

Pros are caught in a bind. What distinguishes a professional from other retailers is the services he offers. Yet, these very services can turn the pro shop into a deficit operation

ONE of the old maxims of pro shop operation is that revenue from the storage and cleaning of clubs should pay for the help a pro has to employ. There isn't any doubt that it applied a couple of generations ago when running a shop involved little more than teaching, the dispensing of golf sundries and not much more than the racking of clubs. Then, the shop could get by with one aide, and the revenue that came in from the back room operation was sufficient to take care of his salary.

It isn't that way anymore. Any professional who has figured it out—and there can't be much doubt that most have—has found that his storage and cleaning income goes only halfway or less in meeting the payroll.

The figures that prove it are simple enough. At a typical club serving 300 players, the professional may gross \$7,500 from storage and cleaning charges. That is based on \$25 per head, a figure that many pros swear is an inviolable top. Few would dare to boost it above this. To properly service 300 members, a professional has to employ two assistants a minimum of 10 months a year, plus two or three youngsters in the back room and on the range. The latter usually work only during the summer months. The pro's payroll, depending on whether he has four or five people on his staff, ranges from \$15,000 to \$18,000 annually. So that \$7,500 pays only about 40 per cent, and not more than 50 per cent, of the pro's labor bill.

The alarming part, as most shopmasters see it, is that ground is being lost each year. Two mid-western professionals, who recently drew up figures on the differential between storage-cleaning income and payroll, agreed that it



THE HIGH COST OF BEING A GOOD GUY

By JOE DOAN

was approximately \$5,000 at both their clubs in 1965. For 1970, they foresee something closer to \$8,000. The difference of \$3,000 will have to come out of their gross from teaching and merchandising and the salaries their clubs pay them. In both cases, their salary increases in the last five years have amounted to close to \$1,500.

That leaves a \$1,500 hole. Part of it will be made up by a small increase in teaching fees over 1965, increased sales volume and a slightly higher gross from mer-

chandise than they were getting five years ago. In 1965 one of the pros was getting \$20 for storage and cleaning; the other \$22.50. Now, they are getting \$25, which is the maximum in their area. Both think it should be \$40, but no less than \$35. Even if it were the lesser figure, the professionals at least wouldn't be losing ground in comparison with 1965.

Both men believe that professionals have waited too long in years past to increase their cleaning and storage charges now. In

some of those years when the charges should have been increased by only \$2 or \$3, the shop operators held the line, figuring they could absorb the extra charges they should have been levying. As one of these men says, "We got hung up in the \$15 range too long."

The cleaning and storage operation shouldn't bear all the brunt of putting the professional in the hole. After all, the service produces revenue for him. If he had only to pay the club cleaners out of his income, he'd be well ahead of the game. What really hurts him most is the unremunerated services he has to render in running his shop. Maybe it is time that he, or professionals as a group, introduce a "Service Charge" over and above the cleaning and storage levy to get reimbursement for the many miscellaneous services that are provided for golfers. No doubt, the new charge would arouse criticism on the part of members as another extra assessment, but if it were properly explained it would eventually be accepted.

Actually, the many unreimbursed services the professional and his staff perform take time, as much as lesson-giving and merchandising. The services can't be entirely written off as a business loss because indirectly they produce income for the shop. But the services are increasing from year to year and some way must be found to compensate for the increase. As one professional points out, "The expansion in service undoubtedly has resulted in many professionals being forced to hire an extra assistant in recent years. Where a lot of fellows used to get along with one assistant they now have two. I don't think the increase in sales and lesson business alone has justified taking on another man. It's due to the expanded demand for service."

The vast majority of professionals don't begrudge giving service. They are smart enough to see that the more they give, within reason, helps business. Paradoxically, they also see where they can

service themselves into a deficit operation if the many unreimbursed tasks they perform start to overshadow merchandise sales and lesson giving. It comes down to the hard fact that a man in business can't give away everything.

What would make a "Service Charge" hard to explain to members is that service can be so intangible. It can be a real thief of time—a few minutes here, a few minutes there and before anyone realizes it, the professional or one of his assistants has spent an entire day spinning his spikes without really accomplishing anything of consequence.

Take handicapping, for instance. In the Chicago area, the Chicago District Golf Assn. administers the handicap system for thousands of golfers through a computer setup. The professional at a CDGA member club is only a middleman in the operation, collecting scores from his members, forwarding them to the computer service office and then posting whatever handicap changes there are on the club's board every two weeks. Theoretically, the job shouldn't require more than an hour a week. Many times, however, it takes one man from a half to a full day to chase down scores that should have been turned in or to straighten out some of the erroneous scores that have been submitted. This is only one way in which those intangible hours are eaten up.

At a club that isn't in a computer handicap pool, a committee may be appointed to do the bookkeeping. In many cases this is fine for maybe a half season—until the committee gets bored with the work or goes on vacation. Then usually, the handicapping devolves upon the pro department. Somebody in the shop may have to spend a minimum of four hours a week keeping the system up to date—at no reimbursement.

