# **Managers View Rising Costs**

# **By HERB GRAFFIS**

Rising costs of labor, food, liquor and equipment provided almost 500 country and city club managers with ample material for their clinics at the 19th annual convention of the Club Managers Assn. of America which was held at Hotel Pennsylvania, New York City, Feb. 16-19. The association reported a membership roster of 629 in 44 states and Canada and a healthy financial condition.

Despite greatly increased volume of house business at the clubs the rise in costs without accompanying revision of charges has the managers wondering how long they'll be able to continue operating houses in the black, a novelty most of them have experienced since 1940. Those clubs which have ear-marked funds for remodeling and refurnishing clubhouses are nervous about the funds being sufficient to do the desired job in view of the rise in prices. Drastic revisions in kitchens and food storage seem to be in prospect at many clubs, pressed by changing conditions in food service.

As usual, there was considerable discussion of food and liquor cost percentages, with food cost percentages reported ranging from 30% to 70%. Volume much more than quality varied. Smart chefs, equipment for economy in preparation and serving and watching the garbage can as a tipoff on waste, were noted as chief factors in controlling undue rise of food prices. Careful buying, of course, with receipt of foods carefully checked, was marked as such a primary essential that any manager who didn't have that factor well in hand was licked before he started.

Wastes, especially in serving members whose eyes are bigger than their bellies, were mentioned as calling for a revision in practice at many clubs. One manager who previously had been a chef said that he'd worked in places where they had more garbage cans than pots and kettles to cook with.

### The Vanishing Epicure

Managers themselves are pretty much on the epicure type with what's left of their digestions after the beating of long hours and worries and privately lamented that the epicurean standards of "the prominent clubman" have deteriorated. Members come in from the bar listing slightly to windward, sit down and tuck up their bibs and want to begin immediately packing away the grub. The time required for chef's artistry isn't allowed. However, the condition exists, and there is not much the manager or the chef can do about it except demonstrate their talents to the few surviving epicures among club members. Probably the best demonstration of what can be done in quick service of good food prepared in large quantities was put on for the managers by John L. Hennessy of the Statler-operated Pennsylvania, in the luncheons, dinners and buffet parties given by the association and suppliers. Hennessy, president and house chairman of the North Hills GC of which Erich Koch, CMAA 1946 president, is manager, hit an expert note of high type club and hotel food services in the Pennsylvania presentations.

Liquor costs were reported as increasing from 35% to 42% at country clubs. Some clubs are meeting the increases by serving smaller drinks. Varying prices charged members for the drinks made comparisons of costs between clubs virtually impossible.

Waiting lists exist at most clubs and one of the problems being discussed at many country clubs is whether to raise the initiation fee and cut down membership to numbers the course and clubhouse can conveniently handle or to do the best possible with the volume and maintain an available supply of replacements as long as the candidates' patience holds out. Consensus of the managers was that the initiation fees had better not be hiked. Managers also were concerned about the problem of getting more young people interested in their clubs for induction when the old guard wilts and departs as happened in the 30s and put numerous proud old clubs in precarious condition.

### Need More Young Members

Now desirable young men who are back from the war can't afford initiation fees and dues at metropolitan district clubs of the representative good grade and are not received with any cordial welcome on the crowded courses at these clubs. What to do 'about that is a matter of club policy rather than a managerial responsibility but many managers see in the condition a prospect of public and semi-public courses having a long margin over private clubs in years not very far ahead.

That point of making more of a play to the younger people and accenting gaiety in the spirit and operations of the private country club was stressed by Mrs. Dorothy Draper, noted interior decorator, who spoke on "Club Interior Decorating and Modernization." Dorothy made a lively and practical spiel, telling the assembled managers that the stuffiness and solemn old-style interiors of too many country clubs needed revolutionary treatment to put the members in a cheerful mood the instant they stepped to the clubhouse door. Mme. Draper has a lot of stuff on the ball as is proved by country club interior decorating jobs she has done, notably the one at St. Charles (III.) CC. Her talk, in full, will appear in a forthcoming issue of GOLFDOM.

Country club problems came to a sharp focus in the round-table conference presided over by John J. Pomeroy, Red Run GC, Royal Oak, Mich., and Pres. Erich Koch. Managers were very cagey about increasing meal prices even though food costs have jumped. Their general opinion was that increased prices could decrease volume too much. The club member and officials rarely have been adequately impressed with club prices being lower than hotel or restaurant prices for equal quality of food. As the club usually pays top prices for the best quality on the market it is operating at a comparative cost handicap in competition on a price basis with hotels and restaurants.

