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GOLFDOM

Consultant describes chaos that can result when authority is divided and nobody knows what the other member is doing

Talent Available for Reorganization But Coordination May Be Lacking

By LORNE A. CAMERON

Each of the 621 new private country clubs opened for play in the last 10 years started with an important factor in its favor — the embryo membership knew it needed expert help to gets its project successfully underway.

Not all succeeded in getting the help needed in anticipating and overcoming the problems involved in a new club venture. But they knew there would be problems and so they moved with caution, seeking out advice and help wherever available.

This is not true of the older club faced with the necessity of reorganizing, rebuilding or expanding because of overcrowded or obsolescent facilities.

Older clubs are psychologically reluctant to admit their need for competent professional help and to seek it out. The average membership usually includes some astute businessmen, attorneys, financial experts, contractors, etc. — all the talent obviously necessary to accomplish the re-

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organization or reconstruction of a club. Why indeed, then, should they go outside for help?

The sad fact is, as someone once so succinctly put it: "The country club is everybody's business — and nobody's business!"

Can't Afford Time

Rare is the private club member who can afford to contribute the time and real effort required to effectively apply his specialized knowledge and experience to do the job as it should be done. The member who does allow himself to be inveigled into, or himself proposes to take on the job as a regular business deal for a fee, soon discovers that he and the club have a poor deal on their hands.

It is unfortunate that too often a membership of successful businessmen will lay aside its collective good business judgment and common sense in tackling a club project on its own. Certainly, all the separate skills involved in planning, organizing and operating a private club are similar to those employed in business. There

About the Writer

Lorne A. Cameron is a graduate of the School of Hotel and Restaurant Administration of Michigan State University and has returned to that school on many occasions in recent years as a guest lecturer. He has specialized in club management and development in the capacity of resident manager as well as consultant to some of the nation's leading country clubs. He is president of Golf Club Management Co., which he formed in association with other golf club development specialists. His headquarters are at 75 East Wacker Drive, Chicago, Ill.



is one important difference: These factors all come together and operate in a unique pattern foreign to the normal experience of a businessman.

Insurance Fell Short

A few years ago we were called in by a substantial 400-member Midwestern club to rescue it from a situation into which it had worked itself in rebuilding its clubhouse. The old building had burned down and the directors immediately proceeded on their own to plan and contract for a new structure that eventually cost them \$550,000. This was to be built with the fire insurance money that they had not yet received.

Not having had periodic appraisals made on the old building during its existence, they had no real idea of its true worth. When the fire insurance settlement was made it amounted to only \$250,000 — far short of the club's optimistic guess.

Several committees were formed to work out ways and means of financing while the building committee proceeded with the new plans as agreed upon. The member-expert on food and beverages was a local hotel man and he was assigned to that department. By the time he was through they had four dining areas with total seating accommodations for 600 diners — for a membership of 400!

Ah, Those Deals!

This same food and beverage expert made some wonderful "deals" for the club in obtaining equipment and furnishings. For example: The club purchased table service for 500, including 500 silver 'supremes.' (a 'supreme' is the bowl-like piece that carries the liner containing the shrimp or fruit cocktail served at dinner.) The dishwashing section of the kitchen couldn't handle 500 supremes in less than an hour!

Five Different Directions

Although the dining areas could accommodate 600 people at a single seating, the kitchen and other service facilities were set up to serve a maximum of 250 diners at any one time. However, because the expert's connection in the hotel supply business enabled him to get the larger quantities of equipment at only cost plus 5 per cent, he bought double.

There were five committees operating simultaneously and trying to keep the club operating while rebuilding was going on. All five ordered materials, equipment and supplies on their own, but no one person or committee seemed to know what the others were doing or buying. Everyone seemed to take it for granted that the insurance money would take care of everything.

Looked Good on Paper

It was the hotel man who called me in, saying: "We're in real trouble and we need help. It's all my fault and I'll pay you to straighten us out!"

I spent my first three days on the site checking everything out. The project was too far along to change its physical make-(*Continued on page* 90)



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Coordination May Be Lacking

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up. I had a session with members of the finance committee who proved to me, on paper, that they were \$45,000 in the black at that point. An audit of the records, the mortgages, a small loan, accounts payable that were 90 days behind — all added up to their being \$90,000 in the red. We had to find a quick new source of income.

