considering the inventories necessary at the pro shops. We notice several cases like that of a young fellow in a pretty good club who owes $686.65 distributed among nine manufacturers. There may be some significance in such instances for they may mean that the boy is getting too little from each of too many manufacturers rather than a fairly good stock from whatever of a smaller group of leading manufacturers he decides to deal with. This is one of the puzzles of merchandising policy the pros are having to struggle with more and more.

As one goes over the list and considers the cases of individuals with whom there is a close bond of acquaintance, it becomes perfectly obvious that the credit situation in the pro business is not a matter of lack of business integrity but of a need for more business education and better accounting methods in the pro shop. Ed Conlin, secretary of the Golf Ball Manufacturers' association, told GOLFDOM's editor that the accounting forms presented in the U. S. Rubber book, "*Pros, Players and Profits,*" and designed especially for the pro, met with a warm reception and sale, although they were presented too late this spring to be used by many of the boys. That is an accurate indication of the pros' eagerness to get their operations on a business basis.

Is 2½ Per Cent Misleading?

The pro discount arrangement adopted early this year after conferences between the manufacturers and the P. G. A., has had its effect on the pro credit situation but whether or not the effect has been entirely beneficial some of the manufacturers doubt. The wise pro takes his 7% on the 30 day section of the agreement (which is in reality 40 days because the discount deadline usually is the 10th of the month following). He discounted his bills before and the new terms are just an additional reward for his customary merit. The 5% in 60 days helps a lot of the boys who are anxious to discount but are in clubs where stock doesn't move fast. The critics then state that the 2½% in 90 days is inclined to lead further astray some of the dilatory and careless ones, for if a fellow isn't paying in 90 days there is something wrong with his ordering and his way of doing business.

One of the manufacturers is making good use of this 7% discount by showing that it means 28% on the stock of his goods at a representative pro shop. This maker's bulletin reads:

7% AND WHAT IT MEANS TO YOU

Let us take the experience of Willie Brown.

Brown started the season March 1st with purchases totaling $250.00, which were discounted at 7% on April 10th. Meaning a saving to him of $17.50.

Brown made a complete turnover of his stock four times during the season, discounting all bills each time. This netted him a profit of $70.00, or 28% on a small investment of $250.00.

If it had been necessary for Willie Brown to borrow this money for the season, or a period of eight months his interest would have amounted to only $10.00, which would still net him $60.00 or more than the cost of a set of irons.

Are you going to take advantage of the 7% next year? All that is necessary is to set aside a small amount each month in order to create a fund, which will enable you to discount all invoices beginning with the start of the season.

Think it over—have you been getting everything out of the discount that is to be gained?

The 7% discount used by the smart pros who do a large volume of business has been responsible for hand-to-mouth ordering that has been driving the manufacturers dizzy in this record year of the golf business. The wise guy wants to keep his money working so he minimizes his slow moving inventory and depends on the factory for rush shipment for replacement of merchandise. In normal years that would have been O. K., but in this year's hectic day and night operation the leading manufacturers have rarely been able to keep up with the pace. Steel shafts coming in for a big play have eased the strain somewhat but the drag on the hickory inventories of manufacturers has been heavy enough and still kept the extensive plant facilities necessary for conditioning hickory in active use.

With the new ball in prospect, it is our opinion that the manufacturers have had hell's own time. A manufacturer would be loco to make and stock heavily a product that was going to be without benefit of clergy after the first of next year. But in the meanwhile a record demand for the current ball comes along. The new ball, so far as can be learned, has had such a frigid reception that there are close-up rumors of the U. S. G. A. already considering an alteration and then the ball makers can set themselves for another session of dancing with tears in their eyes.

Verily, it's a merry whirl, this golf business, for the manufacturers as well as the pros. When you get right down to it the pros and the producers are the least of each other's respective troubles.

FLAGS should be colorful and flag-poles brightly painted. Not only is visibility helped, but the bright colors add to the beauty of a well-kept golf green.