

Business Methods For The Pro-Shop

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THE business of operating a pro-shop is the same as operating any other business. The only difference is in the application of the routines of conducting the pro-shop.

In order to get business, you have to advertise, whether by magazine, newspaper, radio, direct mail, or by word of mouth. In advertising goods sold in a pro-shop, care must be taken that the advertisement does not attempt to sell too much, or else it will not be read. On the other hand, it must be clear, concise, and to the point, telling the average golfer why he should buy.

Pro-shops in this country are missing a great opportunity to sell golf balls, clubs, caps, shirts, socks and shoes to the members of the golf club by not using direct mail advertising. I doubt if there is a single golf club in the country that would refuse permission for the pro to insert a letter every month in the envelope carrying the member's monthly bill. And how many pros take the trouble to do that? I know once in a while they will get a brilliant idea that they should sell something and insert a notice in the mail going to the members, and then, perhaps, because the return sales were not great enough, they did not do it again.

Advertising to be profitable must be persistent, and the pro-shop that would get returns from advertising, must appeal to the members of a golf club continuously and consistently from the beginning of the season until the end of the season.

When business is bad, then is the time when the most money should be spent for advertising.

The pros have not yet begun to properly advertise their goods to the club members. Why? For the same reason that the average machine shop foreman, for example, is a first class mechanic, but usually he is not a good executive, unless he has been trained for a long, long time. The pro, undoubtedly, is good in giving

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lessons to the members, but when it comes to being a salesman of goods, instead of selling ideas in his lessons to the members, the average pro falls down.

Sales in the pro-shop correspond exactly to the sales in business. You have to get the order before you can do business, and a transaction of sale is never completed until the bill has been paid for in cash. How many pros realize this? And in this connection, let me tell you how Tam O'Shanter CC's pro-shop collects its accounts. The members have two methods of paying their bills:

1. In cash to the pro-shop at the time the merchandise is sold.

2. By signing a charge slip and having it billed to them on their monthly account from the club office along with their regular dues.

The first method of paying cash, of course, is sure to the pro. The second method of having the club collect the bill, instead of the pro collecting it, has great advantages. The pro does not have to incur the enmity of a slow paying member by continually asking him to pay his bill. The club takes care of that, and suspends the member when he does not pay his bill, which includes the pro-shop account as well as the dues, restaurant tickets, the liquor check, cleaning bills, etc. Of course, Tam O'Shanter club does not guarantee the payment of all accounts to its pro, but only pays the money collected from the members, but as I said before, a member pays all his bills or he is dismissed from the club; therefore, this method is almost 100% sure.

The golf pro who is selling minded as well as golf minded, has likewise, the same advantages over the pro in his neighborhood golf club who may be a poor salesman and wonders why his goods do not move, and what is the matter with

the members that they do not buy them.

A pro to be successful in his shop today must absolutely be selling minded, because he has to overcome two things:

1. The pressure from the city stores that are selling the same article, or an inferior article at lower prices, if the club member doesn't know the difference, and

2. The average club member's tendency to buy cheaper or better brands of merchandise than that handled by the shop.

With all the competition the average pro-shop has—drug store golf balls, unethical sporting goods shops—it's a wonder to me that many shops can make enough profit to even pay their actual operating expenses.

Silence Won't Sell for Pro

The following happened to me in our own pro-shop, before Bill Gordon's time. I was down on State Street one day. They were having a sale of balls. I bought a couple of dozen, took them to the club, and placed them in my locker. The very next day, I was telling one of our members what I paid for the balls and he said, "Hell, you can get them for less than that downstairs." To my great surprise, upon inquiry, I found it to be true. I told our golf pro at that time of the incident, and he said, "Well, I have not told many people about it." Perhaps that was one of the reasons why I was not a good member and went outside of the club to buy my golf balls, which too many golf members do all the time. But this is partly the pro's fault, in not meeting the competition of the outside. Many pros shrug their shoulders and say, "How can I meet price competition, when so and so sells golf balls, or golf bags, or clubs, at such and such a price . . ." But the enterprising, hard working pro who will study his market, is a good buyer, and gets out his bills, can meet the competition from outside sources.

