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P. G. A. Annual Meeting to Face Urgent Business Problems

WHEN THE Professional Golfers' assn. holds its 1932 meeting at Hotel Pere Marquette, Peoria, Ill., November 21-23, officials and delegates of the organization will spend three days endeavoring to hack out of the toughest business traps they have encountered during the entire round of pro golf commerce.

Pro business certainly has not been immune to the general disturbance and unsatisfactory condition of industry and trade, but when you take an extensive close-up of the pro situation you find that the pros are comparatively better off than other retailers of sporting goods have been this year. Whatever bright spots there have been in the pro picture have been of the direct making of the pros themselves. In the third year of the depression the pros for the most part have realized that defects in pro merchandising were primarily the result of a negative psychology. Many of them, despite the counsel of their leaders, got into the habit of thinking they were being "picked on" by manufacturers, players and other retailers.

When the boys threw that idea overboard and began working on a platform that considers the pro to be master of his own destiny, a definite improvement was registered. Manufacturers, recognizing the change, adopted strong policies in behalf of the professionals. "Off with the bellyache and on with the business" became the pro slogan.

Now let's see what the result of this change in spirit has been since it became widespread among the pros, for this betterment is one of the major factors that President Hall, Business Administrator Gates and the other officials and members of the association have as foundation for whatever advance of the pros is planned at Peoria.

Manufacturers' Figures

Testimony to the improvement in the pro situation is most impressive when it comes from the manufacturers' own records, so we give herewith a comparison of the delinquent account analysis set forth by the club and ball manufacturers' associations. The July 1931 report gave a total amount outstanding delinquent 6 months or more as $432,654.14. By July 1932 the report of this amount had fallen to $288,800.19, an improvement of 33 per cent in the amount. Pro delinquency fell from 88.19 per cent to 80 per cent in a year, an improvement of practically 10 per cent, whereas the dealer and store delinquency in a year went from 6.56 to 14.00 per cent, which simply means that the dealer credit picture, as observed directly by the manufacturers and set forth in their own figures, was 57 per cent worse than the preceding year's mid-season.

Judging from these figures, the pros have been coming on as desirable outlets while the other dealers are sliding back fast, for the manufacturers' report does not include delinquent reports from jobbers who do a considerable part of the business with stores. By far the greater part of the business with the pros is done direct by the manufacturers.

If these figures are accepted as authoritative—and there is no logical reason to believe that the manufacturers would withhold information tending to solve one of their most serious problems—then Charley Hall and his P. G. A. band can credit themselves with a marvelous achievement under the worst possible conditions. Pros are apt to be impatient and wonder if they are getting anywhere with their association work, but this financial showing plainly indicates progress.

Work Just Begun

It is very obvious to any professional who knows the first thing about the extent of the annual business in golf goods and about business operation that the July 1932 report of $288,800.19 delinquent 6 months or more is short of the actual figure of delinquents. As a matter of fact, reporting on a 6 months' basis of delinquency shows a financing strain on the manufacturers that can't be handled if a profit is to be made.

Competition in the manufacturing business has been responsible for credit looseness that finally has reached the point where any manufacturer who survives has to agree with other manufacturers that it is fatal business to increase the limit of pro or store indebtedness in 1933 to pros or stores who have not been able to show an improvement during 1932, as hard as 1932 has been.

That will mean the pro or store not being able to get good and attractive merchandise to sell will go out of business and in the pro case, with keen competition for jobs, the clubs are going to hire pros who are able to give the members what they want in the shops.

The retailers, both pro and store, will offer the excuse that times have been unusually hard in 1932 so they couldn't cut down their credit delinquencies. The manufacturers might reply that more private golf clubs made money during 1932 than during any other year of the past 10. They can point out that if a private golf club with its previous policies of casual operation can switch to an earning basis, the retailers surely should be able to show a sound basis for credit and pay off some of the outstanding accounts.

That argument could go on to no decision for an interminable time were it not for the fact that not more than 3 of the well known manufacturers in the golf field did any better than an even break financially this year and they simply can't afford to carry slow accounts.

As the manufacturers must deal through outlets where the bills are paid promptly, the pros and manufacturers are compelled to work together in getting the pro credit situation and volume of business improved to a status that will enable both of them to survive.

Returned Goods Pro Backfire

One phase of the pro-manufacturer relations that must come in for a great deal of corrective effort at the PGA meeting, and at the group session of pro and manufacturer officials, is the returned goods evil. Far too many pros who find themselves with unsold stocks of goods at the end of the season consider it O. K. to ship this material back to the manufacturers and expect to receive credit against the balances they owe. The manufacturers, who have sold on what they were confident was the usual business-like procedure of rim orders, find themselves with excess stocks of merchandise instead of the cash they need to finance winter manufacturing operations.

The back-wash of that merchandise must be disposed of at distress prices the first thing the following season. As pro grade stuff, it has a superior marketability. It has come back from the pros once so the manufacturer naturally sells it to some retailer who will pay cash for it, and keep it. This retailer then makes a drive for early season business at cut prices and takes away from pros sales that ordinarily would be pro shop business, if this costly ignorance of returning merchandise did not prevail too generally among the pros.

Consequently the returned goods costs the pros and manufacturers a share of possible profit that, according to GOLFDOM'S findings this fall, is disastrous.

It's like most of the pro's business problems in that it is tied up with the manufacturers' problems so intimately that both are losing money and opportunity. The pros and the manufacturers realize this; harmonious effort and planning between the two factors this winter is expected to reach an extent never before thought possible. If it doesn't, it certainly will be just too bad, and the pros can't stand the delay any more than can the manufacturers.