



Frank Hungate (left), National operations manager and Roy Teters, superintendent at San Geronimo, inspect soil for practice putting green immediately in front of new clubhouse.

Managing from the ground up

*California entrepreneurs pick all team members
when they "National-ize" golf courses.*

By DON CURLEE

Can golf courses be mass-managed profitably the way the Hilton and Western International chains manage hotels?

William W. Saunders, a successful Honolulu attorney and former President of Oahu Country Club, believes they can—and he's doing it. His National Golf Courses, Inc. is not yet in the same league with the major hotel chains, or even most of the smaller ones, but it is operating five championship courses on the West Coast (two in Portland, Oregon and three in California) and is gearing up to take on more.

Like hotel management firms, NGC

takes advantage of volume buying, standardizes on efficient operations, and heads off costly maintenance by anticipating it or detecting it early.

To attract NGC interest, an existing or planned golf course must meet three basic location requirements: draw on a population of at least 50,000 per 18-hole golf course; be near a metropolitan center, and have the services of a jet airport in the general area. The golf course population level avoids locales that are overbuilt with courses. The metropolitan area insures a steady demand for golf and means that land costs are high enough to keep

competing courses from springing up at the drop of a handicap. The air service is another indicator of the community potential and eases the commuting problems of Saunders and his staff.

"Too many people go off half-cocked in choosing a golf course site," Saunders says. "They look for a beautiful spot and nothing more."

Saunders and his associates have turned thumbs down on courses that fail to meet their criteria because they don't expect to perform miracles. But they do expect to make a paying proposition out of some courses that are long on potential but short on management know-how. In doing so they may establish some practices that many individually managed courses can adopt.

The courses they operate now are Colwood and Meriwether in Portland; Sonoma, about 50 miles north of San Francisco; San Geronimo, about 25 miles northwest of San Francisco, and the former Peppertree Country Club, Corona, Cal., now known as Corona National Golf Course. All of them include National

Golf Course as part of the name.

It takes more than rules of thumb to make paying propositions out of golf course operations. As Saunders sees it, one of the most important areas is personnel. "Most golf courses operated for profit are the first experience for the owners" he says "and they have no yardstick for measuring performance or qualification of their key employees.

"We strive to attract experienced personnel and then to assist in shaping their decisions by pointing to the success or failure of similar policies at our other courses. Efficient utilization of labor is of paramount importance," Saunders says. As an example, NGC clubhouse managers will operate with much smaller staffs than normal. Each one must be a competent bartender or chef in his own right, and willing to apply his skills.

Is it difficult to find this kind of versatility in a clubhouse manager? Some might think so. However, when a newspaper ad was placed to fill the San Geronimo clubhouse manager's job early this year, more than 90 replies were re-

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Attractive furnishings of pro shop at San Geronimo complement arched windows and other architectural features of clubhouse. Car storage and repair is located below pro shop.



MANAGING

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ceived. Saunders found that the difficulty came in having to turn away 89-well qualified men.

Surprisingly, the reason cited by most for wanting to make a change was their dissatisfaction working for unprofitable clubs, where services were provided for the pleasure of members but not necessarily for profit.

NGC takes advantage of this profit orientation by offering its clubhouse managers a percentage of the food and beverage business. This way they are more interested in serving food and drink, or both, than in asking for additional help. It's a big step toward keeping overhead costs under control.

Professionals in the NGC organization have a similar profit motive through operating the pro shop for their own account. The pros own their inventories and keep revenues from lessons, club and pull cart rentals, and a percentage of electric cart revenues. They give a small percentage of sales to National in ex-

change for the parent company's furnishing a handsomely fixtured golf shop. The pros receive modest salaries, and handle starting chores plus daily maintenance of electric carts. Thus, a prosperous golf course and a high volume of pro shop sales, rentals and lessons go hand in hand.

A profit-oriented policy club managers like at NGC is elimination of dinner menus, except for banquets and other special occasions. "As a tax-paying entity, we can take all the banquets we can get," Saunders says. He explains that most clubs operate the dinner menu at a loss, and he thinks most of the NGC courses can avoid it.

First opportunity to reduce the size of the operating staff comes at the design stage, one reason that Saunders prefers to have NGC in the deal before any plans are drawn.

