

Defects Show Up

# Lack of Good Management Hurts Development of New Courses

By HERB GRAFFIS

ONE OF the pro businessmen whose earnings from his golf club operations have exceeded the top figures of tournament golfers the past few years looks at the current boom in golf and says: "There is one glaring fault. Without exception every new course opens before it is completed. The result is that it never gets into first class condition.

"In many cases new courses actually aren't fit to play when they are opened," the pro continues. "Supts. of these courses have to perform miracles. They are the unsung geniuses who are the salvation of most of the new course ventures, especially the subdivision-golf course deals in which the promoters have made a good profit and are ready to move along when sales are slowing down. Then nobody knows who is going to provide the money needed for course maintenance and finishing the construction work.

## Inadequate Funds

"At the majority of the new courses supts., mgrs. and professionals are trying to please the eager members of new clubs and haven't funds adequate for the work," says the pro.

"Speaking from the professional's viewpoint, very few of the new jobs are worth tackling. The promoters are so hard up they are bleeding in every department. They've made promises that haven't been kept. In instances of large promotions, a quantity of memberships has been over-sold and quality undersold. That doesn't leave much of a market for pro services and equipment.

"Yet, although a pro as a businessman ought to know enough to investigate and

get the business picture at the new club there are plenty of fellows bidding for these positions where there isn't a chance to make much of a living."

Continuing, the pro says: "there never was a time in the history of the golf business when there was such a need for business knowledge to keep the growth of the game sound. Recently I spent four hours with the architect, supt. and general mgr. of a new club. The mgr. is financially interested in the club and wants to open it when it is only partially completed. Somebody figured wrong (or not at all) and the result is the deal needs fresh money desperately.

"I was called in by the architect, with the supt's knowledge. The general mgr. didn't know who brought me in although he was the one I was expected to help most.

## Where Shortage Lies

"We talk about the shortage of golf courses but we don't mention the shortage of golf business brains."

This professional is well known for his bluntness as well as his financial success. Maybe he is inclined to be a bit too critical of the planning and management of many of the newer clubs, but there are points in his observations and warnings that are going to make some men wealthy in the golf business and result in the bankruptcy of others.

This critic is right (according to our observation) about new clubs opening too soon. Soil preparation programs and complete watering systems often reduce the time required for getting a course into satisfactory playing condition but the calendar can't be squeezed in getting turf on

any country club golf course.

In smaller towns, practice ranges and greens keep the members interested. Small town golfers don't expect the superlative condition that metropolitan district golfers expect for their money on a new course.

### Forced Club Opening

The premature opening usually is forced by poor financial planning and an impractical membership plan and solicitation.

Already some danger spots in a few of the new club plans are showing up. Among these flaws are:

- Sale of too many memberships. With a big increase in women's play, an 18 hole private club course with 500 or more family memberships is bound to be as crowded as any heavily-played public course.

- Sale of too many "life" memberships. This class of membership reduces the annual dues revenue that a club has to have.

- Skimping on course construction so any sort of a course can be put in and bordering lots sold. Already this skimping is calling for correction. If the subdividers haven't got the lots sold they are paying the reconstruction costs. If the subdividers have sold enough property to pass the course and its troubles along to the property owners, the latter has an expense that wasn't contemplated.

- Lack of adequate equipment, materials and money to care for the new course and bring it into first class condition.

### Lack of Management

But most of all, the lack at the new courses is competent planning and management. This shortage is no novelty. In the '20s when there was a big golf boom going, and the same sort of golf course-subdivision projects born that we are seeing started by the hundreds during the current periods of golf development, the failures were due to lack of qualified management with only a few exceptions.

Lawyers and real estate men are most prominent in current club promotion operations. A few pros have small speaking parts as "advisors." In only two of these cases that we know of were the "advisors" acquainted with the financial situations of the projects. In both cases the deals weren't getting along too well and the pros were called in to help get operations stabilized.

There are several cases of big financial interests being engaged in subdivision-golf operations. Tax-wise these deals are attractive to wealthy men. The weak spot is shortage of competent planning, management and operating personnel. One

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### Foundation to Move Offices

In September, offices of the National Golf Foundation will be moved to the Merchandise Mart (Room 804), Chicago 54. The new phone number will be WHitehall 4-3564. The Foundation is moving from its present location at 407 S. Dearborn st., Chicago.

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big money interest has selected a golf club development organization to handle its golf-subdivision investments.

### High Pressure Sales

Membership sales campaigns puzzle many new clubs. High-pressure selling jobs by commission salesmen rarely fit the requirements of a good private club built for a rather select membership. The answer to the membership sales problem, like the solutions of other problems of the new clubs, lies in business management that can plan a membership sales campaign and get the members to work on it.

The owner of a large piece of land in a metropolitan area told us that in looking for someone to convert part of the property into a golf club and operate it he wasn't able to get anybody he thought was qualified to do the job. However, he could find several persons qualified to sell building sites bordering the proposed course. This property owner has been president of a prominent golf club. He said:

"Golf business education, such as it is, is specialized to the degree that I can't get a man to build and run a golf business.

"I can get good men for building and maintaining a course. I can get good men for teaching and running a pro shop. I can get good men for running the clubhouse.

"But what I can't get and want is a man to prepare a financially sound plan for a club, who can organize and supervise a financially sound plan for a club, who can look at a monthly statement and see just where the operation stands and what is needed, who can decide what publicity is needed and direct it, and who can get the right men for building and maintaining the course, the clubhouse and the pro department.

"I've come to the conclusion that golf club mgrs., supts. and professionals need to know more than most of them do about the overall picture of club financial operations and the operations of depts other than their own."