

WHO IS GUILTY?

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**When Pro Credit Is Bad Club
Officials Often Are to Blame**

GOLF professionals, particularly those employed by private clubs, are faced with a peculiar situation as regards the collection of their own accounts and seldom has there been reference to their credit status being in part the result of the operations policies and character of membership at the pro's clubs.

A credit manager endeavors to be reasonable at all times in dealing with the golf professional and after listening to the tales of hundreds of pros as well as examining their accounts, I have been forced to the conclusion that their difficulties are divided between their own shortcomings as business men and, in many cases, the lack of recognition that club officials give the professional's problem.

What makes the pro credit problem most unusual is that where the pro does his own collecting from members, he cannot push collection of his accounts. Not being able to collect himself, the pro is inclined to get careless about paying his own accounts and ends up as a credit wreck, with his business future blighted and with discouragement in his heart. The only answer to such situations is co-operation of club officials in a discreet and considerate manner. That's the only way I have seen that will allow pros whose members are heavily in arrears on accounts to get back into the credit standing necessary to proper conduct of their business.

Therefore, I suggest that pros who have money coming to them on slow members' accounts show this article to their president and golf-chairman. They, being business men and sportsmen certainly will take interest and action in getting the pro squared away.

When a pro has to collect his own accounts a few members soon can run up charges that total several hundred dollars. This is the gross profit on a large volume of pro shop business—business that must be done in a limited market and in a limited season. A pro rarely can put such accounts in the hands of attorneys even after the accounts are long delinquent. These slow-pay members can start a campaign against the pro and

eventually run the pro out of his job. Pro jobs are hard to get—especially for the pro who may have a bad credit standing and who is after a job at a good club where the officials know enough about the golf business to consult the Sporting Goods Industries Clearing House at Chicago, where the pro and other retailer credit data is filed by all leading manufacturers.

Consequently a good man may stay on the job, getting farther in the hole and getting discouraged to an extent that seriously retards the good that a competent and fairly-treated professional can do for any club.

Help Must Come From Clubs

In such situations the club officials as honorable and experienced businessmen must admit that the pro's serious plight is mainly the responsibility of the club. In too many cases, the clubs have said to an applicant for a pro job; "Here's the job. It won't pay any salary and you have to do your own collecting, and you are expected to do this, that and so and so."

The outcome is that instead of clubs helping to make pros substantial businessmen and even more effective builders of the game, plenty of clubs have been directly guilty of handicapping the pros in an effort to establish higher standards in their profession.

What sticks out to me in many of these cases is that pro poor credit is one of the most certain signs of general poor executive operation of the club. Any club that lets its members get into its pro obviously hasn't the right kind of members for its own social prestige and financial good, and equally clearly, it hasn't the sort of executive supervision it should have.

My suggestion to club officials where the club has the pro pay his own accounts, is that these officials ask their professional no later than early July for a list of his outstanding accounts. If the list looks in bad shape, then the honest and diplomatic thing to do is for the club to take over the collection of the accounts. This will get payment and it will save the pro from

costly embarrassment he is reluctant to risk for the reasons outlined previously.

What to Do With Money

In some instances, I have been able to effect this turning over of pro accounts to their clubs for collection because I have happened to know credit managers of other companies, or other corporation officials who were executives of these clubs. These men have been shocked to learn how the pro who has to collect his own accounts at a private club is put on the spot by the nature of his position.

They take action in behalf of the pro, as any conscientious business is bound to do.

But what happens after the pro does get caught up on collections?

In the first place he's got to consider that all the money that comes into him isn't his. Out of approximately every dollar that comes into his shop for merchandise purchased from him, 65 cents belongs to the manufacturer from whom the pro bought. That other 35 cents is what the pro has to cover his cost of doing business and his profit—and to pay off something on past-due accounts, if he has any.

Pros have heard plenty about budgets at clubs. Much of which they have heard has been to their sorrow. But very few of the pros have gone to the extent of setting up their own budgets.

If you have kept books (and you're not a business pro if you haven't) it will be comparatively easy for you to segregate and add up your operating expenses for the past two or three years and then strike an average.

You have your assistant's salary, your own ball and playing equipment expense, your caddie charges, your travel to tournaments, insurance, association dues, advertising, shipping charges, supplies of various kinds and numerous other charges that you have to stand before a club or ball comes into the shop for resale; before a lesson is given or a club is cleaned. Add all those things up. If there's any doubt about what items you properly can charge to your cost of operations, charge it in. Don't lead yourself astray as have some pros who have cut prices on merchandise in the belief that they are meeting competition successfully but actually end up by doing business at a loss because they haven't figured in their complete cost of doing business.

If you have some accounts unpaid, make arrangements to hold something to pay

on them. There is no one of the foremost manufacturers of golf goods who won't go more than half way to help the pro get straightened out and become stronger retailing outlets, so you want to get in line for this co-operation by giving some definite evidence of your eagerness to work yourself out of the hole.

Sometimes this itemized list of your expenses will amaze you. Often it is a handy thing to show club officials because it gives them the true picture of what you are up against in merchandising for the convenience and assistance of the club's members. You might show your wife such a list so that she will see that of every dollar you take in on club, ball and other golf merchandise sales you are a very good and lucky businessman if you can call 15 or 20 cents of it your rightful, well-earned own. In a majority of cases the wives of pros are much better business people than the pros themselves, and the right sort of a girl can do more to straighten out a pro's credit problem than I, or any other credit manager can do.

The whole credit problem among pros is just as clear as the problem of shooting for the flag on a big green. What you are aiming for it to be paid up so you can call your profit and peace of mind your own, but you never will get anyway near that target until you get for yourself the true picture of your present position and your objective.

Pros are constantly and greatly improving as businessmen. I can remember, not so long ago, when a pro who happened to do a \$3,000 business one month at the start of the season back in the boom days, figured that since there were 12 months in the year he was in a \$36,000 a year job. He is a tattered, forlorn specimen now and out of a job, of course.

The pro business is nothing soft. It's not as soft as most club officials and a lot of pros think it is. The amazing part of the pro success is that they sell such a large percentage of the requirements of their limited markets at each club. Any store that would sell an equal percentage to the people it considered its market would be breaking all records.

And, again let me remind you and your club officials that one of the hard parts of the pro job is getting his credit in good shape. That's something that you, with the willing help of intelligent club officials can do a lot quicker than you imagine if you'll get busy on it.