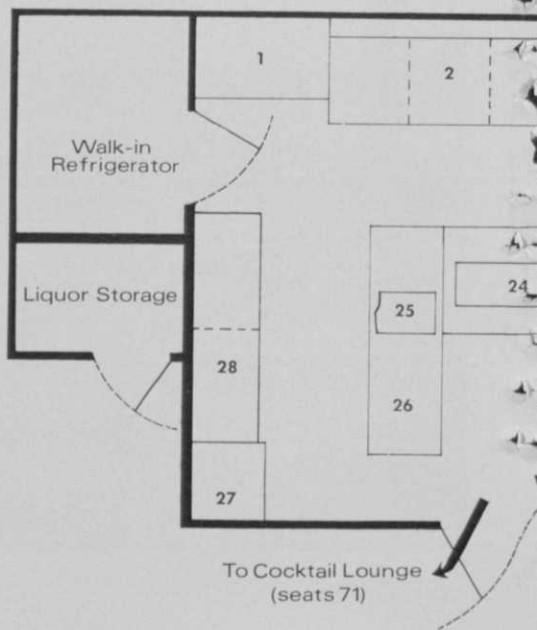
One existing course failed to measure up on this count, and although the club met most of the other requirements, NGC turned it down.

Saunders cites the building layout at San Geronimo National clubhouse as an



Don Caseldine, club manager at San Geronimo, inspects steaks to be cooked for one of the banquets which club encourages.

- | | |
|-----------------|------------------|
| 1. Freezer | 8. Dish Washer |
| 2. Ranges | 9. Disposal |
| 3. Fryers | 10. Scrap Table |
| 4. Broiler | 11. Soiled Table |
| 5. Refrigerator | 12. Cart Space |
| 6. Pot Sinks | 13. Water & Ice |
| 7. Clean Table | 14. Sink |



example. "The kitchen is laid out for fast mass feeding," he says, pointing to the freedom of movement allowed by the floor plan which was calculated to avoid conflicting traffic patterns by workers in the kitchen and those going to and fro.

The third major personnel area is golf course superintendents and their staffs. Frank Hungate, Meriwether's golf course manager since 1962, selects and indoctrinates golf course superintendents at new courses. He finds that a sound knowledge of the fundamentals of turf grass management instills pride among the workers. He urges them to diagnose and solve turf difficulties in the nursery whenever possible.

Where most courses operate with 11 or more maintenance employees, Hungate expects the typical NGC operation to function smoothly with the superintendent and a year-round average of six well-trained men. Obviously, this plays a big part in reducing the part of the operating budget devoted to labor.

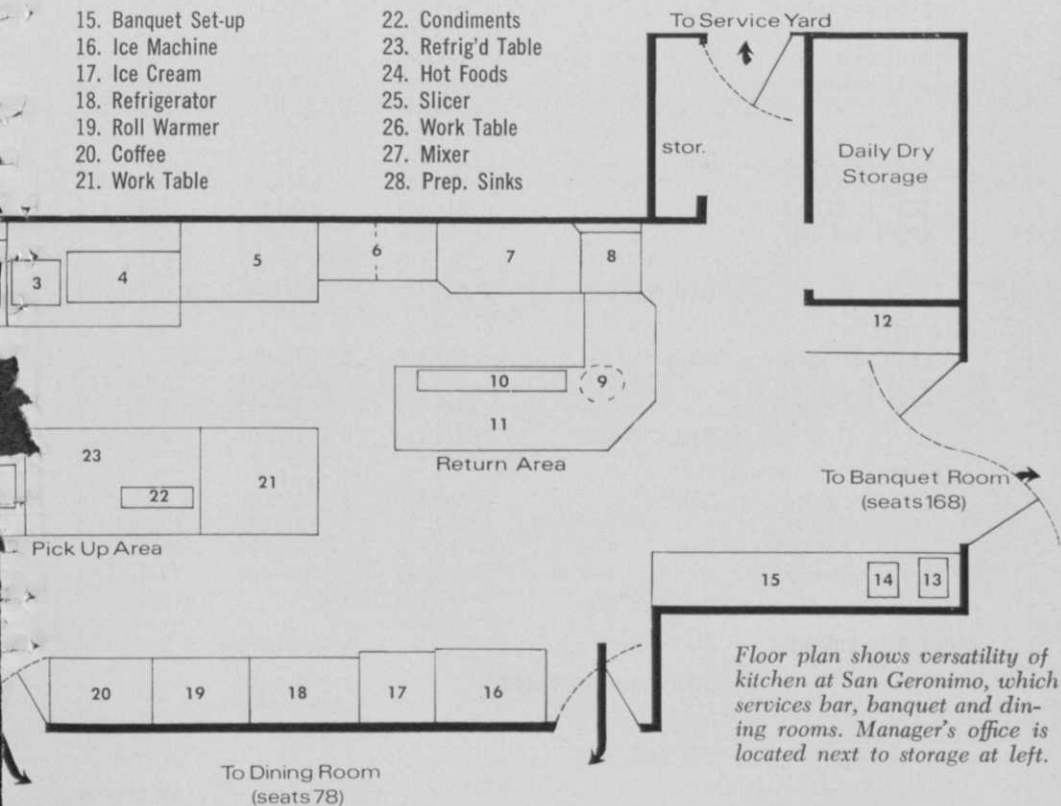
Proper course design can do a lot to minimize maintenance time and cost and

