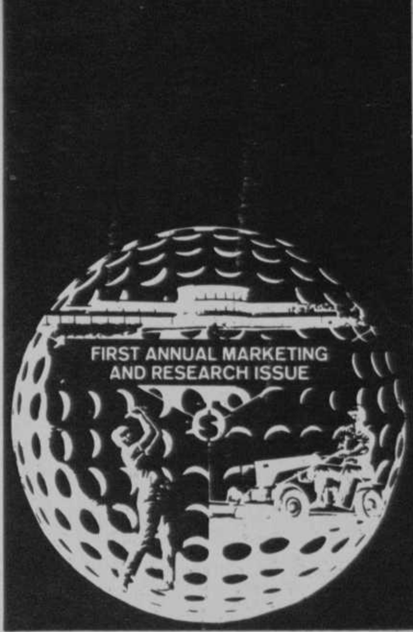

Mergers: A sign of the times

Think leisure and tune in to tomorrow's potential

Recently, one of the country's leading newspapers pointed out that the initial leading to corporate merger often takes place in such unlikely places as an airline terminal, luncheon club, steam bath or on the golf course. It comes as no surprise to those associated with golf that the course is a good place to begin planning a corporate merger.

This role for the golf course may not be a new one, and it's more than a now-and-then proposition. More important to the golf industry, or to be more accurate, the leisure industry, mergers and acquisitions are not only being discussed within the precincts of golf, but are taking place inside the industry itself.

Whether corporate marriages in golf are taking place at the same rate as corporate mergers throughout the country is difficult to assess. A Chicago consulting firm that specializes in mergers and acquisitions has been keeping score on the business marriage statistics and says that in 1968 there were about 4,200 proposals with only about 300 failing to make it to altar.

Business realignments are taking place within golf. They are happening to such a degree and in such numbers that it becomes more and more necessary to think in industrywide terms and begin to realize we must talk of golf as a segment of the leisure industry. We will probably all have to make the adjustment to calling our industry by that name. Just as the old-fashioned title of greenskeeper was replaced by the current superintendent because the character of the job required a name that would more fully describe what was going on, so does it require that leisure fit into the vocabulary of golf-associated people as the character of our game takes on this view.

The leisure industry, of which golf is so important a part, has been no exception to the uniting of businesses. For the active, day-to-day operative such as a pro, manager or superintendent what do these realignments mean?

Let's look at one instance of a merger that was cooking and where the pot got to boil but for some reason, unknown to the general public, the stew never got cooked.

In September of last year it was announced that Kearney National of New York and Jacobsen Manufacturing Company of Racine, Wisc., were getting together. Of interest in this deal to golf people would have been what the merger meant to Jacobsen. This firm supplies a large amount of machinery and through its subsidiary, Kansas-based Rogers-Jacobsen, heavy equipment such as spikers, aerifiers, sweepers and utility vehicles.

Both companies got to the altar and suddenly the marriage was called off. Neither Jacobsen nor Kearney National disclosed any reason for the cancelled nuptials.

This, however, has not always been the case for the golf industry. Many are aware that Miami-based Ernie Sabayrac, a supplier of golf equipment and apparel to a great many of the country's pro shops, has joined forces with David Crystal, Inc., of New York City.

The merger from many angles is a natural for both. Sabayrac and Crystal are companies that pioneered much of what has been done in the golf apparel field. The merger is viewed by industry experts as one that will help pros do a better and more profitable job in their shops. From all vantage points this seems almost a certainty. The joining of two companies that so complement each other will strengthen both and enable the united firm to do a stronger job of aiding the pro. Results of this marriage have to be a benefit for club pros everywhere.

Of equal importance to the golf scene was the uniting of Acushnet and Golfcraft. On the date the merger was announced Ted Wooley, Golfcraft president said, "The merger brings together several ingredients we feel offer unique benefits to the golf professional and consumer as well. The combination of our products and technical know-how with Acushnet's broad marketing experience and resources will be an exciting one." He might well have added it will also be one that sees great benefits accruing to the club professionals.

One immediate consequence of the merger was the announcement that Golfcraft would begin phasing itself out of that part of its business that was not pro-only. Since 1935 Acushnet has operated on a pro-only basis and has stated its

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determination to continue this policy.

It will take a while for Golfcraft to rid itself of its business that is not pro-only, but once reaching that status here are some of the benefits the pro can expect from the merger. For the first time in the history of golf says parent firm Acushnet, golf professionals will have a complete line of golf equipment—golf balls, clubs, bags, gloves and headcovers—with no competition from any other outlet by goods from the same company under a different brand name. For the first time, states Acushnet, pro shop sales "will be protected 100 per cent against downtown competition."

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Another wedding within the leisure field has seen Shakespeare acquire Plymouth Company, a golf ball manufacturer. Shakespeare hopes to be a prime manufacturer of all the products it sells and hopes to eliminate the middle man in many cases.

MacGregor has acquired The Hinson Company, a golf bag maker. MacGregor is expanding and will take over the entire production of golf bags now being manufactured by Hinson, hoping to accomplish this by 1970.

The most recently announced merger is the acquisition of Harley-Davidson into American Machine & Foundry Company. AMF is interested in leisure time activities (it is a prime supplier of automatic bowling alleys and owns famed golf equipment supplier Ben Hogan) and feels the wedding to Harley a natural for this side of its business.

Harley will operate as a wholly-owned subsidairy of AMF. AMF told GOLFDOM it is reviewing all its golf-related activities which may mean that they will be able to offer more to the pro. Harley is, of course, the well-known manufacturer of both gas and electric golf cars, as well as utility cars.

For a fitting cap, it might be well to mention that the Wilson Sporting Goods Company has operated as a subsidiary of the giant Texas-based conglomerate, Ling-Temco-Vought. LTV has become known in industrial and financial circles as a company that moves to where the action is, fundamentally interested in acquisitions that link them to firms doing business in solid growth fields. There can be little doubt that leisure is one of these fields.

A national financial newspaper recently pointed out that the financial community is looking for a sharp rise in the revenues that are forthcoming through golf as increased leisure time attracts a growing number of golfers, both young and old.

Mergers may start with a conversation on the golf course, or perhaps end with such a conversation, but it must not be forgotten that mergers also effect the golf course. □