

# Everyday, A Sale Day

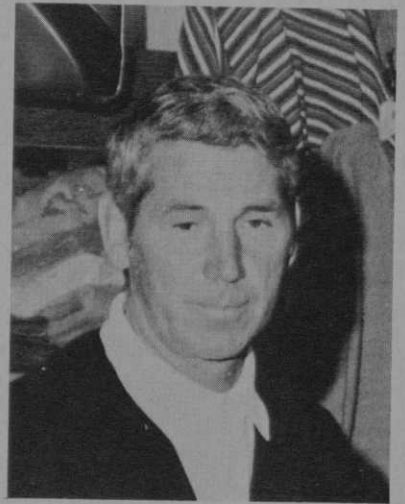
**"Support your pro" is more than a slogan at Mill River CC. Under a unique price plan devised by professional Ray Montgomery, sales are booming and members are saving.**

**By Vincent J. Pastena**

Everyone likes a bargain—that is, everyone but the merchant. To him it means a smaller profit margin. But what about a merchant who gives his customers bargains on exactly the merchandise they want or need at any time? Probably you would think he were a new brand of masochist who enjoys the agonies of bankruptcy.

Ray Montgomery, head professional at Mill River Club in Upper Brookville, New York, is doing exactly this, and he hardly is a candidate for the "couch" or anywhere near bankruptcy. The fact is Montgomery is an enterprising professional who, through his unorthodox sales plan, has more than doubled his dollar volume from

*Along with the development of a unique pro shop plan, Ray Montgomery also exhibits his savvy in having a woman assistant—in this case, his wife, Trudi.*



April through June over the same period last year. This hefty increase came about by selling merchandise to members at only 10 per cent above wholesale price, plus freight/handling charges and 5 per cent sales tax. Since freight costs vary, Montgomery suggests a flat 5 per cent be added to cover freight/handling charges. Although it sounds incredible, the plan itself is part of an earnest effort at the club to change "Support Your Golf Professional" from a mere slogan to an active program.

Unhappy with the state of his business, Montgomery decided to do something about the situation before he was faced with the choice of operating a deficit business or finding himself a new position.

"Twenty per cent of the members were buying 80 per cent of the merchandise. I discovered that many members were doing a lot of their buying at various discount places.

"This created inventory and buying problems. I could never estimate my sales in advance."

The pro shop plan, which is mandatory for all full members and voluntary for special classifications, came out of his "playing" with figures on paper. First Montgomery decided that he wanted to make a personal income of at least \$20,000. Secondly, he had to devise a way of bringing his income to this level and at the same time compete with the discount operations in order to get his members back into the pro shop.

He found that if he received from each male, full regular class "A"

## MILL RIVER CLUB PRO SHOP PLAN RULES

1. Each male, full regular class "A" member will be billed \$50 per year at the rate of \$10 per month from May through September. Pool, tennis and weekday members are invited to join this plan. To do so, please contact the pro shop.
2. Merchandise may be purchased only for personal use or for the immediate family who enjoy club privileges. Merchandise may not be bought for resale by any member. Violations of this clause will be subject to disciplinary action by the board of governors.
3. Merchandise on special orders, special sizes and custom equipment will not be returnable, unless damaged or faulty. Merchandise ordered will have freight charge copied directly from the manufacturer's invoice. All shoes ordered will have an additional charge of \$1 (which is paid to the manufacturer).
4. The professional will be responsible for his stock and will assume any loss of merchandise left on hand.
5. Merchandise will be sold at 10 per cent above cost plus freight charges and 5 per cent sales tax.
6. 1970 tournament awards will be credited to a member's account and treated as payment for merchandise purchase in the shop (excepting lessons).
7. A guest may *not* purchase merchandise under this plan. He will pay full retail prices. However, we will extend the courtesy of a member purchasing three golf balls and one glove under the plan. The member may *not* purchase other merchandise or equipment for his guest.
8. Outstanding accounts from 1969 must be paid in full. Outstanding tournament credits from 1969 must be redeemed at full retail prices on merchandise purchased.
9. Defective merchandise will be returned to the supplier at no extra cost to a member. However, if a claim proves to be unjustified, the member will be charged for freight expenses.
10. Repair costs will be the same as 1969; freight charges will be added.
11. Complaints by members regarding the plan must be made to the chairman of the golf committee or the golf committee sub-chairman in charge of the plan.

These rules regarding the pro shop plan and any subsequent rules approved by the board of governors are considered to be the rules of the committee in accordance with the by-laws.

member a fee of \$50 per year outright, he would augment his income by approximately \$13,000. This would be a new policy, since previously the pro depended mainly on the pro shop operation for his income. In return, he would sell his merchandise to these members and their immediate families who belonged to the club at a 10 per cent markup, plus 5 per cent for freight/handling costs and 5 per cent sales tax. On the basis of \$100,000 in annual gross sales he would derive \$15,000 profit before deducting freight/handling expenses. In addition, Montgomery grosses about \$4,500 from the club's driving range operation and another \$17,500 from the bag storage operation. He also is reimbursed \$14,500 for a starter and caddie master who are on his staff. Montgomery receives no income from the golf car rental operation, and at best, makes about \$600 on lessons. A head assistant handles most of the lessons, and Montgomery guarantees him \$6,000 for six months' work. Therefore, excluding the negligible amount for lessons, Montgomery's total gross income would come to \$64,500.

Montgomery estimates his total operating costs, excluding merchandise, to be \$42,000. This includes salaries for his staff of eight during peak season, plus \$7,000 for his wife, Trudi, who works in the shop. Therefore, deducting this amount from the gross, Montgomery would derive a personal income before taxes of about \$22,500 under the plan. A brief breakdown works this way:

|                                |
|--------------------------------|
| \$14,500 salary reimbursements |
| 13,000 plan payments           |
| 15,000 gross profit            |
| 17,500 bag storage             |
| 4,500 driving range            |
| \$64,500 total gross income    |
| -42,000 total operating costs  |
| \$22,500 before income taxes.  |

Once Montgomery had a solid plan to propose, he campaigned to convince the members. Over several months, he spoke individually with many members and several times with the board of governors.

