

# Should you go public or private?

The author feels the latter offers the best chance of success and details why

by Lee Blauner

The rapid growth of the number of golfers, along with higher incomes and more leisure time, emphasize the need for more golf courses.

A group of individual investors that has bought land and built a golf course, clubhouse and other country club facilities involving over \$1 million, is then faced with the immediate financial strain of organization and operation.

To meet these heavy financial needs, the group must decide whether a public or private golf operation (assuming the zoning permits either) will give it the best chance for success.

The "private" club, in my opinion, will be the best revenue producer. The private golf club should produce a minimum of \$225,000 gross income yearly. This figure is based on membership of 225 families @ \$750 (\$168,750); locker fees (\$11,250); guest fees; "outside" golf affairs; etc. This gross intake can be improved by more members, higher dues, initiation fees, etc.

In contrast, the "public" golf course will probably take in around \$100,000 yearly, from daily green fees, locker rentals, etc.

I contend that, contrary to popular belief, relatively few public golf courses (run by individuals) fully succeed. These reasons exist:

1. Short golf season (6-8 months) particularly in the northern section of U.S., which limits income. Furthermore, rising operating costs, taxes and mortgage expenses run for 12 months, good weather or bad.

2. Competition from attractive, conveniently located, low-fee, city, county and state public golf courses.

3. Growing desire for a broad, family recreation and social combination offered only by the private golf and country club.

How, then, can a group of owners organize a new, "private" golf club and get it off the ground?

*First*—File your membership club corporate papers and prepare the by-laws, etc.

*Second*—Staff the clubhouse and hire a greenkeeper and crew for the golf course. Get a "name" golf pro (PGA) if possible.

*Third*—Get the membership! The lifeline of a private club is membership of good quality and quantity. This very important matter also concerns existing golf clubs that wish or need to bolster their membership. The approach might vary somewhat.

How to get the members.

1. Fix your membership classes and dues, allowing for new, immature golf course and clubhouse, etc.

2. Prepare membership applications.

3. Prepare brochure and literature about the club to present concisely the main points of its facilities, types of membership, etc.

4. Get the prospects to the club.

(a) Personal following of organizer, owners and golf pro are good sources.

Continued on next page

## SAMPLE SOFT SELL

Dear Sir,

There is now an opportunity to apply for membership in XYZ Club -- if you are interested in joining a fine private golf club placed in an uncrowded area and with an attractive dues schedule.

XYZ Club has all the important facilities, and more, of a superior golf and country club:

1. Our clubhouse has been incorporated into the famous Bill Brown's Health Club situated here. It has modern men's and women's lockers and showers; indoor and outdoor dining; cocktail lounge; etc.

2. A 6470 yard championship golf course created by the internationally famous golf architect Dick Wilson. It's a treat and a challenge.

3. Swimming Pool and sun terrace.

4. All weather tennis courts.

5. Regulation indoor squash court.

6. Nearby Marina facilities.

7. Overnight sleeping accommodations.

There are two other features we wish to point out. First, is the Beauty of the Club's setting, nestled besides the Hudson River -- never to be forgotten. Second, interlaced thru and around the golf course and participating in the panoramic view are desirable homesites, available to members.

The Committee of XYZ Club cordially invites you to consider membership. There may be some detail or personal question that interests you. Please feel free to call or visit us. You will enjoy the friendly and informal atmosphere.

Cordially yours,

Leonard Blauner  
Chairman, Special Services

## Public or private?

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(b) Advertise (one or two discreet advertisements) to "get on the map."

(c) Generate a news story with pictures about the club in the local newspapers. New golf clubs are news.

(d) Use commercial lists.

(e) Throw a cocktail party, properly organized.

5. "Sell" memberships. Some helpful tools are:

(a) Soft sell preferably over hard sell. (See illustrated examples).

(b) Emphasize the positive; the golf course, clubhouse facilities, convenient location, beauty of the area, etc.

(c) Offer "charter" memberships. This impressive term simply means first year and not a partial ownership, unless a bond purchase is required.

(d) Remind prospect that membership is limited to 200-250.

Yet, so perverse is this "business" of golf club development, that one of my best successes, fortunately, occurred when I ignored most of these rules.

At Loch Ledge Golf & Country Club in Yorktown Heights, N.Y. in 1967, the opening year, with no advertising, no mail or phone solicitation, no cocktail party and with only 9 of 18 holes of mediocre golf available, we signed up 276 golf and pool family members by June 25th, starting from zero. We played it cool, no chasing or promoting.

Let me emphasize, however, that this was an exception to the rule. Furthermore, part of the success was because, in all fairness, we did lower the membership rates that first year in view of the sub-par conditions.

