

How the Golf Pro Can Budget His Shop Purchases

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IN TUNE WITH the times, the golf professional is going to be forced to adopt modern business methods in his merchandising efforts if he is to maintain a high credit rating and make a financial success from his investment, labor and time. This is not the writer's idea alone, but the opinion of many successful golf professionals with whom he has come in contact during the past few months.

Factories in all lines of business are keeping their investments in raw materials down to a very minimum. Their owners must do this to meet the present day prices they get from their fabricated products. Low material stocks save large investments of money—not in stock alone, but in interest on tied-up capital, insurance, warehouse space, etc.

Small raw material stocks relieve certain sums of money for use in other branches of business, such as increased payrolls due to shorter working hours under the NRA; increased sales promotional work; production of new models and new lines; better service to accounts, and others. This same plan is followed out by successful wholesalers who also must keep stocks down to provide for rapid turn-over of investments. And, again, the same idea has permeated retail channels where stocks are more conservative than for two decades past.

The club professional, being the chief retail unit in the marketing of golf equipment and wearing apparel, can learn much from successful retailers in other lines of business.

Month to Month Budget Plan.

You would expect to find a soft coal heating stove on the floor of a cross roads country store in July—but not skis in a modern sporting goods store window in an

NOTE—The writer is indebted for the data for this article to loyal members of the PGA. Facts and figures used in compiling charts cover both the lean and fat years over the past decade—1923 to 1933.

up-to-date mid-western city during the same month. On the other hand, you should be able to buy light sweaters, linen knickers and other summer golf apparel in a good haberdashery store during the holiday season when the thermometer is floating around zero. What is the answer? Just good, sound merchandising, merchandising that can be adopted by any professional, anywhere.

"This does not mean," says one business man professional, "that we should buy from hand to mouth and waste all our profits on long distance calls, telegrams, C. O. D.'s and sales lost because of delayed shipments during the height of the season. This is not necessary."

In the central west, where golfing play generally starts in March and closes early in November, about 8 months are available for getting the volume of sales in golf equipment and wearing apparel. Figures

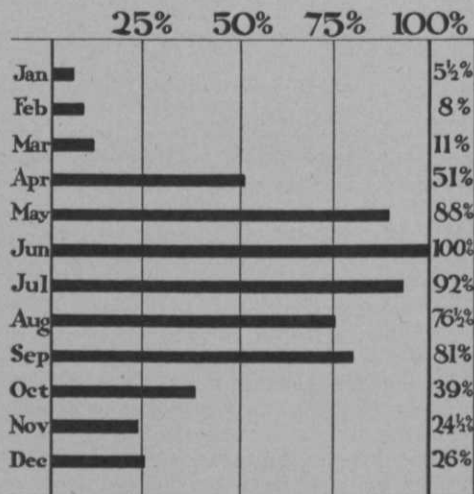


Chart 1—If your's is a Central West club, your sales of golf equipment and wearing apparel should parallel the above averages. June, the big-volume month, is charted as 100 per cent; other months are drawn in proportion to it.

BEST PRO-SHOP SELLERS BY MONTHS
January

Windbreakers, gloves, sweaters, woolens, balls, caps, bridge prizes.

February

Windbreakers, gloves, sweaters, hose, woolens, balls, caps, bridge prizes.

March

Raincoats, shoes, sweaters, hose, woolens, balls, gloves, clubs, bags, caps, tees.

April

Shoes, sweaters, hose, raincoats, balls, clubs, gloves, bags, caps, tees.

May

Prizes, shoes, clubs, balls, bags, hats, caps, hose, gloves, tees, tennis balls.

June

Shoes, clubs, balls, bags, hats, caps, hose, tees, gloves, tennis balls.

July

Balls, clubs, bags, hats, linens, caps, gloves, tees, tennis balls, half hose, shoes.

August

Balls, clubs, bags, hats, linens, caps, gloves, tees, tennis balls, half hose, shoes.

September

Balls, clubs, bags, caps, gloves, tees, tennis balls, half hose, shoes, sweaters, raincoats.

October

Raincoats, balls, bags, gloves, tees, clubs, shoes, hose, sweaters, caps.

November

Windbreakers, gloves, sweaters, woolens, balls, bags, caps, bridge prizes.

December

Miscellaneous holiday trade merchandise.

secured from many sources, carefully analyzed and charted, show, of course, that June is the peak month. Therefore, on Chart 1 it will be noted that June has been chosen as the 100 per cent month in sales.