Finally, the plan was voted upon, passed, made part of the club rules and put into effect April 1st this year. From April 1st to the end of June some \$45,000 worth of merchandise was sold at the new markup, compared to about \$19,000 for the same period last year at the typical 40 per cent markup. The plan, therefore is surpassing all expectations, and Montgomery is certain he'll far exceed the \$100,000 gross volume upon which he based the plan. The disaff side of the membership, which

*(Continued on page 54)*

## GOLF BAG STORAGE RACKS



**37 YEARS IN BUSINESS**  
**Call Collect 301-322-3900**  
**Or Write For Free Literature**

### INSTALLATIONS INCLUDE:

Chevy Chase C.C., Chevy Chase, Md.  
 Congressional C.C., Bethesda, Md.  
 Garden City G.C., Garden City, N.Y.  
 Dunbar C.C., Lake Arrowhead, Calif.  
 Scarsdale G.C., Hartsdale, N.Y.  
 Royal Poinciana G.C., Naples, Fla.  
 Longboat Key C.C., Sarasota, Fla.  
 Woodbridge C.C., Woodbridge, Conn.

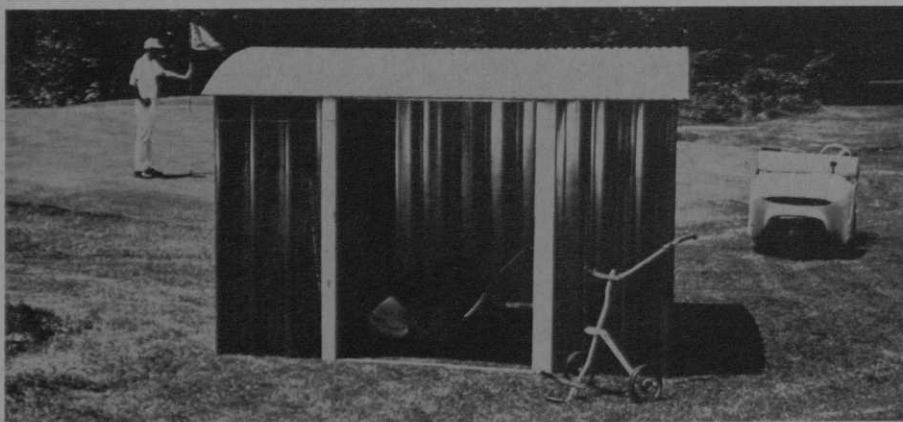
## IMPROVE BAG STORAGE SAVE TIME AND SPACE

**WE DESIGN YOUR LAYOUT  
 ECONOMICAL — EASY TO  
 ASSEMBLE HEAVY DUTY  
 FURNITURE STEEL**



**ACME IRON WORKS, INC.**  
 4900 Frolich Lane, Kenilworth Ind. Park  
 Tuxedo, Md. 20781

For more information circle number 256 on card



## BRING YOUR STORAGE SPACE UP TO PAR

with **Utilicon**

*... the new, multi-purpose utility building by Conrad*

Ideal storage for golf carts, green equipment and all maintenance supplies. Utilicon provides clean, dry, safe storage all year 'round. Rent to your customers for convenient, private storage of carts, clubs.

Heavy gauge, overlapping roof and side panels make Utilicon the strongest, sturdiest building of its kind you can buy. Made of all galvanized metal . . . won't rust. Features full 7½' x 10' floor space, 70" entrance, 7¼' height. Big 57", free-sliding double doors (available on end for golf carts). Available in tan, white,

maroon and blue-green. All bolted construction makes Utilicon easy to assemble.

Send coupon to **Conrad, Inc., Dept. G-10**  
 Houghton, Iowa, 52631 for complete  
 information and name of nearest dealer.

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_  
 State \_\_\_\_\_ Zip \_\_\_\_\_

For more information circle number 223 on card

## A Sale Day

(Continued from page 53)

had been a "tough sell," is now buying twice as much as before. And the men, who always bought more than the women, have become even better customers. Montgomery, whose shop closes only in February, also expects a strong holiday season business this year of \$15,000 to \$20,000 in sales, as well as success with winter vacation apparel, which goes on display in October.

Montgomery says he believes that most of his suppliers know about the pro shop plan and none expressed any objections. Actually, the member and his immediate family do not really begin to reap any savings until they have spent about \$250 in the pro shop. As for problems of price reductions going beyond the membership to outsiders, the rules guiding the plan (see sidebar) are specific about such violations. The rules have extra "punch" because violations would be subject to action by the club's rules committee in accordance with the by-laws. In addition, no display is made of the plan prices. All items are tagged with a price, reflecting the usual 40 per cent markup. However, an item that is tagged at \$100, plus \$5 tax, would be billed to a member at \$72.45—\$60 wholesale price, plus \$6 for the 10 per cent markup, \$3 for the 5 per cent freight/handling charge and \$3.45 sales tax on the \$69 price. This constitutes a difference of \$32.55.

Club manager Bob Stanley says that if the club had not instituted Montgomery's plan, they would probably have had to establish a salary for the pro. "This way everyone is benefiting."

Montgomery points out a less tangible, but important, result of the plan. There is an improved harmony between the membership and the pro since the plan went into effect. Previously, those members who did not go out of their way to support the pro shop appeared to be embarrassed when confronted by the pro or by those members who actively supported him. Montgomery says the whole climate of the club has improved. □