

TO BUY... OR NOT TO BUY?

NAGA Convention Paper

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NINE YEARS AGO at Buffalo I first addressed the Greenkeepers' association on "The Education of the Greenkeeper", a subject I was given probably because the first scholastic course for greenkeepers was established at the then Massachusetts Agricultural College and it was my privilege to have founded that course. At that time I stated the course or education should be for greenkeepers and not in greenkeeping—there being a vast difference in the objectives. I said for greenkeepers because I felt that much information could be given to greenkeepers that would be helpful to them, particularly if tempered with the lessons of practical experience and with sensible interpretation of scientific facts.

During these ten years scientific research has discovered many helpful facts, and at the height of the prosperous era they were turned out prematurely and much faster than they could be absorbed. We are starting another such era. Unfortunately semi-scientific articles have been written that lack a practical background. The statements in these articles have been used by greenkeepers as panaceas and alibis, thus hurting both the writer of the article and the greenkeeper. In short, it is my opinion, based upon considerable observation, that for the time being we have reached the saturation point in scientific research in greenkeeping, because the sponge can't hold any more.

Golf club officials, green-chairmen and greenkeepers must put aside the idea that science can give them a panacea for their golf course troubles, and a robot to do the work. What golf clubs need in the next five years is a consolidation of the scientific facts now known, and a business administration of the golf club and golf course.

I can give you many mechanical, chemical, physical, and biological facts about equipment (if all types of golf course equipment are considered), or I can take one type of major equipment, the lawn mower, and spend two full hours showing

very important features. However to be consistent with what I have previously said, I can not do it. Furthermore, it is the business management of equipment that is needed.

What I shall have to say is with the kindest feelings toward equipment manufacturers and salesmen, and with a deep sense of appreciation of their great help in the maintenance of fine turf areas, and it is not my intention to advocate in the slightest degree the use of a less amount of efficient equipment.

Classifies Equipment In Six Main Divisions

Whether it be the dandelion knife or the eleven gang, high speed affair known as a modern fairway mower, equipment can be placed in one of the six following classifications.

- I. Entirely time saving.
 - A. Labor saving.
- II. Entirely for the improvement of cultural and playing conditions.
 - A. Playing conditions alone.
- III. A combination of I and II.
- IV. Neither I or II. (Just a gadget).
- V. A necessity, caused by strong desire.
- VI. Chairman ordered, or a chairman's whim.

It should be obvious that equipment falling within classifications I, II, and III has the possibility of being a sound investment for the club, and that if it falls within classifications IV, V, and VI there is a great probability that the club will not only be out the original investment but in addition an annual assessment either in cash, cultural condition or both. Therefore, would not an honest classification of a proposed piece of equipment be good business? If it fell within the first three groups would it not be good business to consider its purchase a business investment, paying for it in advance by an annual or

monthly assessment on the budget or planning for its replacement in a similar way?

Equipment Users Also Are Classified

It would not be right to classify equipment which can not verbally defend itself, without classifying the users of equipment. There are four simple classifications for them.

- I. Capable and careful
- II. Incapable and careless
- III. Having necessary auxiliary equipment and knowledge
- IV. Not having necessary auxiliary equipment and knowledge.

What is the annual cost to golf clubs and to the reputation of capable greenkeepers when a piece of equipment class IV, V, or VI marries with a user in class II or IV?

The purchasing of equipment therefore may vary in degree of profitableness because of the several factors. If this is true, a study should be made of those influencing factors as well as the classification of the piece, before making the purchase. This study and classification should be made in justice to the equipment as well as the purchaser, for misplaced equipment is often unjustly condemned.

Salesmen are instructed to make a study of their clients' requirements, and they do a good job. But they are human and when in doubt are too often governed by their enthusiasm and desire to make the sale. It should be remembered that the final decision is the buyer's privilege and responsibility.

I have said, if a piece of equipment falls in either class I, II, or III it will probably prove to be a profitable investment. True. But do not think for a minute that to purchase such a piece of equipment is to be all profit, for it is not. From the profits many discounts must be taken, as direct or indirect cash and from the cultural condition of the course.

To illustrate, let us suppose that the piece of equipment we are considering purchasing falls in class I. What are the credits or profits to be expected and what discounts must be taken?

Credits:

1. Time saved, converted into cash and totaled for the year.
2. Less fatigue, therefore better and more work.

3. Extra work performed in time saved.

Discounts:

1. Will time saved actually be available; does it come at desirable time of the day?
2. Will time saved be large enough to warrant change of job, or must some closely allied work be done?
3. Will familiarity decrease efficiency and lead to routine?
4. Will cultural condition of course be impaired? If so, cost of repairs and loss of cultural conditions must be deducted from credits.
5. Will there be any necessary alterations or additions made, because of purchase?
6. Are men capable of using equipment?

