COVER STORY

Takeovers & Turnover

The words 'management company takeover' used to translate as 'pink slip' for superintendents. Have things changed?

BY TERRY OSTMEYER

As bright as the horizon is within the mainline ranks of the golf management industry, it does have a dark side that only recently began to glimmer with rays of improvement.

Whenever a business comes under new ownership or management, the hard fact of life is that some employees will be out of jobs. While such turnover is so commonplace in the corporate world that it should hardly be alarming, it has been a burr on the public relations backsides of golf course management companies for decades.

And, indeed, the toll of discarded golf course personnel from the clubhouse, the pro shop and the maintenance facility was considerable in the early days of the management industry, no matter how small the percentage of corporate-run properties may have been then. The country's largest and most entrenched golf management entity, Santa Monica, Calif.-based American Golf Corp., shouldered much of the blame. In its early years, AGC took on struggling, financially challenged public courses and replaced many incumbent employees as an economic move. Often, the charge was that people with little or no golf background were brought in to run the facilities.

Dallas-based ClubCorp, which has been around longer than AGC, has experienced similar criticism in the past, although on a lesser scale

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because the company's predominant focus was on the private golf sector where new faces on the staff often tilt members' comfort level.

"We learned long ago that that's the heart and soul of a club – the people who touch the members daily," says Beryl Artz, ClubCorp's executive vice president of golf/country clubs.

Today, however, most of the major golf management companies feel the employee-retention issue is mortally wounded and soon to be dead and buried. Several firms report that generally between 85 percent and 95 percent of a facility's staff is retained during a takeover. And most of those who aren't retained have left on their own.


PHOTO: CLUBCORP INTERNATIONAL

Companies like ClubCorp say they have learned not to unnecessarily tinker with "the heart and soul" of the facilities that they take over.

Golf course superintendents have been sensitive to this issue for many reasons – not the least of which is the struggle between the veteran superintendent and his or her personalized maintenance practices and the corporate idea of leaner, cheaper methods. But as the sphere of golf management companies has grown and the competition for luring golfer rounds has reached serious proportions, good course conditions have become imperative and good course superintendents, in estimations of one management executive, have become worth their weight in gold.

"We can't find enough good help as it is," notes Jeff Warren, director of business development for KSL Fairways, which owns nearly 50 properties around the country. "We strive to have the foresight to retain and develop good employees who will execute our standards for the golf course daily."

Still, fairways across the country are dotted with disgruntled superintendents; victims of being a bad fit with a management takeovers. Joe Redling, chief operating officer for Orlando-based Arnold Palmer Golf Management, acknowledges that the emphasis on a more busi-

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nesslike, accountable approach to a golf course operation often clashes with a maintenance professional. But even more to the point is the pressure of high expectations a management firm demands in its efforts to please the paying customer.

"Golf course conditions are such a high priority," Redling says. "When you put out the Arnold Palmer brand, the customer expects improvements and a quality playing experience."

Headed by Jim Ellison, a veteran superintendent and the company's top agronomist, APGM employs regional superintendents who in turn train and direct the maintenance managers at its 30 courses across the United States.

"We don't have a policy to put our own people in place when we acquire properties," Redling says. "We strive to get superintendents to buy into the Palmer standards and take the properties to a new level. Our mission is to help them enhance their abilities to do their jobs."

ClubCorp has a similar structure of regional superintendents who act as mentors and coaches for the course managers at the company's more than 175 golf properties around the country.

"We retain 95 percent of the superintendents at properties we acquire," Artz says. "We assess their strengths and ask them to enroll in the vision of where we feel the property needs to go."

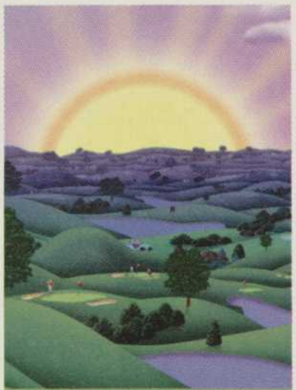
ClubCorp also puts its course managers in the spotlight each year when it encourages their attendance at seminars and a company awards program held in conjunction with the GCSAA's annual conference and show.

ClubCorp's commitment to the golf course and its management came through loud and clear when its showcase property, Pinehurst, was awarded this year's U.S. Open. The company promptly provided the resources needed to redesign, renovate and maintain the resort's historic No. 2 course to meet the USGA's rigid championship standards.

Andy Crosson, vice president of acquisitions for the Del Mar, Calif.-based Cobblestone Golf Group, admits that a managerial or ownership change can be difficult – often traumatic – for a superintendent. But he believes the situation will ease in time, especially if both sides keep an open mind when dealing with potential problems.

"We don't have a stable of ponies we trot out to take over," he says. "We like to retain the managers already in place, provide them with good pay, great benefits, a chance for upward mobility and a career path."

Indeed, management companies have found it's good business to provide site managers with medical and dental benefits, 401K and promotion opportunities. Many times such benefits were unavailable before the acquisition and will go a long way toward smoothing troubled waters.



"I'M AN OLD-TIMER who likes to spend time out on the golf course, not spend time on paperwork and such. But I learned it comes with the territory."

GARY BELL
Superintendent

Companies also tout on-the-job benefits and support that management brings, such as national purchasing, equipment sharing and the necessary resources to maintain a property according to set standards.

AGC cites significant gains in employee retention and relations as its managerial empire has grown to nearly 300 properties. For instance, Dave Pillsbury, AGC's vice president of operations, disputes lingering charges that his company is overly cost-conscious and corporate-driven.

"Unfortunately . . . the perception of American Golf seems to lag five or six years behind reality," Pillsbury says. "Our company has changed immensely, more in the past two years than in the previous 10."

