

Off The Fringe

NEWS WITH A HOOK

Business briefs

NGCOA, NGF team up for study

The National Golf Course Owners Association (NGCOA) and the National Golf Foundation (NGF) have joined forces to conduct a national study of golf facility rounds played. The study is underway and results will be available in April.

"The NGCOA/NGF study of rounds played will be the official measurement of this important business indicator for the golf industry," said Ruffin Beckwith, senior vice president of golf development for the World Golf Foundation.

The effort has received the support of numerous leading golf course management companies, including Dallas-based ClubCorp. Jim Hinckley, president and chief operating officer of ClubCorp, played a major role in bringing the study together. "The industry has needed a more comprehensive assessment of the golf facility business for some time, and now with this effort we will have it," said Hinckley, who co-chaired an NGCOA task force addressing the need.

Mike Hughes, executive director of the NGCOA, said his organization's interest in the study stemmed from requests from his members for a better measurement of rounds played, a critical indicator of the health of the golf facility business. "Teaming up with the NGF made perfect sense given our broad membership base and their research capabilities," he said.

Toro upbeat about first quarter

Bloomington, Minn.-based The Toro Co. said in January it expects to be profitable during the first quarter of fiscal 2002, excluding one time charges, and exceed current analyst expectations. The company previously said it expected a loss of 20 cents per share.

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Golf's Bigwigs Evaluate the Industry

By Larry Aylward, Editor

The room was packed with golf course owners and other curious conference attendees. Their eyes were focused on the four finely dressed gentlemen seated at a table in the room's front.

It was probably one of the most widely attended meetings during the National Golf Course Owners Annual Conference & Trade Show, held in January in Phoenix.

Leaders from Marriott Golf, LinksCorp LLC, Troon Golf and American Golf Corp. were on hand to give their takes on the industry's economic status.

The bigwigs spoke about their companies and a difficult 2001 before talk turned to 2002. Bob Blake, president and CEO of Bannockburn, Ill.-based LinksCorp, didn't sugarcoat his feelings about the future. Citing recent statistics, Blake noted that of the country's 26 million golfers, about 26 percent are avid golfers who play 25 or more rounds a year. Those avid golfers, however, play about 78 percent of all rounds. "That's scary," Blake added.

Overall, Blake noted that 15 percent of the 26 million players are the "key drivers" of the game. "That's frightening," he said.

Obviously, the industry must gain more rounds from occasional golfers in addition to attracting new players. But Blake said courses must also take care of that 15 percent base with the utmost service because those golfers can make or break you.

Dana Carmany, chairman and CEO of Scottsdale, Ariz.-based Troon Golf, agreed, noting that it's easier to keep current customers happy than to

attract new golfers. Carmany said resort areas will continue to have a challenging year, but he remains upbeat about the industry as a whole. "There have been bad times before, and there will be good times ahead," he said.

Kevin Stockford represented Orlando-based Marriott Golf. Stockford, director of golf for Wildfire GC at Desert Ridge in Scottsdale, Ariz., said the fear of flying caused by the terrorist attacks is over, but the economic downturn the attacks helped cause is not. "People will get on the flights, but they don't have the money to do so," he said.

If there's one thing golf course owners shouldn't do when times get tough is offer a blue-light special, Blake warned. He said LinksCorp has determined that lowering green fees seldom

"There's an upturn coming, and we will be the beneficiaries of it."

DANA CARMANY
TROON GOLF CEO

increases rounds and volume of golfers to generate the appropriate revenue. "This is one of the biggest challenges facing the industry," he added.

Stuart Hayden, executive vice president of American Golf's Western Operations, replaced AGC co-CEO David Pillsbury on the panel. AGC has been in the news for its financial troubles. Reports late last year said AGC was having trouble paying its rent to its sister company, National Golf Properties (NGP). Hayden said AGC took a hit last year, especially in resort areas like Las Vegas, where rounds were down 25 percent.

"We were forced to take some dramatic action," Hayden said. "We laid off about 300 people at the end of December and the beginning of January."

Soon after the NGCOA show on Feb. 13, NGP announced it was merging with AGC. Upon completion of the proposed merger, the combined company will be the largest publicly traded golf management company.

Peer Pressure? What Peer Pressure?

SOUTHAMPTON GC SUPERINTENDENT HAS SIX SUPERINTENDENTS AS MEMBERS

By **Todd Stumpf**

A 3-foot downhill slider on the 72nd hole of the U.S. Open? Can't get more pressure-packed than that. Unless you're Elton Etheridge. Then it's a tap-in. In fact, just pick it up. It's good.