July volume falls only 8% below that of June. Heavier preparations, then, must be made for June and July than for any other two months during the golfing calendar.

In further explanation of Chart 1, it would be best to point out one or two peculiarities that may not be readily understood by a casual observation.

Some may question the fact that September runs 4½ per cent greater in sales volume than the month of August. This is due, in the central west, to the fact that August, is the accepted summer vacation month, when play migrates from home courses to those of the resort sections in more northern states. Severely hot weather also cuts into golf play for those who stay at home.

Again, it will be noticed that April, the month of some stormy weather, exceeds that of October in "pro" shop sales. The reason for this is not hard to determine. The enthusiasm to lick "Old Man Par" is far greater in April than it is after the long summer battle. While October is a far more inviting month for golf than April, the course must share time and attention with football which is, during October, just coming into its best season.

December sales on the chart may look a trifle optimistic to even some of the fore-

most PGA members. Some professionals, however, are good merchandisers and go after holiday trade with printed circulars and letters, as well as telephone calls to some of the club membership who are known to be appreciative of Christmas suggestions for various members of the family.

Plan Easy to Follow.

Careful study of this chart lays out a purchasing plan that represents a fairly accurate guide to the purchase and sale of equipment and other acceptable pro shop items.

Goods in stock during the months of January and February would be without a doubt, the minimum carry-over from the previous season and any merchandise unsold to holiday trade.

It is true that all golf clubs have a limited number of all year-round players, perhaps 5 per cent of a club's membership. The number could be increased by professionals who stay at home and who are willing to try to promote more winter play on the many ideal week ends during the winter months.

For this limited number of players, it is absolutely necessary that the pro shop be equipped with shafts, grips, sweaters, windbreakers, gloves, etc., if the maximum yearly profit is desired.

As we come into the months of March and April, rain coats, shoes, woolens and new balls must be on display. From then on until cold weather again sets in, the

Set-Up For Model 200-Bag Golf Shop

In location of 100,000 to 250,000 population. Pro's salary and lessons not included. Figures are average per year over ten-year period, from fall, 1923, to and including summer play, 1933.

Income.

Club cleaning	\$1,039.00
Repairs	270.24
Clubs, balls, bags, tees, apparel...	5,651.65
Tournament trophies	194.50
Tennis balls	61.00
Candy and refreshments	406.25
Discount of invoices 2 per cent ..	69.77

Total income\$7,692.41

Expenses.

Labor, 1 man 9 mos., 1 man 6 mos..	\$1,170.00
Light and power	51.00
Miscellaneous	81.00
Caddies, pro. playing	82.00
Maintenance of equipment	60.00
Repair equipment	180.12
P. P., express, freight	18.60
Printing, supplies, postage	104.00
Ice	21.00
Insurance and PGA dues	114.75
Merchandise	4,238.74

Total expenses\$6,121.21

Net profit\$1,571.20

merchandising stocks must be complete in every detail of summer needs in order to supply the demand. Sales again taper off for the cold weather months with a conservative building up of broken lines for the holiday trade.

Arrangements can be made with manufacturers of equipment and wearing apparel for first of the month deliveries on all needed items in the shipment of future orders placed at any convenient time. For instance, complete orders can be made up in the fall for specified shipments the first of each month of the entire season, and these orders can be made subject to revision, either up or down. Or, orders would be acceptable placed approximately 30 days in advance for shipment the first of the following month.

Acceptable to Manufacturers.

Manufacturers look with much favor on this form of purchasing. Future orders, with a definite schedule of monthly shipments, allow the manufacturer to plan his production program better. They make

the professional better able to budget his monthly expenditures and eliminate the necessity of borrowing money to take care of an extra large invoice of goods shipped to him at the start of the playing season. The plan provides for taking care of merchandise accounts out of monthly receipts from sales and shop service, makes possible discounting the invoices and adding the earned discount to the profit column.

Following such a plan would mean a far better credit rating and would save the paying of some 6 per cent interest on borrowed money when only approximately 2 per cent can be earned by discounting invoices.

Chart 1 is so flexible that it can be made to fit sections other than the central west, for which it has been primarily designed. But those golf professionals in this central western section can accept Chart 1 as an authoritative guide on the percentage of merchandise sales during each month of the year and on the various types of merchandise acceptable and salable during each month. Following this plan has made possible turning certain past losses into profits for those who are now following it.