AGC's concentrated effort to retain course managers is bolstered by a vast network of regional superintendents and new staff-friendly policies. The company, which has nearly 6,000 maintenance employees, says it's constantly training superintendents and seeking new ones to join the ranks.

When Troon Golf Management acquires a new property, it's the job of Jeff Spangler, its vice president of operations and a superintendent himself, to work with the maintenance staff on board and provide an understanding of the company's agronomic principles.

As a company that specializes in running quality, luxury-brand golf courses, Troon's standards for the golf course are understandably demanding. To that end, Troon generally waves off the traditional modes of management – an overall manager passing instructions to regional superintendents and on to the site superintendents.

Instead of this overseeing style, Spangler says company philosophy is to consider each property on its own merits and to nurture open communication among the maintenance management staff pertaining to that end.

The result has been a Troon Golf agronomic management plan that's basically full of input from all company superintendents and serves as the company line on fundamental maintenance.

"The plan is simplistic and universal in nature, and applicable to each golf course with only minor tweaking," Spangler says, adding that the program has gone a long way toward ensuring consistent course conditions and appearance from one property to the next.

The superintendent's view of golf management companies may never lose its glint of suspicion or outright fear. But efforts by the companies to render the retention issue moot are taking root.

Craig Schleider had been in golf course maintenance for 10 years – starting as a teenager – when

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the opportunity of a lifetime came a couple of years ago. He was hired on as superintendent at one of designer Michael Hurdzan's environmental wonders being built on Long Island near North Hempstead, N.Y. Called Harbor Links, it rose from the rubble of an old quarry and was destined to require special management practices throughout its existence, not to mention be the subject of intense environmental scrutiny. In other words, it was a formidable challenge for a 27-year-old superintendent.

But soon before the city-owned course was to make its debut last summer, its original management firm was dissolved under the terms of a consolidation deal, leaving Harbor Links incomplete and with no managerial direction. But town officials found a savior in Arnold Palmer Golf Management, which in turn took the reins, opened the course on time and under budget.

It was a grand time for the town and its golfers. But it was a fearful time for Schleider, who after spending most of his career working for private clubs around Long Island, was given a rude introduction to the corporate world of golf. His first boss went kaput. His new one carried the most famous name in the game and a portfolio loaded with renowned golf courses as well.

"For a while, I didn't know what was going to happen to me," Schleider says. "But everything has been great. Palmer is very supportive and I've been impressed with its strong network within the company. They're there for you."

Schleider says management's more structured and organized way of doing things takes getting used to after the relative autonomy he had in previous jobs. But he has already seen the advantages in budgeting, purchasing and the way APGM deals with the municipality to gain the specific needs of the highly sensitive facility.

Harbor Links looms as a treasure for the town, its designer, APGM and the superintendent. It's currently a candidate for Audubon's coveted Signature status, the country's most prestigious environmental honor for a golf property.

"Everyone here is working together on that," says Schleider, who along with APGM has earned Hurdzan's praise for Harbor Links' success.

"Palmer inherited Craig, but I credit its organization for bringing him on board, incorporating him into their system, and giving him the tools to succeed," Hurdzan says. "It's a strength of an organization to recognize talent."

Gary Bell, a superintendent for nearly 20 years, has worked under corporate management during his career. He's wary of the corporate style, but he admits that Cobblestone Golf Group is making great strides toward persuading him to embrace the company way.

For the past 10 years, Bell has worked at golf courses on North Carolina's outer banks, most of that time as director of maintenance at Nags Head Golf Links and nearby Currituck Club. The Carolinas Golf Group ran the two courses.

"I'm an old-timer who likes to spend time out on the golf course, not spend time on paperwork and such," Bell says. "But I learned that it comes with the territory."

Bell's wary conversion suffered a big setback last summer during the peak of his golf season when Cobblestone's new owner, The Meditrust Companies, bought Carolinas Golf.

"That was a tough time for such a transition, especially when your new bosses are four time zones away," says Bell, whose courses each average more than 250 rounds a day during their June-to-October season.

As it turned out, Cobblestone was understanding and supportive, and impressed Bell with its strong, talented network of people in his region. The longtime superintendent is also pleasantly surprised that operations at the two course have run smoothly in view of the fact that Nags Head is under Cobblestone ownership and Currituck is under a management contract.

"I'll admit that I'd rather deal with a man head-to-head in this business, but I've come to understand how a corporation has to do things to get it done right," Bell says. "I've learned to deal with a lot of people."

Bell says he would advise superintendents facing company management or ownership for the first time to keep an open mind and give the situation at least a year to develop. "I believe that once you're in the system, and understand the system, the system will work for you." ■

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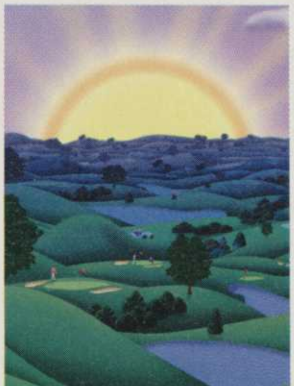

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>
> ANDY CROSSEN
> *Vice President of Acquisitions, Cobblestone Golf Group*

The New Reality

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eration. ClubCorp recently made a huge leap into Europe when it bought controlling interest as an operating partner in the European PGA Tour, which has a half-dozen golf properties and designs for more.

But the big news came a month ago when ClubCorp announced a venture with Golden Bear Golf in which it will develop and operate no less than 36 Nicklaus-designed daily-fee courses throughout the nation. The first in this landmark deal, BirchRiver, is being built in Dahlonega, Ga., near Atlanta and will open in 2000. "I'd say we're poised for growth," Artz says.

Which, in an environment where only the strong survive, may be the difference between life and death in the management company jungle. ■