In a talk at the University of Illinois, in which I discussed the subject, "What I Think About American Business," I made the following statement:

"If the average salesman actually worked and talked to prospects as many hours as a bookkeeper worked on his books, this country wouldn't have enough factories to manufacture the goods that could be sold. As close as I can estimate, the average salesman does not spend two hours a day, actually, selling his wares to the prospect. Do not misunderstand me. Good ones spend many more hours talking to prospects, because they plan

their work and they work a full day, but the average salesman waits until everybody gets the mail open, gets their work done, and then calls and tries to edge himself in."

Many employers complimented me on the above statement. Many salesmen have "cussed" me for the same words. It depends on who you are. I am telling you these same words, because they can apply to the pro just as well as to the travelling salesman. How many times do club members come into the pro-shop to buy something, find no one in there, and walk out without making a purchase. Of course, on the other hand, many members will take the trouble to hunt up the man working in the pro-shop and ask to purchase the article they desire.

Few people are good salesmen, and it is generally because they speak and act in the negative. Successful business men are those who think in the positive, speak the positive and act the positive. Some club members are easy to sell—some are very difficult to sell—and some are impossible to sell. The pro must be a good psychologist. He must know his club members well enough to know whom he can high pressure; and all selling is high pressure in one form or another, some of it is more cleverly concealed—that's the only difference.

Now, let me take up some of the routines of bookkeeping in the pro-shop, based upon actual experience of these routines in Tam O'Shanter's pro-shop.

A brief discussion on systems of bookkeeping for a pro-shop can only be confined to the more important records and procedures required to provide the pro the necessary control records, the profit or loss figure each month, and the data required by the various government agencies.

The necessary records are the following: Merchandise Received Record; Club Storage and Cleaning Record; Detail Cash Journal; Daily Summary Book; Cash Disbursement Record; Payroll Record; Member's Ledger (Accounts Receivable); Perpetual Inventory Record; and General Ledger of Accounts.

Merchandise Received Record.—The Merchandise Received Record is one of the most important records in a pro-shop and one often omitted from the system. It is very important to carefully check all merchandise received in the pro-shop and to make an immediate entry in a suitable book listing the date received; name

of supplier; quantity of each item received; and brand. Then the pro has a reliable record to check invoices from suppliers for quantities purchased and particular items, instead of relying on memory; furthermore, should an error be made by the shipper of the merchandise, there is an authentic record to check back to at a later date.

Club Storage and Cleaning Record.—The Club Storage and Cleaning Record is the most important record of the pro-shop for keeping the good will of the members. Club Storage often is also the greatest revenue source.

The record should set forth the date the member's clubs were received in the shop, listed numerically, i. e., first is given No. 1, etc. The rack number should coincide; the date storage charge was paid and the amount; date bag was saddle soaped; date returned to member, or placed in member's locker at the end of the season.

There should also be an extra record of member's clubs listed alphabetically as a cross reference to find the member's rack and record number.

Cash Register.—It is just as important for a pro-shop to have a good cash register as it is for the corner grocery or drug store. The register should have nine or ten keys for classifying cash receipts and charge business.

The first four keys can be used for cash transactions; letter A can represent cash sales of Merchandise, such as clubs, bags, balls, sportswear, gloves, ties, etc. (Items upon which a sales or occupational tax is required in Illinois.)

Letter B can represent cash sale of lessons, club repairs, club rental, etc., representing a service charge upon which no sales tax is required.

Letter C can represent cash sale of club storage whether monthly or for the season.

Letter D can be used for candy, gum, etc., or other items of a special nature not necessarily aligned with a pro-shop.

Charge business should also be recorded on the cash register and the following keys used:

E for charge sales of merchandise of the same classification as A.

F for charge sales of services as listed under B.

G for club storage.

Then there is necessary a key for received on account, a key for change, and one for paid out.

Daily Journal.—The cash register should be supported by a daily journal of all cash transactions. The reason for the detailed listing is to provide a record, by members, for posting the cash received for the club, cleaning and storage, also to provide a break-down of merchandise sales for inventory purposes.

All charge items are supported by the carbon copy of the charge voucher which the member signed.

At the close of each day's business the register is cleared and the tapes filed in envelopes provided by manufacturer.

Daily Summary Journal.—The Daily Summary Book is prepared from the totals taken from the cash register each day and it has columns corresponding with the register classifications; for instance: Column 1 would be headed Date; Column 2, Total Receipts; Column 3, A Mdse.; Column 4, B Lessons; Column 5, C Storage; Column 6, D Misc.; Column 7, Total Charge; Column 8, E Merchandise; Column 9, F Lessons; Column 10, G Storage; Column 11, Receipts On Account; Column 12, Mdse.; Column 13, Lessons; Column 14, Storage; etc.