Hungate's golf course construction background is especially valuable at this point. He was assistant to Fred Federspiel who designed and constructed Meriwether, and was employed in the construction of Las Posas Country Club, built by the Janss Brothers north of Los Angeles.

"Many courses are built without taking advantage of many of the techniques developed by the universities and governmental agencies," he says. Hungate specifies for greens, mechanical prescription for the soil mix in the seed bed, subsurface drainage, selection of grass to match the climatic conditions, chemical analysis of the water supply, proper traffic tolerance, overall size, and the cup placement potential.

Another aspect of course design that National looks for is accommodation of traffic flow. For example, the logical opening hole is a moderately easy par 4 to allow players to reach the green in two without undue delay. Long par 4s can become bottlenecks because mediocre players may not reach the green even after they wait for it to clear, hold-

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Floor plan shows versatility of kitchen at San Geronimo, which services bar, banquet and dining rooms. Manager's office is located next to storage at left.

so the players can complete their nine holes, enjoy breakfast and catch a suburban train to New York on an easy time basis, arriving at their offices at the usual hour. •

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ing up those on the first tee.

One course that met most of the basic requirements was so botched up in layout that a quick look was all it took for National representatives to refuse to have anything to do with it.

Course marshals are standard fixtures in the National scheme, and are employed whenever the traffic warrants, especially on weekends.

These design factors mostly enhance the contributions of employees, which is what National management seeks. To coordinate the three sides of the management function, National insists on a meeting every week between the golf professional, the club manager and the superintendent. At these sessions they

look ahead for the next week, and each makes adjustment as necessary to accommodate the activities.

Volume buying begins with fertilizer, which is purchased from a single distributor for the four present courses. Eventually, as Saunders sees it, gasoline, mechanical equipment and dining room essentials will be purchased the same way—even golf carts. Existing contracts and leases still in effect have prevented a rapid move in this direction. Liquor is the one commodity where volume buying offers little advantage, because State laws usually restrict buying to one licensee and often disallow volume discounts.

National expects to enlist automation wherever possible. At San Geronimo the sprinkler system is entirely underground, controlled by a time clock. This eliminates the need for night irrigators.

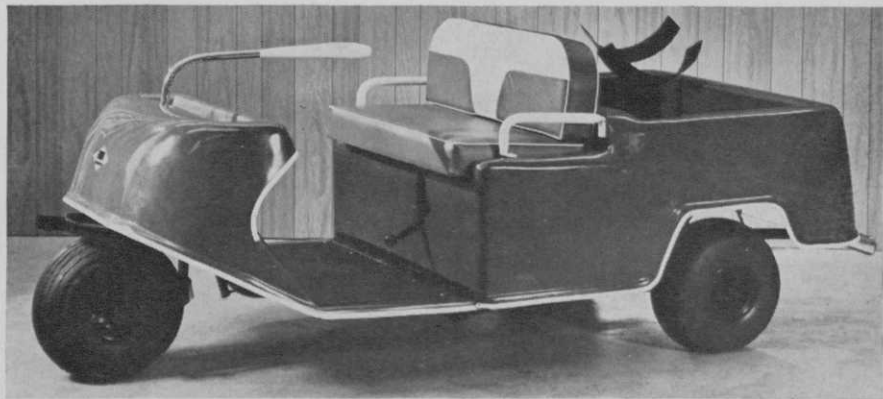
Hungate has planned his program of chemical application to achieve a consistent nutrient level for the turf. "This will give us a constant growth instead of the feast or famine that is so common