They say the toughest performance is one delivered in front of one's peers. Etheridge, 62, has been superintendent at Southampton GC in Southampton, N.Y., on Long Island for 28 years. For several years, his course has been home to six superintendents who have memberships at Southampton.

"It's an odd situation," Etheridge concedes. "They don't play here all that much, but it's still odd."

Regardless of who might be playing, Etheridge does his best to keep his 7,000-yard Seth Raynor-designed golf course in top shape. He brushes aside the notion of pressure, refusing to think about what his closest critics might be saying.

"I would think about it all the time," says Bob "Hook" Williams, superintendent at the Maidstone Club in East Hampton, N.Y., and a member at Southampton. "But it doesn't seem to bother Elton at all. That's probably because he does such a fantastic job."

Another member, Karl Olson, superintendent at the National Golf Links of America, also in Southampton, echoes that sentiment. He spun a tale of the club's championship,

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Quotable

"It's the first time in my life that anybody has been victorious toward the IRS."



— *Mike Hughes, executive director of the National Golf Course Owners Association, on the new IRS rule that allows owners to claim the cost of modern golf green construction as depreciating assets.*

"The patricians of the USGA aren't making decisions for the good of the game."

— *Unbiased Acushnet CEO, Wally Uilhein, on USGA's recent attempts to begin to curb club size and ball flight. (Sports Illustrated Golf Plus)*

"It runs between an 8 and a 9 on the Stimpmeter. I know it sounds crazy, but he's shown a lot of natural golf ability, and I want to encourage it."

— *Robbie Curtis, of Beverly Hills, Calif., after replacing the wall-to-wall carpeting in the bedroom of his 9-year-old son, Dillon, with an artificial turf putting green. (Golfweek)*

"The effort we witnessed in the aftershock of the World Trade Center collapse reminded us of how dependent we are on the protection and responsiveness of these unsung heroes in our communities. The 9-11 Initiative is our small way of showing our appreciation for their readiness and their ongoing contribution to our safety and well-being."

— *KemperSports Management CEO Steve Lesnik on the company's 9-11 Initiative that calls for firemen, policemen and military to receive a 50-percent discount on greens fees at all KemperSports owned and leased courses in 13 states.*

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This development is due to improved expectations from Toro's residential segment related to the new line of walk power mowers for The Home Depot and dealers, increased snow shipments and expense timing.

Lesco refinancing

Cleveland-based Lesco is refinancing its principal debt agreements in a new senior secured credit facility. The new \$122 million facility includes an amortizing term loan of about \$7 million and a revolving credit line of up to \$115 million with a three-year maturity. Availability under the new revolving credit facility is determined by a borrowing formula based upon the company's eligible receivables and inventory.

Bayer stock makes its debut

On Jan. 24, Bayer AG listed its shares on the New York Stock Exchange under the ticker symbol, "BAY." In honor of the occasion, Bayer CEO Manfred Schneider rang the bell that traditionally signals the start of the trading day on Wall Street. Shortly afterwards, he placed the first order for Bayer shares from the trading floor.

Continued from page 15 when 2 inches of rain fell just before the event teed off. By the time players took to the course, Olson said you couldn't tell it rained.

Etheridge's job isn't easy to begin with, peers or no peers. Southampton features a rolling links-style course, reminiscent of old-style Scottish courses. Long rough, coupled with undulating greens, provide a stiff test for any superintendent's skills. "It's amazing," Williams says. "His turf is great all the time."

But Etheridge deflected praise back to Williams, noting that his old friend has a tougher gig. Williams' course spans 27 holes and has no water on the fairways. He also oversees grass tennis courts.

It doesn't hurt, either, that the men are friends. Not only are they playing partners, Williams and Etheridge have known each other since they were 7 years old. The two

The Silent Majority

Did you know that 75 percent of all golfers are only responsible for 20 percent of all rounds played, while a mere 25 percent of so-called "rabid" golfers (excuse us, that's "avid") play the remaining 80 percent?*



*Avid golfers are those that play 25 rounds or more per year.

SOURCE: NATIONAL GOLF FOUNDATION

ILLUSTRATION: DAN BEEBY

graduated from high school together before heading their separate ways. Eventually their paths crossed again and, ultimately, Etheridge wound up at Southampton because of Williams, the club's former superintendent.

"I am grateful for that," Etheridge says. "I learned a lot from him. We're still close friends."

Stumpf is a free-lance writer from Medina, Ohio.

Scanning the Web

Frank Andorka reviews www.pgatour.com/partner/wtw

(All sites are preceded by <http://> unless otherwise noted)

If you want to get a daily feel for what's going on in the golf business, you've come to the right place. The PGA Tour has partnered with Robinson Holliday, a golf writer who formerly produced a golf industry newsletter called, "What They're Writing." Now her newsletter is available to the general public through the PGA Tour's Web site. The newsletter is organized into easy-to-navigate sections.