Responsibility for keeping the tournament program going throughout the season almost invariably is wished upon the pro

staff, although most clubs have tournament committees. Pairings, publicity, scorekeeping, the staging of the tournament itself are handled by the pro department in practically all cases these weekly or twice weekly events are held. You never hear a professional kicking too much about running a club tournament because it is one of his important income producers. He is glad to do it. If he has any kick at all, it is because the illusion exists at many clubs that tournament committees do all the work and the professional does nothing more than stay in the shop and make money.

There isn't much doubt that more shop or staff time is taken up in running club tournaments than any other activity. Maintaining handicap systems or helping to maintain them probably is the runnerup. But the list doesn't stop with these items. In fact, it turns out to be quite lengthy, as one professional recently demonstrated in naming all the unremunerated services he provides his members. It reads this way:

- Junior program for boys and girls: At least 100 hours of staff time plus some outlays for trophies and balls and clubs that are given as prizes;

- Starter in off-season: One of his assistants takes care of this detail before Memorial Day and after Labor Day;

- Reservations: These, too, are handled by the professional department in the off-season. It keeps an average of one man fairly busy in May, especially on weekends, and again for a few weeks after Labor Day.

- Caddie training: The caddiemaster runs this program, but often calls for the pro and his aides to help out on instruction;

- Inside range: Two nets were originally provided by the pro for the back shop range plus practice ball;

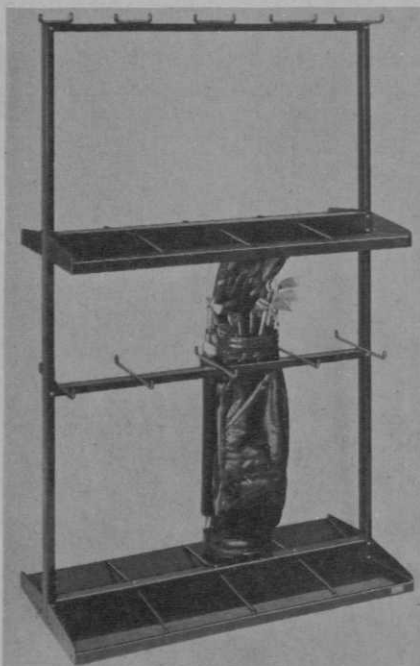
- Tryout clubs: The pro has a fairly large investment in these;

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GOOD GUY

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• Guest club cleaning service: It's done to enhance prestige of the member and there is more of it than is generally realized. (At resort clubs the pro shop gets \$1 per cleaning, the pro notes.)

• Playing privileges at other clubs: Quite a few letters are written to other pros in arranging this for members, plus some long distance phone calls;

• Handling of scorecards, special printing jobs, sign making: These are handled by the pro shop and can be time consuming;

• Repairs, carpentry, special equipment: Professional and staff take care of repairs and carpentry unless the shop is to be completely renovated. The professional buys fixtures, shelving, racks, pays for special lights, stereo, TV set, in some cases, air conditioner, if these replace original equipment.

To this list might be added the gift wrapping service that is supplied year-around by most shops and long distance calls that are often made to expediate special orders. But it is debatable whether or not these are unremunerated services. Nevertheless, they eat into the pro's gross. It is debatable, too, whether or not the pro makes any money on the range operation, another service for which he is responsible. If he has to buy a ball dispenser, that represents a large initial investment that may take two years or more to liquidate. In addition, he supplies practice balls and a full or part-time employee to run the range. Some pros say they do well to break even on this operation; more concede they make a profit on it.

There is a windfall in the cleaning and storage charge that helps many pros over a financial hurdle early in the season. If all or part of the charge is paid at or prior to the start of the season, the professional can use some of the money to discount his bills; or, in some cases, he may use part of it to pay for the merchandise he initially stocks.

This does away with the need for getting a bank loan, or at least greatly reduces the amount of money he has to borrow.

As mentioned before, the pro doesn't begrudge giving service to his members. He'd be flaunting one of the oldest traditions in the game if he did. But he's wondering if the expanding service he has to give isn't going to eventually choke him. If revenue which he collects from cleaning and storage is falling \$7,000 or \$8,000 short of taking care of his payroll, compared to \$5,000 five years ago, and maybe only \$1,000 or \$2,000 a decade ago, he is running upon critical days. Something has to be done to change the trend. The burden on his gross from teaching, selling merchandise and his salary is just too great.

There are only two choices open to him to counteract the situation. He has to find ways to increase his income from storage and cleaning, or through a service charge; or he has to cut back on services, which would imply a reduction in help. He has probably gone too far in giving service and couldn't curtail it if he wanted to. So that leaves only the alternative of increasing his income one way or another.

One suburban Chicago club has recently recognized its professional's dilemma. It collects the cleaning and storage charge and in turn pays the salaries of the assistant professional and three youngsters who work summers in the back of the shop. Only one assistant, incidentally, is employed at this club. This may be the ideal solution. The burden is off the professional's back and enables him to give more unstintingly of service than ever before. Whether other clubs would be willing to underwrite the unremunerated services that members want and probably demand from the pro shop is open to question. It's a cinch that most clubs aren't looking to take on something that might leave them saddled with a \$7,000 or \$8,000 annual deficit. □