### **Higher Prices With OPA Out**

Government factors were discussed, especially costs of employees' meals as an element of pay determining social security payments, and the removal of OPA controls. Costs now are higher than when the OPA was operating, even though there were some "super-ceiling" prices paid during the period of OPA control for the very little superior grade meat that could be secured by managers.

As a repercussion of the address Prof. James Muldowney had made on "Modern Accounting Methods for the Club" at a general session, the country club managers considered the possible need of drastic revision of club accounting practices, from checking of supply receipts, inventory and use through chef, waiters and bartenders, to the members' billing. It was generally agreed that most club accounting methods are the same as were established years ago and are in need of considerable revision to bring them up to the altered conditions at the clubs and in keeping with the progress that has been made in accounting methods.

As might be expected, food accounting was prominent in this phase of the proceedings. Opinion was expressed that more emphasis on a la carte meals instead of table d'hote would reduce costs and that the higher cost items should be left off the bill of fare but kept in reserve for those who demanded them and were willing to pay necessary prices.

Reference was made to club directors not being clear enough in understanding and ordering whether the clubhouse is to make or lose money, or break even, and what the bar is expected to do in contributing to the effort to keep food prices down.

## Study Relations With Employees

Highlighted in the general sessions were the pressing problems of employee-employers relations with James McCarthy of the New York Hotel Assn. talking on the changes brought about by club employees getting away from the old European idea of apprenticeship to strong union regimentation and William L. Marsh of the City Bank-Farmers Trust Co. discussing "Bene-fit and Retirement Plans for the Club." Unionization, if there's clear understanding and acceptance by both sides of fair and mutually profitable responsibilities involved, is not by any means a deadly peril to clubs, McCarthy said, although it is one more complication in the operating problems peculiar to country clubs. Marsh outlined plans that clubs are adopting or considering in trying to attract and hold desirable employees.

Herb Graffis, editor, GOLFDOM, in his talk commented on the attention being directed to wage scale and working conditions of minor employees by unionization threats or necessity of "benefit and retirement" plans while no particular attention is being given to managers' salaries and working conditions. He noted increasing difficulty in getting good new men into the country club field and that sons of managers not often were following their fathers' careers but were taking the courses at Cornell and Michigan then going into the hotel or restaurant fields. Graffis spoke briefly about the general management trend as promoted by the desire of club officials to lighten their own heavy, unpaid labors for the clubs.

He said that the failure of the general management plans mainly were the result of inability to get teamwork which was caused by the general managers providing basis for the suspicion that they were to get any more money that was paid and to be bossy at the cost of any department head's own self-respect and responsibility. Where those faults had been avoided, whether the general manager had a house, pro or greenkeeping background, the general manager plan has been satisfactory, he remarked. He also said that club officials are apt to get a wrong picture of labor cost increases at clubs by considering only the gross figures and forgetting that fewer employees and a higher



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MANUFACTURERS & DISTRIBUTORS CHAMBERLIN METAL PRODUCTS 1466 W. Madison St.-2nd Floor CHICAGO 7 wage per employee figured in comparing statements of 1946 with those of previous years.

The convention was efficiently conducted by the General Convention committee headed by Eugene F. Sweeney, chmn., Club Managers of the City of New York; Joseph P. Tonetti, chmn., Connecticut Club Managers Assn.; William Norcross, chmn., Metropolitan Club Managers Assn.; J. J. Bond, chmn., New Jersey Club Managers Assn. and their committees, and the 1947 National Convention committee headed by Fred H. Crawford of Louisville's Pendennis club.

An interesting and active entertainment program for the ladies also was a feature of the convention.

## **CLUB MANAGERS 1947 OFFICIALS**

Pres., Erich G. Koch, North Hills GC, Douglaston, LI, NY.\*

VP, John J. Pomeroy, Red Run GC, Royal Oak, Mich.\*

Sec.-treas., Fred H. Bernet, Missouri AC, St. Louis\*

## **DIRECTORS FOR 3 YEARS**

Fred H. Crawford, Pendennis club, Louisville, Ky.; \*Kenneth Meisnest, Washington AC, Seattle, Wash.; \*Eugene F. Sweeney, Empire State club, New York City; William Sullivan, Aurora (Ill.) CC. (\* re-elected.)

TULSA SLATES 10G OPEN — Tulsa, Okla., will have a \$10,000 Open on its Mohawk muny course Sept. 18-21, sponsored by Knights of Columbus with Tulsa charities on a non-sectarian basis as beneficiaries. The KCs expect to net for charities \$5,000. Joe Dahlman, pro at the host club, was a prime mover in working up the event. With the veteran Joe, who is sec.treas, of the Oklahoma PGA, were its pres., Hugh Bancroft and Marion Askew, Oaks pro, as promoters of the event. A field of 300, including leading name pros, is expected.