A rule unto itself in starting a club is public relations. It turns up in many forms, and one can never tell what the results will be. Here are some examples:

At one club, two years old, I learned that it had been unable to get any newspaper coverage. I looked through the files and found a picture of a member in a helicopter hovering 30 feet above a two-some putting out. The golfer putting was a pretty girl who was only concerned with her stroke, and didn't even notice the helicopter,

## SAMPLE HARD SELL

The LOCH LEDGE golf course was designed to take advantage of the natural beauty and rare scenery of this unusually beautiful area. In clearing the land, architect left each fairway divided by stately cedars and lofty pines. We believe this to be one of the most outstanding golf courses in the entire metropolitan area. Its 6500 yards of gently rolling fairways, lakes, brooks and waterholes make this 71 par layout a test of skill and accuracy for both the expert and the duffer alike.

The 9th and 18th holes bring you back to our magnificent modern clubhouse which is highlighted by a forty-four by eighty-eight foot dining room. The clubhouse facilities include both men's and ladies' locker rooms with sauna baths, rest rooms and massages rooms.

Our Cocktail Lounge is both spacious and intimate --

Thirty guest rooms have been furnished to satisfy the most demanding clientele. All rooms have oversized twin beds, television and tub showers.

A number of fully equipped seminar or meeting rooms are available for large and small groups.

Needless to say all our facilities are completely air conditioned.

The clubhouse overlooks our most unusual cloverleaf swimming pool, complete with scientifically designed filtering and vacuum systems.

despite the wind and noise it generates.

I subtitled the picture "The Acme of Concentration," and sent it along with a little story, to several local newspapers. Result: The picture and numerous paragraphs appeared on the sports pages, and new members developed quickly.

At another club, the "name" pro golfer was a big factor in public relations. He faithfully greeted prospects in his pro shop on weekends. Prospects, however, couldn't book golf lessons with him unless they were members. The dual arrangement worked out well for club and pro.

All isn't always "peaches and cream." At a new club, a good golfer loved the course and filed an application, with a deposit, for membership. His wife came with him the following week, but just didn't like the club. (She was a non-golfer). As a result, he asked to withdraw. His deposit was quickly refunded. True, we lost a member. But he had no bitter taste, and if asked about the club, he would not hesitate to recommend it.

The members will come in, if you exercise patience and perseverance. The first 100 members are the hardest.

When you have about 100 members, throw an open house "get acquainted" cocktail party for members and guests. It's a great ice-breaker and the additional members will come in quicker.

Then organize a golf committee and a social committee and hire a good chef—and away you go. All your problems aren't solved, but you're off the ground!

Speaking of the chef, I recall one who saved the day at one club. The new owners had taken over an old golf club and tried to get by with the old kitchen equipment. The members and prospects weren't too happy with the food, so the owners ordered new kitchen equipment.

In the interim, I suggested to the chef that on Saturdays and Sundays about 1:30 p.m., the busiest time, he walk across the grille and dining room from the kitchen to my office in full regalia with white coat, white apron, white shoes and high chef's hat. The diners were somewhat awed. This show bridged the gap until the new kitchen equipment arrived. A good chef is not only a necessity, but can be a psychological boost.

Within a year or two, you probably will have the opportunity to sell or lease the golf club, if you

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wish, to the members or outside investors at a profitable figure.

But please remember:

*First*—There is no sure-fire blueprint for success. Luck plays a part. No one can presume to know it all. We mostly learn over the years by trial and error. But just don't try to muddle through or rely solely on "common sense." It's too complicated, and specialized an enterprise.

Running a golf club requires handling many diverse operations, such as golf, swimming pool, tennis, hotel, restaurant, bar, social affairs, etc. with a serious, tough-minded business attitude which may conflict with the traditional easy-going approach of the Board of Governors of a non-profit country club.

*Second*—Don't go into the golf club "business" unless you have sufficient money, strength and the compulsion to own a golf club.

As the late W. C. Fields might say, "It's like driving a swarm of bees from Chicago to New York without losing one."

*Third*—Not all new owners win.

The reward, however, if successful, is very satisfactory, financially and personally. □

About the author—Lee Blauer graduated from Columbia University, New York. He has been in charge of organizing and developing the following clubs: Hampshire Country Club, Mamaroneck, N. Y.; Rye Wood Country Club, (was part owner), Rye, N. Y.; La Rochelle Beach Club, New Rochelle, N.Y.; Country Club of New Jersey (27 holes), Westwood, N.J.; Pines Country Club, Emerson, N.J.; North Redoubt Club, Garrison, N.Y.; Lake Anne Golf Club, Monroe, N.Y.; Loch Ledge Golf & Country Club, Yorktown Heights, N.Y.

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