The "Players" section contains updates on your favorite tour players, along with columnists commenting on their exploits. There is also a "Senior Tour" section, the

content of which mirrors the "Players" section, only focusing on the older players.

There's a section that focuses on stories about the past week's tournament. This week, it had a story about Buick Invitational winner José Marie Olazábul. It also had one about how the renovations done at Torrey Pines for the tournament will affect the public who play the course long after the professionals have moved on. Another section compiles stories on other tournaments throughout the world.

The final section, "Other Stories," often contains general-interest stories, which

focus on golf industry business news, but occasionally explore issues like club politics and agronomy.

The variety of sources and the notoriety of some of the authors are impressive. In the end, www.pgatour.com/partner/wtw will save you from spending hours scanning the Web looking for golf business information. Instead, you can spend the time taking care of the golf course.

Goldfom's managing editor Frank H. Andorka Jr. compiles Scanning the Web and wants to find a Web site that will save him from hours of writing stories every month. You can reach him at fandorka@advanstar.com with future column suggestions or sites you think he should visit.

Robin's Travels

We asked golf course architect Robin Nelson to list the big differences between designing golf courses in the United States and overseas. Take it away, Robin:

Travel and distance

Projects in Asia require lengthy airplane rides. It's not uncommon to spend 24 hours traveling from office to destination. From there it may be another 12 to 24 hours before reaching the site because of quality of roads, travel arrangements or even the mode of transportation.

During construction of the Shenzhen Xili GC near Hong Kong, travel was by taxi, bus, plane, train, foot, private car and motor scooter.

Other modes of transportation have included long boats, helicopter, camel and Lear jet. My favorite was the Mercedes private limousine with the three-inch bulletproof glass.

Time zones

When my headquarters was in Hawaii, I often endured "time-warp trips" — Hawaii to Europe is a 12-hour time change, and the East Coast to Japan is another 12-hour change.

Unless a client is extremely sympathetic, you're expected to start impressing everyone with dramatic instructions immediately after a 22-hour plane flight and journey to the site.

Language

In Asia, it is common to struggle with communication between the owner and architect, or the architect and the construction company leader.

While golf is a universal language (par, birdie, etc.), such things as back-filling trenches, ordering pump stations on time or, "You have to start planning the clubhouse sometime soon," can be lost in the translation.

Usually, my main concern is making sure what I draw on my plans becomes

translated correctly to the people doing the construction work — so my drawing skills are imperative. A person's pantomime, charade and facial-expression skills get tested quickly when working overseas.

Professional construction companies

In the United States, I can put a project out to bid and expect a pre-qualified list of five to 10 experienced golf course contractors who will bid on a job. This isn't the case in a lot of projects overseas.



Robin Nelson — Have camel, will travel.

There are many companies that say they're qualified, but I've had enough experience not to play that game. There's too much at stake to allow companies "on-the-job-training."

Maintenance

This is probably the most frustrating part of working overseas. The GCSAA has made huge strides the last few decades to advance maintenance of golf courses in the United States, and it's making progress in spreading the education and skills to the new golf markets. But many parts of the world are still eons behind.

Until the four facets of a golf course — design, construction, maintenance and operations — are equally balanced, we will be facing an uphill struggle. A lot of effort is put into explaining the

importance of how money can be saved if the resources are put to use in the proper place and at the proper time.

A good example is the process of hiring a qualified superintendent. In many countries, I still face the argument that a gardener can run a maintenance operation.

Labor

On a typical overseas project, it's not uncommon for 500 people to dig ditches, carry dirt and spread sand by hand.

Proximity of suppliers and vendors

A phone call will usually get results and replacement parts immediately to a site in the United States. But in Asia, it may be weeks or months before parts can be flown in, pass inspection, pass customs, be picked up and delivered.

Environmental concerns

The United States has many regulations regarding golf course construction. An architect worth his salt is a strict environmentalist, diligently follows every guideline and is well-versed in natural systems and environmental protection.

This is where we're making the most progress in developing countries — by applying these methods where there are no such guidelines or restrictions.

Social conditions

No construction can begin in the United States without having absolute title to a piece of real estate. This isn't always the case overseas, where many times there's no clear title, the land is in dispute or there may be squatters on the land.

There have also been many instances of violence over land ownership. Golf course routing must often be changed spontaneously to accommodate squatters' rights because of a last-minute document that "appears" by decree of local chiefs — or to avoid being blown away by shotgun.

Nelson, who has worked on golf courses in 21 countries, can be reached at RNGCA@mindspring.com.