

OUT OF THE RED AND INTO THE BLACK

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A change in management turned a financially unsuccessful golf course and country club into a profitable multi-million dollar recreational and residential community

How do you turn a losing proposition into a successful, multi-million dollar country club and residential community? Proper management techniques says Ainslie Perrault, developer of Indian Springs in Broken Arrow, Okla.

Initially, to complement his residential homesites, Perrault allowed outside interests to handle the management of the Shamrock GC, situated in the center of the development. However, it soon became evident to Perrault that the golf course and clubhouse were losing money and detracting from their original purpose—to entice people to live in his residential development.

"Most financial problems clubs or businesses face these days can be laid to improper management techniques," says the 69-year old investor. "Golf complexes can make money and be a service to the community if they are properly man-



Clockwise, from left, Bill Drott, Ainslie Perrault and Hal Webb discuss additions to the Indian Springs clubhouse; Jack Smith, right, shows automatic irrigation controls to Don Sechrest; thrice-weekly staff meetings among administrators aid in flow of communications; Al Counsell, right, shows member a set of clubs.

aged," he emphasizes. "I have played very little golf in my life," Perrault laughs, "but any successful businessman knows that he must be profit and customer oriented; then he must find good management personnel to carry out this philosophy.

"We changed the management team at Shamrock GC and changed the name to Indian Springs CC. Once I had taken over and hired good personnel to manage the golf course and clubhouse I did not interfere. I feel I am a good judge of people and that they must be given the opportunity to prove their skills. I treat them well and they do the same for me."

This tactic has worked. Within three years under Perrault's management, Indian Springs is free of mortgage and debt, has built another 18-hole golf course and an addition to the clubhouse.

"Although the infusion of money was necessary initially to get the golf course and clubhouse back on track," Perrault says, "you must also instill in your employees the idea that the members of a country

club are our customers, and the customer is always right. Being a profit-oriented operation, our success hinges on satisfying the needs of our customers. This personalized service has given Indian Springs an active membership of approximately 560 and it's still growing."

The kingpin in Perrault's organization is Indian Springs' vice president, Jim Hood. Hood, a college graduate in architecture, joined with Perrault to envision the whole complex with long-range plans and goals for the construction of an additional golf course, tennis facilities, riding stable and five-tiered clubhouse, all surrounded and integrated with single and multi-family dwellings.

"We bought 1,250 acres and designed it to hold between 2,000 and 2,500 families," Hood says. "The golf course had been designed by George Fazio and Doug Sanders and was a great layout with each hole designed after a famous golfing hole. We put over \$3 million into renovation of the course and doubled the size of the clubhouse.

We had to convince people that this was not going to be a fast sell. I even bought a lot and built one of the first homes here," he says. "We got a new superintendent, Jack Smith, and worked with golf course architect, Don Sechrest, to get the original 18 back into playable condition."

CLUBHOUSE ATTRACTS RESIDENTS
Club manager Bill Drott has turned a previously "losing operation" into a financial success. "Some country clubs operate like a church," says Drott. "They are used only once or twice a week. We didn't care about the amount of non-member income because we were set up as a profit-making organization, not non-profit. We felt we had a facility that could compete with any restaurant in the area, including Tulsa, and we actively sought customers. We also cater to banquets, weddings and meetings. We have never interfered with our original goal, to please the members, and we sometimes have had as many as five separate groups using different rooms."

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Part of the management philosophy of Indian Springs emphasizes communications, because, according to Hood, "An informed team is one that is capable of making sound business decisions for their own departments. They are informed and know the effect of any decision they make on the other areas of the development." The management team, which includes Perrault, Hood, Smith, Drott, Al Counsell, the golf professional, Bob Wichman, who is in charge of the riding academy, and Ellen Donica, the tennis professional, hold a luncheon meeting every Wednesday. They have three round-table meetings a week.