The reason for segregating cash received on account to various classifications is also for sales tax purposes, in that the State of Illinois requires occupational tax on all cash collected for merchandise sold.

Cash Disbursement Book.—It is not recommended that a purchase journal be used; instead the pro-shop should be run on a cash disbursement basis. Accrued items at the end of each month should be paid as soon as bills are received and the checks dated back to the last day of the month and thereby placing the expenses or purchases in the proper month.

All money for merchandise should be checked with the Receiving Record to be certain that the charges are in order.

The record should preferably be a columnar book, providing for Date, Name, Amt. Paid, Mdse., Labor, Misc.

Payroll Record.—The State Department of Labor, as well as the Social Security Board, require that accurate record be kept of labor, on the hours or number of days worked, rate, amount paid, Old Age Benefit tax deducted, net check and Social Security number of employees. The totals paid out for labor on any day should be entered in the Cash Disbursement Book.

Members Ledger—Accounts Receivable.—As previously mentioned, there are two

methods of handling the billing of charges to members:

1. The pro can do his own billing and collecting.

2. The country club can bill the members for all charges made in the pro-shop.

In this discussion the second is considered. All charges on sales to members are listed and given to the club accountant for billing to the members along with the regular bill sent by the club. Collections are made by the club and remitted to the pro-shop on certain days of the month as agreed to between the club and pro-shop managements.

As collections are received for charge slips, the amount is rung up on the register under Received on Account and entered in the Daily Summary Book, segregating the various sources of receipts as explained under the Daily Summary Book.

When the club bills and collects, it is not necessary to keep an individual account for each member as the club keeps the accounts and they list, at the time of remittances, the name of each member and the amount paid by each; also the unpaid balances to be collected. A reconciliation is also furnished by the club along with each remittance, which reflects the amount billed for the pro-shop, amount remitted and the balance to be collected.

Perpetual Inventory Record.—The Perpetual Inventory Record can be either of two kinds; Card Record, or Inventory Sheets, both in columnar form to reflect balance at each inventory taking, whether weekly or monthly.

Each has its advantages, in that a perpetual inventory showing daily purchases and sales with the balance in stock can be shown on the Card Record, but not very satisfactorily on the Inventory Sheets. However, the sheets give an over-all condition of stock at a glance and are faster for checking inventory balances at the end of each week or month.

The keeping of permanent inventory records is important to correctly prepare a Profit and Loss Statement each month, also to have authentic proof of the stock on hand for loss by fire or theft.

General Ledger.—A simplified chart of accounts for the general ledger would reflect the few assets owned, Income Accounts, and Expense Accounts, as follows:

CHART OF ACCOUNTS

Cash on Hand
Cash in Bank

Merchandise Inventory
Prepaid Insurance
Unearned Income—Lessons
Unearned Income—Club Care
Sales Merchandise
Income from Lessons
Income from Club Care
Salary
Income Miscellaneous
Purchases of Merchandise
Labor Cost
Sales Tax
Insurance
Printing
Miscellaneous
Profit or Loss
Capital Investment Account

The monthly Profit and Loss Statement should consist of sufficient information to permit analysis of the pro-shop's operations, as for instance:

Sales of Merchandise.....\$1,000.00
Less: Cost of Merchandise Sold.... 700.00

Gross Profit\$ 300.00
Add: Income from Lessons..... 200.00
Income, Care of Clubs..... 300.00
Salary of Pro 100.00
Miscellaneous 25.00

TOTAL INCOME\$925.00

Operating Expenses:

Labor\$100.00
Old Age Pension 3.00
Sales Tax 30.00
Insurance 10.00
Printing 15.00
Miscellaneous 17.00

TOTAL EXPENSE \$175.00 175.00

NET PROFIT\$ 750.00

The pro-shop should have this Profit and Loss Statement every month for the seven months of April, May, June, July, August, September, and October.

Samuel Harlow Dies.—Samuel Harlow, father of Robt. Harlow, widely known golf publicist, died March 14 at Canton, Mass. He was 84. For 53 years he had been in the ministry. He was buried from the Congregational church at Canton where he had been pastor for 17 years prior to his retirement from active service several years ago.

Dr. Harlow was a graduate of Princeton's theological seminary. He was a true gentleman and a truly great man, the latter not by headline reckoning but by kindness and service to his fellow men.