Profits From the Shop.

The same survey has made it possible to set up an income and expense estimate on what can be termed a model 200-bag golf shop. The figures in Chart 2 are the averages taken from a survey where reliable and authentic information, facts and figures were available.

The chart is self explanatory. It must be pointed out, however, that such a model 200 bag golf shop, to show the net profit indicated, must have the close personal supervision of the professional in charge.

The plan proposed in Chart 1 must be followed. The professional must not only supervise the purchase of acceptable merchandise, but must also devote his time to a part of the selling of his merchandise and his shop service.

This does not mean that the professional must force his merchandise on his players. Nothing can be more disastrous than the idea that because a player is a club member he must, perforce, buy from the pro. A little intelligent co-operation with members who buy outside would be far more successful than the "You-ought-to-buy-from-me" angle.

The professional who uses salesmanship in his work will not overlook the opportunity to treat players who buy elsewhere

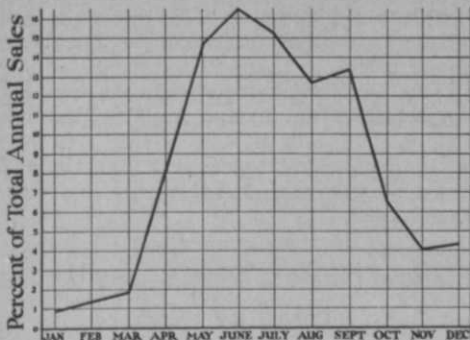


Chart 2—Use this chart as a guide when placing orders this fall for first-of-the-month deliveries of golf equipment and wearing apparel for 1934. It shows what per cent of your total annual sales you can expect each month.

with the same consideration as those who buy from him, because the man who buys a bargain "down town" has more regret regarding his purchase than the professional has regarding his loss of commission. And that player is always back in the shop again for his next requirements.

The professional who spends more time in working in his shop than he does in playing on his course will not overlook the opportunities of inter-member tournaments, locker room alley contests, birthdays of members of certain cliques, bridge prizes for clubhouse players, tournament trophies and Christmas trade—all of which are opportunities to increase profit.

Neither will he overlook the opportunity of carrying cheap balls and clubs, not for sale to good players, but merely as examples of the construction of such equipment and the fact that he can supply this class of merchandise at "down town" prices providing his players are willing to hazard a good game of golf to false economy.

Golf Seed Prices Due for Sharp Increase

COMPARISON of reports from leading suppliers of golf course seed indicates probability of increase in prices next spring, with one prominent factor stating that an increase is probable for the fall.

Golf clubs have confessed need for considerable seed to repair neglect of last few years, but await firmer financial conditions before buying. Observers believe

that when the buying does begin it will come with a rush.

Seed prices generally were at their lowest for many years this spring and have moved upward slightly. When the "New Deal" policies were set into operation, people who had money and believed seed prices were to mount sharply, bought rather heavily. Prices dropped off after this splurge leaving seed held by those who will hold rather than take a loss.

Small harvest, especially of the bent grasses, have made the market prices firm, but there is no buying demand at present. There is no bent surplus on the market to depress the price as there was during the previous two years.

A fair supply of Kentucky bluegrass and fancy redtop is on the market, both new crop and carry-over. However, both of these grasses are holding up in price. Kentucky bluegrass is generally conceded to be strongly held.

Government plan for withdrawal of several million acres from cultivation next spring is expected to effect grass seed market, as farmers may put considerable of this acreage to grasses.

Chewing's fescue and other imported grasses naturally have advanced in price by reason of the difference in exchange.

GREENKEEPERS HAVE EARNED GOLF'S TRIBUTE

By John MacGregor

President, National Association of Greenkeepers of America

Greenkeepers can pride themselves that their profession has made greater progress during the four years of the depression than during any other period in golf history.

We have had to seek out and command thriftily every resource of science. We have had to exercise every ingenuity of labor management to maintain our courses to the high standard we have taught our players to expect from American greenkeeping.

In the last four years we have learned that we can do what we used to think was impossible. This spur of necessity has been painful, but it has driven us ahead.

I believe that American golfers are beginning to appreciate the achievement of American greenkeepers in preserving and even advancing the fine condition of golf courses despite severest handicaps of weather, turf pests and diseases, and money shortage.

I am confident that when better times return the greenkeeper will receive the substantial recognition that generally has not been his reward in the past.