Communications also extend to the membership. In a personal letter to all of the homeowners, Perrault enclosed a copy of the March 6, 1971, article in *Business Week* entitled, "Country Clubs Fall Short of the Green." Briefly the article says that people are spending less and the operation of the clubhouse is costing more. Perrault's letter explains to the members that Indian Springs is free of mortgage and debt because the members have brought in special functions. "As you may know," Perrault told the members, "according to our by-laws we do not assess the members for deficits in the operation of the club and golf course. We have borne early operating losses personally." A monthly newsletter, *Smoke Signals*, also keeps the members abreast of activities and events at Indian Springs. As a result of the management practices and efforts at communication, Hood reports that 98 per cent of the 250 homeowners at Indian Springs or 245 are also members of the golf club.

"Indian Springs gives homeowners an investment in green belt, open space," Hood says. "Fifty to 75 per cent of our 36 holes are in single, meandering fairways. Although this may seem like a waste of land to the developer, it assures the homeowner that the course will be an integral part of his home-site for the future. The reason some of the older golf courses were subdivided by land developers,"

Hood continues, "is because the course was laid out on a block of land with many parallel fairways. Sometimes these blocks of land are just too valuable to be tied up in a course, so they were subdivided."

SECOND 18 HOLES BUILT

"We applied the same meandering principle to the second 18 holes," architect Sechrest says. "You have to take advantage of the available land. The ideal location for a golf course is on rough land to give it character. Valleys, banks and hill-sides are costly land areas to develop for homesites and are wasted space in developments without golf courses. We also provided access points onto the golf course for people who don't play golf, so they can just walk out and look at a beautiful green piece of land. Two children's parks also encompass the second 18 holes, but are not in the way of golfers. We also put fairways along the main thoroughfare bordering the Indian Springs property," Sechrest says. "This is a great advertisement to people passing by, and they provide a buffer for the homesites."

"The original 18," Sechrest says, "is definitely championship caliber, and is very difficult for that 'once a month' member or for women golfers. We built the second 18 to be challenging, but also one that members could enjoy and play quickly."

To assure the agronomic success of a golf course, Sechrest also advocates to developers to hire a golf course superintendent during the initial stages of any new project or at least at the time of the installation of the irrigation system. "The superintendent has to live with the design and installation so there should always be co-operation among the architect, developer and superintendent," he says. "It is very difficult for a superintendent to step onto a new course, be organized and be able to correct the flaws in design or construction."

"Some of the big problems that we and other golf courses in Oklahoma face stem from the heavy winds, porous soil, lack of rain and hot sun," superintendent Smith points out. "This can really put a

load on a maintenance program. Our main pumphouse is capable of handling two million gallons of water for the 36 holes.

"Some tips for superintendents at new or renovated golf courses include placing small flags on the heads and valves of pop-up sprinklers. During early mowings it is easy to run over and ruin a \$40 sprinkler head. Also," Smith adds, "when the contractor has blended the soil mixture for the construction of the greens, ask him to blend extra, then keep it handy. We used this extra 7-2-2 mixture as top-dressing when the greens started to come in. The cost is minimal because all of the material is there anyway."

MEMBERS SUPPORT PRO SHOP

Golf professional Counsell's association with Indian Springs has given him the experience and confidence he needed. "Originally the development had hired a touring professional to represent them," Hood says. "Although there may be some prestige in this arrangement, it doesn't bring in the members."

"The members are beginning to support the pro shop," Counsell says. "We have initiated strong women's and junior programs (as have the other recreational facilities: swimming, tennis and riding) and are getting strong patronage in women's soft and hard goods. I have also been able to build up my inventory in men's clubs to give them a complete selection."

Although profit oriented, the management's progressive ideas extend to the community. "When Broken Arrow's bond issue for a sewage plant passed last year, we donated 11 acres on the development to the city for them to build it," Perrault says. "We also supplied free water to the city for two years until they could set up their own supply."

Indian Springs' emphasis on internal and external communications backed by profit-oriented business practices assure a successful investment for Perrault, and an enjoyable residential and recreational facility for homeowners and members of the surrounding community. □