Fortunately for them, this group had over-built on a location that was unusually convenient to the downtown center of their city which, at that time, had a population of over 250,000. The natural solution was expansion of the membership to produce added income in dues and patronage of the clubhouse facility.

First we set up a budget and strict con-

trol for the operation and then proceeded to expand the membership In 2½ years . the membership went from 400 to 970. Fifty new golf members were admitted; the balance was in other classifications of membership, primarily 'social' members.

Orderly Expansion

Under the controls we had set up, the expansion was accomplished in an orderly manner. Each new block of members was admitted only after we were fully prepared to accommodate them with expanded service and food and beverage inventories. Today the club is in a very healthy financial position. While the golf season in that particular area normally extends only from March to October, the clubhouse is a busy 12-month operation.

Among the many changes we made and we examined the smallest detail for possible added income potential or costcutting — was to put the accounts receivable on a current basis. The club had been running as much as 90 days late in billing the membership — and every businessman knows that the first to send out his bill is usually the first to be paid. By putting the receivables on a current basis the club was able to buy on a cash basis.



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Bitterness Develops

These were just a few of the unnecessary problems encountered by this club. There were many other complications and mistakes that had to be ironed out, and there were many trying days and nights of heavy argument and bitter exchanges between executives and members of the board. People who were good friends of long standing at that club still aren't talking to one another because of some of the things that happened. Today these people have an excellent club — one of the finest operations in the Midwest. But some of the acrimony has yet to wear off among those who were involved.

This group could have arrived at the same result more smoothly, and at far less cost in money and heartache had they proceeded in the same way in which any one of its businessmen members would have gone about attacking a similar problem in his own business. No one of them would consider making any kind of trip without first obtaining a map, deciding on a destination, selecting the most direct and economical mode of transportation, estimating his time of arrival and determining in advance what the trip would cost. Yet these people didn't even have a road map!

Special Knowledge Needed

Golf Club Management was originally set up to meet the growing demand for the special knowledge, skills and experience necessary to organize and build new clubs and to get them successfully started on sound financial footings with a minimum of time and money wasted.

We are a team of specialists equipped to go in, study and report on the feasibility of a private club in any area. If the report is favorable and is accepted by the initial group, we proceed with plans of organization, financing and operation and consult with the club attorneys on the corporate structure most favorable to that particular group.

We consult with the land planner (if real estate development is to be included in the overall plan), with the golf course architect and the building architect, with decorators and suppliers. We negotiate with contractors, we screen and negotiate with key personnel for the operation. We furnish supervision during the construction phase of the course and the clubhouse and, finally, set up operating budgets, policies and procedures and put them into operation.

In many cases we maintain close con-, tact with the new club in a consultant

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capacity to the board of directors or owners, and periodically audit the policies and operation until both the club and we are satisfied it is firmly established.

Flexibility Emphasized

Because no two club projects are exactly alike we must be flexible in meeting the demands of any situation. Recently, we've greatly expanded this flexibility to include service to the type of club described above — the older club facing reorganization, reconstruction or expansion to meet the requirements of changing times and memberships. In some cases we've been forced to furnish managers for the operation under our direct supervision.

Competent professional help in every phase of club development is available to any club — new or old — that wants it, but it should be called in before the club makes any committments in order to achieve the best results possible at the most reasonable cost to the club.

Applies to Tax Lockers

According to the Chicago Dist. GA, any charge by a club to its members for use of a locker for more than six days comes within the meaning of dues and is subject to the 20 per cent excise tax.

Smith's Mountain at Lakeview

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You would think that in the first two or three years Carl Smith was at Lakeview, he had torn up and retooled, or built from scratch, enough things to last a lifetime. But he wasn't through vet. Next came the greens! From 1958 through 1960 he rebuilt, resodded or switched sod" on every green on the course. Those on the lower level had been weakened by the recurrence of wilt in addition to insect and disease attacks. The high side greens generally had held up quite well, although desiccation had taken its toll. Besides this, Smith wasn't satisfied with the surface drainage on most of them. The upshot is that there was a complete shakeup in the Lakeview putting surfaces in those two years.

Rehabilitation Needed

So that you don't get the impressionthat the Morgantown greenmaster scorns the other fellow's handiwork and takesa kind of fiendish delight in tearing it up and re-casting it, the following things – should be kept in mind. There isn't much doubt that the new Lakeview course, with its deficiencies in the valley as well as on the hillsides when Smith took over +

Golfdom