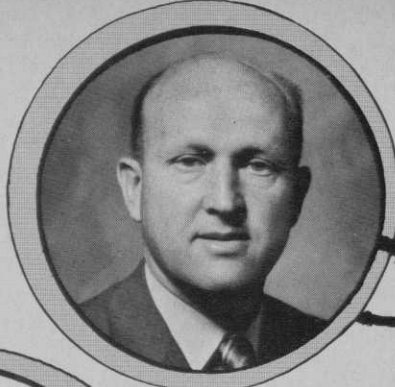


L. Dean Cassell



**THE  
PROFIT - CENTERED  
PRO SHOP**

**PART I**

**GOLFDOM**  
begins a discussion  
series in which a selected  
panel of manufacturers,  
professionals and distributors  
exchange views on some  
controversial facets of pro  
shop merchandising

# A DOZEN EXPERTS GIVE THEIR VIEWS ON BUYING

*GOLFDOM* asked 12 representatives from the golf industry for their views on current problems in the five major areas of buying, ordering, credit, competition and promotion. In Part One, buying, the participants discuss ordering, re-ordering, stocking in depth, merchandise selection and delivery. The panel consisted of four professionals, three apparel manufacturers, three equipment manufacturers and one distributor. Individually they are: Don E. Fischesser, formerly professional, Connorsville CC, Indiana, now, PGA's special assistant for sectional affairs; Don Kay, professional, Heritage Village CC, Conn.; Warren Orlick, professional, Tam O'Shanter GC, Mich., and president of the Professional Golfers' Assn.; Bob Thatcher, professional, Aronimink GC, Pa.; Jack Lust, vice president, sales, DiFini Originals, Ltd.;

Wally Phillips, national sales manager, Etonic Div., Charles Eaton Company; Richard Tarlow, treasurer, Brockton Footwear; L. Dean Cassell, vice president marketing, Golf Div., Acushnet Sales Company; Paul MacDonald, vice president, Dunlop Tire & Rubber Corp.; Howard Nannen, vice president sales, Spalding Sales Corp.; Robert D. Rickey, vice president, MacGregor/Brunswick, and Ernie Sabayrac, president, Ernie Sabayrac Company.

**GOLFDOM: Particularly in apparel, customers want a greater variety of styles and colors to select from. Women do not like to buy an outfit that has several duplicates all the way down the rack. Do pros feel that certain minimum order requirements make it difficult to carry a varied stock?**

*Phillips:* Some minimum order re-

quirements make it difficult for a pro to carry a widely varied stock, but I don't feel this limits the styles and colors. Most manufacturers offer deals and assortments that provide the pro with at least two lines of apparel. This eases the problem of offering members a satisfactory variety.

*Thatcher:* A varied stock is fine when referring to styles and colors, but not when referring to manufacturers. Most manufacturers carry a line with five to eight styles in six to eight colors each. This should satisfy the needs of most memberships.

*Rickey:* Pros attempt to carry too many different brands in their inventories anyway, and not enough depth in the major lines. This is especially true now with the advent of many new brand names. The smart pro will soon become sensitive to his customers' brand preferences and will con-

centrate his inventory on these lines.

**Kay:** For a golf professional to carry a variety of merchandise, he would have to be at a club where there is a fantastic turnover. Most shops do not have a large enough volume to merit this type of buying. Also with the minimum order requirements, this could be extremely difficult.

**Nannen:** A pro only helps himself in this area by holding to a minimum the number of lines he carries. Too many shops carry eight to 10 different club lines. This confuses the member who must feel that the pro doesn't think there is much difference among clubs and all clubs are alike, so why not buy downtown. The pro spends too much time going over his accounts payable because of the large number of suppliers.

**GOLFDOM:** *What can suppliers do to aid the pros in bringing greater variety to the shops?*

**Kay:** If suppliers would discontinue those minimum order requirements that we just discussed, it would do much to alleviate the problem.