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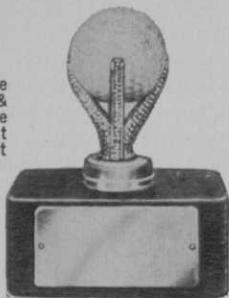
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in turf management," he notes.

Consistency is the key in water use—consistent, but slight underwatering. "Most courses overwater," Hungate says. "The organic material in the turf helps create the ideal conditions for fungus development if too much moisture is present, so we prefer to be a little on the dry side." He points out that full account must be taken of soil conditions in every irrigation program.

The management concept occurred to Saunders about four years ago. Until then he was a weekend golfer in his own right and had established the legal framework and ownership structure for Sonoma, owned by his father for many years. In 1959 he began representing syndicate and family interests in the acquisition and operation of Colwood and Meriwether in Portland.

A real estate developed in the San Francisco Bay area who was lamenting the sor-

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rowful financial state of his show-window golf course learned of Saunders' acquaintance with the eminently profitable Sonoma and Colwood courses and said, "How would you like to take a management contract on mine?" Although he declined that offer, the suggestion was enough to cause Saunders to think about a network under homogenous management.

Not too surprisingly, he had done legal work in Honolulu for Western and Hyatt House, and some involving both the Sheraton and Hilton interests. Thus, he was familiar with their methods of operation. It was a short step to apply them to golf. He admits that the possibilities are endless. Even in the short time NGC has been in existence, management arrangements of almost every kind have been suggested. Several courses were scouted, and many are still under consideration.

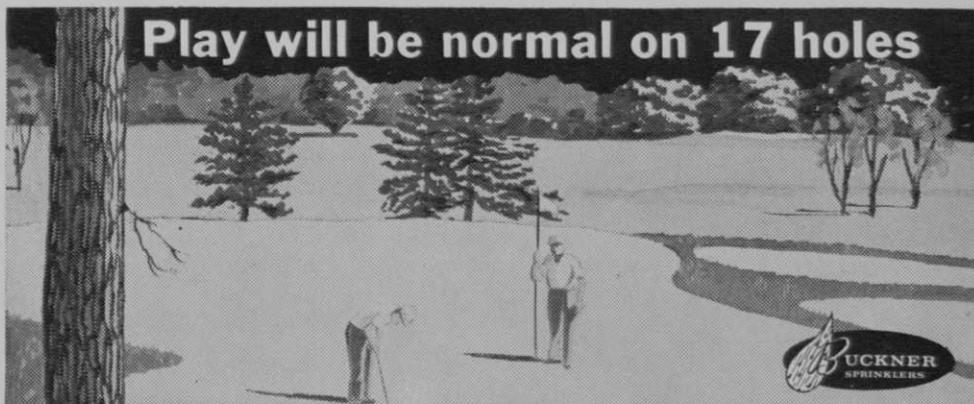
Flexibility is a major feature of NGC. It may participate in the ownership of a course, set up a separate entity for ownership and manage through NGC, or it may participate only as a manager for

the owners. Courses may be private, semi-private or fully public.

Saunders believes that NGC has the most to offer the course that hasn't been built. Here, NGC can get in on the ground floor of the course and building design. He feels that Meriwether incorporates many of the attributes of good course planning. Colwood, by virtue of a new addition to the clubhouse in 1964, incorporates some of the NGC management philosophy in its design. A new addition to the clubhouse is scheduled for Sonoma this season. The most efficient of the lot and the most typically NGC, however, is the new clubhouse, opened last March 27 at San Geronimo National Golf Course. This design was directed by NGC from the ground up.

"We are in no hurry to expand," Saunders says. He believes that NGC may add a couple of courses to its management stable in 1966, and perhaps five more in 1967. However, he is looking toward the East Coast with the possibility of including an Eastern Division. •

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