I am confident that you will add other credits and deduct more discounts as your own particular problem arises.

Let us now consider the equipment falling into class II. The improvement of cultural and playing conditions.

Credits:

1. Improved cultural and playing conditions.
 - A. Added club revenue and pleasure.
2. Probable lower maintenance cost.

Discounts:

1. Do conditions warrant use?
2. Is auxiliary equipment needed?
3. Are men capable of operating?

The above points are not theoretical; they actually exist and cause many of the hidden costs in golf course maintenance. Their sum total is large and the size of the total is either a credit or discredit to the course management. It is one of the yardsticks of good greenkeeping.

When and How to Care For New Equipment Cost

Equipment should be purchased, if after deducting all discounts there remains a credit in cash, or cultural improvement or both. No club can afford to be without it and means should be taken to finance its purchase. That is nothing new and it is very easily preached, but try to get the club to make the purchase. The chairman says, "I agree with you John, that we should have it but we can't buy it this year, we haven't the money," or, "All money saved this year must pay for the

new rugs in the house," or, "The deficit in the dining room must be met," or, "There will be a new chairman next year, I want a new trap at number 6 green, we'll use all the available cash for that."

One of the first, and probably the easiest steps toward the business management of golf courses is to change the method of financing the payment for equipment. I have written several articles on this subject and discussed it before many groups. My suggestion seems to meet with approval but few clubs have the courage to try anything new that is business-like if its adoption affects the clubhouse, or disrupts the sacred system of bookkeeping.

No maintenance budget should be expected to buy any equipment costing over fifty dollars, and no maintenance budget should be relieved from carrying the annual cost of the equipment. The practice of "special appropriations" for new equipment is unsound, particularly if the new equipment replaces a worn out piece. No one likes to be continually asked to buy something new, and in this respect golf club officials behave as human beings. No one enjoys continually asking for special favor; to do so lowers one's prestige and self respect. Yet the greenkeeper is obliged, because of custom, to increase his inferiority complex by being forced to ask for special consideration every time a piece of equipment is needed.

Budget Should Provide For New Equipment Purchases

Here is a common situation. A small club has averaged \$5,000 for its annual maintenance budget and therefore budgets \$5,000 for maintenance in 1936. Positively no more can be obtained. A worn out piece of equipment is replaced at a cost of \$500. Has not the annual maintenance budget been reduced 10%? What part of the maintenance is going to take the cut?

Usually this 10% cut is not even thought about and to quote—"it is absorbed in the routine management of the course." No normal greenkeeping gang can work extra hard enough to earn \$500 during the year, so the absorption is not complete. They might make up \$200 but the physical condition of the course must absorb the remaining \$300 which even if spread thinly over the entire course will have its influence and effect upon the conditions of the course and the future maintenance cost.

How much better it would have been for the club, if a portion of the \$500 had

been set aside from the annual budget each year, in anticipation of the purchase of the necessary replacement of equipment. If a sinking fund for the replacement of equipment is annually set aside from the maintenance budget, the maintenance program would not be disrupted and the establishment standard of condition could be retained, and reasonable improvement made. The expenditure of \$500 would not affect the maintenance in the least or inconvenience the club's finances in any way. The adoption of the sinking fund idea enables the greenkeeper to plan wisely, for he is assured the replacements will be made as needed.

Creating a Sinking Fund

How much should annually be set aside for the replacement of a \$500 piece of equipment? That is easy. First divide \$500 by the number of years the piece is expected to last. For example 10; \$500 divided by 10 equals \$50 annual depreciation. Second, what has experience taught about the annual repair bill? In this case let us assume 7% of the initial cost of \$35. Third, housing, insurance and taxes usually amount to approximately 2% of the investment; or, in this example, \$10. Therefore, \$95 should be set aside annually from the budget to create a sinking fund large enough to maintain the piece and replace it in ten years, all without affecting the actual maintenance budget. Good business would also add interest on the investment to the sinking fund, but if you will establish the sinking fund idea, I'll be satisfied and you can forget the interest.

Equipment is changing golf, golf course design, and golf course maintenance. I don't enjoy saying so but it appears to me to be a fact. No longer is it the general practice to design the trees, fairways and greens only for golf. They are designed for the equipment. If you doubt me, read some of the statements of golf course architects. Without going into detail as to the influence of equipment, I am glad to say that there is one governing factor that equipment cannot change, at least in this or the next generation. That is nature. The grass has nearly reached its limit of tolerance to abuse, in fact, it has already reached it in many places. Grass alone holds the key to the extent of the influence of equipment on golf course design and maintenance.