**Thatcher:** A careful study of the colors and styles sold nationally and sectionally could be made available to each pro. With a forecast on style and color, the pro would then do a more competent job of buying and selling.

**Lust:** Suppliers who do a large pro shop business can help pros by changing packaging. Packaging shirts, for example, in assorted colors rather than solid to the box and featuring a more extensive selection which coordinates with several styles.

**GOLFDOM:** *Do most pros have the cash resources or credit to stock their pro shops in depth?*

**Thatcher:** Most pros are underfinanced and are behind the eight-ball at the start. Many companies provide credit, but many are not willing to underwrite the beginning operation to any extent. It is quite difficult for the average pro to stock his shop in the proper depth due to the lack of funds and the lack of demand for these goods. Only a few clubs support their golf shops to the extent that a pro can make a decent income and profit.

**Orlick:** Professionals have available resources and credit, especially now with the PGA credit union.

**Thatcher:** PGA funds from the credit union are too slow in coming to be effective yet.

**Phillips:** Most pros have either cash resources or credit to stock their shop in enough depth to offer their members a sufficient variety in styling and fashion. But we can go back to credit,

where in some instances pros overextend themselves in their buying in an effort to provide merchandise interesting enough to influence members to purchase at the shop. Today the burden has shifted to the supplier and his salesman who must obtain as much business as possible. In some cases, everyone gets hurt.

**GOLFDOM:** *Ordering has always been a problem area, with pros claiming that some suppliers do not meet delivery dates and suppliers saying pros order and re-order too late. When should a pro order his spring/summer merchandise?*

**MacDonald:** The professional should consider several factors. Does he have a market for the merchandise during the winter months? Will the merchandise be available in February and March? Does the manufacturer offer a dating program that allows the pro to have the merchandise on hand and ready for sales over a longer period of time? Does the pro want to insure this merchandise and arrange for an area to store it during the slow season? All these must be considered. Early fall is the best time to order for spring/summer merchandise.

**Lust:** Orders placed early are shipped early, and early re-orders are delivered in time, most of the time. To determine when a pro should order, we must consider two markets. In the sunshine and cruise wear market, sportswear manufacturers like to book the bulk of their spring/summer orders as early as Labor Day

weekend. In the northern, eastern midwestern and southern markets, major market manufacturers like to book the bulk of their spring/summer orders between Labor Day and mid-December.

**Kay:** I'm able to do all my spring buying in four or five days at the PGA show in January, while keeping in mind my present inventory.

**Tarlow:** If a golf professional wants to get good delivery from his suppliers, his spring/summer merchandise should be ordered in the fall.

**Orlick:** Too many manufacturers and suppliers fail to deliver on time even when the pro gives them orders in the fall. Most pros order spring and summer merchandise in the fall of the preceding season. Fall merchandise is ordered in June for delivery before September.

**Rickey:** It is impossible with golf clubs. They require a lead time of four to six months to manufacture. The industry cannot properly service a large order unless it is placed on an "advance" basis, preferably in the fall, for the following spring delivery. Early orders are so important to us as a hard goods manufacturer that we

(Continued)

Don Fischesser



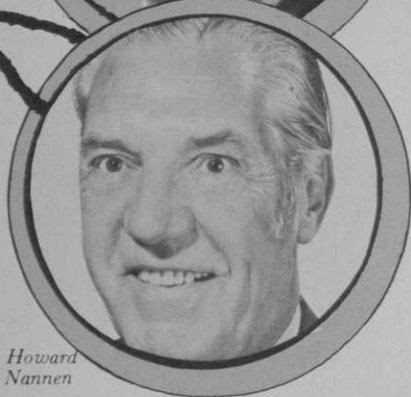
Don Kay



Jack Lust



Paul MacDonald



Howard Nannen

have given extra incentives to those pros who help us by anticipating their needs.

