New(fangled) Revenue Streams

BY GEOFF SHACKELFORD

Golf equipment manufacturers are blaming the weather for sluggish sales. Apparently, this technique is taught in MBAspeak 101: When all else fails, blame the weather no matter what you're selling.

A recent newspaper article implied that people are not buying the latest $400 drivers because of inclement weather. But the sales plunge couldn't possibly have anything to do with the price tag or the fact that some golfers are not compelled to replace their clubs on a bi-annual basis, could it?

At least weather is a fair target in the golf course industry. After all, we know that excessive green fees are not the reason for so many courses having "excessive capacity" (that's MBAspeak for "tee sheet's wide open").

The golf course industry must do everything it possibly can to avoid lowering green fees to lure back customers. (Who says you need an MBA to think like one?)

The industry must try everything it can before admitting that the customer refused to be "conditioned" to spend $150 on The Tuscan Experience at Crazy Squirrel.

So to save face and bring in more money for the industry, I propose the following:

- No longer comp the nearly 1,000 *Golf Digest* panelists. After all, they rarely pay green fees to evaluate "resistance to scoring," "conditioning" and "shot values." Estimated annual value to the golf industry in recouped green fees: $438 million.
- Use gas golf cars and do what MBAs love to do — borrow an idea from another industry. In this case, look to Avis and Hertz. After plunking down their green fees, ask golfers if they want to pay for their golf car gas up front or face the task of finding a station near the 18th tee to fill 'er up themselves. Estimated annual revenue in "Pre-Round Energy Protection Plan" sales: $832 million.
- Borrow American Golf's morale-boosting idea to charge employees $1 for every round they play at company courses. In this case, let's charge all PGA of America members $2 for every round they now play for free: $44 million annually.
- File a class-action lawsuit against the USGA to recoup all construction costs, design fees and other expenses related to "modernizing" golf courses. Since the USGA still insists that Iron Byron's persimmon driver has not been outsmarted by the aerospace engineers working in Carlsbad, the industry has a strong case. Estimated one-time take if the jury rules in the industry's favor: $1 billion ($333 million after legal fees).

REVERT TO GAS GOLF CARS AND DO WHAT MBAS LOVE TO DO – BORROW AN IDEA FROM ANOTHER INDUSTRY

- If the industry wins or settles with the USGA, why not file another class-action suit on behalf of all courses that have ripped out their choker layers and rebuilt their USGA greens to the "updated" specs? Estimated one-time recoup for the courses involved: $300 million ($100 million after legal fees).
- Estimated value to the golf industry thanks to increased third-home purchases on golf courses and 13 club membership purchases by golfing lawyers involved in the aforementioned cases: $150 million.
- Finally, promote more people to PGA Tour executive positions. Seven of the top 10 highest salaried executives in golf work for the PGA Tour. The organization has SVP COO's, EVP-co COO's and the big CEO himself, Tim Finchem, who reportedly rakes in more than $3 million a year. The executive pay starts at $400,000 and moves up to $1.2 million a year.

So let's add some co-EVP-co-CEOs and the golf industry will have more well-paid types to sit around at meetings, play golf and tell Finchem how to maintain the Tour's "core values." Estimated annual value in revenues thanks to new golf industry employment and executive spending: $9 million.

Who says there are no new revenue streams in golf?

Contributing Editor Geoff Shackelford can be reached at geoffshac@aol.com