*Cassell:* It is the manufacturer's responsibility to do a proper delivery and service job so that the pro shop effectively and promptly gives service to its customers. To do this, forecasting by the manufacturer must be done expertly, because there is such a significant production lead time in most of the basic product lines. The greatest aid to the manufacturer is spring orders which are given to the salesmen in the North during the fall months. This way the manufacturer obtains a valuable guideline for producing the proper products in the proper proportion.

**GOLFDOM:** *At what point in the season do large re-orders present a problem to manufacturers?*

*MacDonald:* This question depends upon the product. This type of problem usually occurs when the season is one-half to three-fourths over. Golf balls, however, are usually available year-round.

*Tarlow:* Large re-orders do not present a problem if we had some good initial orders in the fall. They do present a problem when they come in June and the initial orders were poor.

*Sabayrac:* Large re-orders present a problem at the point of re-order. Although manufacturers will always allow for more than the original orders, the trend today shows that the percentage of over-cutting these orders is being drastically reduced. The manufacturer cannot gamble on inventory that may or may not be picked up on a re-order. Costs are too high and the over-all economic con-

ditions today are too uncertain. Never has it been more important to the golf pro to commit the supplier to his needs as early as possible.

**GOLFDOM:** *What lead time should pros anticipate on deliveries of large orders?*

*Sabayrac:* The pro should give the manufacturer and himself as much lead time as possible. Buyers used to come to New York right after Labor Day. Today, however, the manufacturers find that they need even more time. So for 1971 spring/summer apparel lines, the date is set for August 9th through 16th. Anytime after that date, pros should begin buying.

*Orlick:* Lead time on large orders should be two to three months.

*Tarlow:* We don't require any special lead time on large orders except at the height of the season. This is our best selling method.

**GOLFDOM:** *Is there any system by which the manufacturer is penalized for missing a promised delivery date? I believe the pro loses a certain discount if he pays after 30 days or 60 days or what have you.*

*Sabayrac:* Yes, there is a penalty the manufacturer pays for missing a promised delivery date—the loss of the customer's good will and favor. No self-respecting businessman purposely misses a delivery date; he

wants to get that merchandise delivered as quickly as possible because that means money in his pocket, too. When merchandise is delivered late, the pro's payment date is also deferred; if the merchandise isn't delivered, he just doesn't owe any money. On the other hand, there is a definite time in which the pro has promised to pay in order to receive his discount. If he's late he loses the discount. I wouldn't say that's unfair. After all, the discount is a bonus for paying on time.

*Rickey:* To my knowledge there is no penalty being paid by any manufacturer for late delivery, or would it be possible to do as long as it is necessary that we carry so many varieties in stock.

*Tarlow:* I do not know of any system by which a manufacturer is penalized. As a matter of fact I do not know of any system like this in the industry. We lose a discount if we don't pay one of our suppliers on schedule.

*MacDonald:* The manufacturer is penalized by customer cancellations, which result in a loss of profit.

*Kay:* Since the pro is penalized when he doesn't pay his bill within the discount period, perhaps there could be some adjustment with some suppliers when they do not deliver merchandise within the promised delivery date. It's important to a pro to receive goods on time because his members are putting their trust and confidence in his ability to supply them.

Wally Phillips



Ernie Sabayrac



Robert D. Rickey

(Continued)

Without prompt delivery, the pro is subject to a loss of business.

**GOLFDOM:** *Does the kind of buying being done by pros in recent years show a growing trend toward year-round operations, particularly in more northern regions?*

**Phillips:** The buying by pros shows a growing tendency towards an all-year operation in all regions of the country, but particularly in the North.  
**Sabayrac:** Airlines make travel to golf resorts in the warm southern states much easier today, and people have more leisure time. Further, pros in the North are discovering that there is a sizable Christmas market they can tap by keeping the shop open into the winter months and sometimes throughout the year.

**Nannen:** When they do, pros generally purchase some part of their stock requirement for Christmas and the balance for spring.

**Orlick:** Year-round operations, though, depend more on club policy than on the pro's desire to stay open.

**Tarlow:** I am not going to say that pro shops are open year-round, but more shops are staying open through Christmas, although they close in January and February. As far as I am

concerned, this can be one of the significant factors that gives a pro shop more business. The pro who stays open for Christmas takes in new merchandise and new styles in the fall.

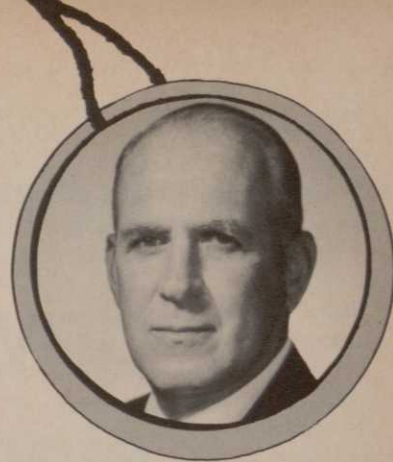
**Lust:** More and more pros are developing pro shops with year-round sales, particularly if they build up a Christmas sales program based on extra personal service.

**GOLFDOM:** *Many pros buy at the PGA show in Florida, which is held at the end of January. Is this considered a bit late by golf manufacturers?*

**Sabayrac:** Yes. The really successful golf pro merchants have long ago ordered their lines. Some might find the show beneficial in areas where they underestimated their early sales potential or were reluctant to commit themselves when placing their initial order, but not for any sizable ordering. The show is helpful for the pro who just took over a new shop this fall and didn't have a chance to order in August.

**Nannen:** Waiting until the PGA show to purchase is entirely too late.

**MacDonald:** We prefer to book our business in the fall for the following year. In fact we have a special program tailored to service the pro for



Richard Tarlow

balls, clubs, bags and accessories.

**Tarlow:** Over 80 per cent of our advanced spring orders are received before December 1st.

**Thatcher:** The show is a good time to see the lines, new merchandise, compare lines, quality and styles. I would urge working the show by spending several days looking and comparing. I agree, however, it is definitely too late.

**Orlick:** But the show claims orders warrant continuing, and manufacturers seem to satisfy those ordering.

**Fischesser:** I would like to see three national shows: one for the East, one  
*(Continued on page 63)*

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Bob Thatcher



for the West and one for Florida. Timing would be important. These would be an advantage both to supplier and pro.

*Cassell:* Its primary asset is one of good will and promotion. At this schedule, it is really not enough lead time to help a manufacturer do an effective planning job. A manufacturer that is fully committed to pro shop operations must have an adequate sales staff fully covering the pro shops during the fall.

**GOLFDOM:** At least two pros

have asked me if any suppliers are permitting pros to order on consignment. Have you heard of any such move by suppliers?

*Phillips:* The only consignment deals I have heard about have been specific accounts spotted around the country and generally for some specific reason. There is a tendency to consign goods in resort areas and extremely short season areas. But it must be classified as a poor business practice.

*Thatcher:* This is a poor way for companies to act. By not being responsible for merchandise in the shop, the shop can stock heavily with a larger variety at no risk. Certainly this can be afforded by the larger volume shops, leaving the rest out on a limb. I am against consignment.

*Rickey:* Although we've heard rumors of every kind of deal under the sun being offered, we are not aware of any major company offering consignment to golf professionals. The profit potential of our business would not allow this kind of luxury.

*Orlick:* We hear about some manufacturers permitting consignment buying, and over the years some manufacturers have made special arrangements for their favorites either because of playing ability or larger vol-

ume buying or whatever.

*MacDonald:* We do not sell on consignment. You could consider that the long terms of our dating program offered for equipment purchases would actually have the same advantage that would be offered to a pro on consignment. However, we don't consider these terms to constitute a consignment in any way.

*Kay:* Some suppliers are permitting pros to order on consignment. Unfortunately, my dealings are with other suppliers.

*Cassell:* We do not enter into any consignment program in any area of the country. It is a dangerous practice and reduces the effectiveness of a successful pro shop. □

Warren Orlick



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