Get Used to It: They're Staying

BY PAT JONES

Faithful readers may recall that the first issue of *Golfdom* (January 1999) had a cover story titled, "The New Reality: Superintendents in the Realm of Management Companies."

You'll be shocked (well, actually, you won't be) to learn that the topic wasn't new then, it generated loads of controversy, and it was clear the concept of corporate management companies was *not* going away.

The basics haven't changed much in five years. According to a recent study, the general idea of outsourcing still appeals to about 13 percent of owners who find themselves incapable of managing the finances of an often ill-conceived operation or who otherwise just don't want to be bothered with the details of running a course.

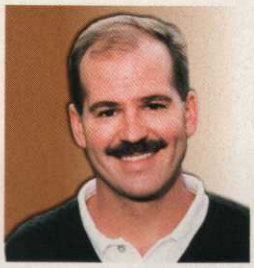
In short, they're like those unfortunate people who love the idea of having kids but don't have the patience or commitment to take care of difficult children once they actually become parents.

Also unchanged is the fact that many superintendents have a knee-jerk reaction against the idea of management or maintenance companies. As I talk with you, I get the impression that it somehow seems wrong to place the words "corporate" and "golf" next to each other in the same sentence.

After all, you are a breed of professionals who have been trained to value both the art *and* science of greenkeeping. I know I'll get letters for saying this, but there are still too few superintendents who understand that the third piece of greenkeeping is working at a profitable golf course. That, as we said way back in 1999, is the "new reality."

There are also many of you who, sometimes rightfully, equate management/maintenance companies with the practice of dumping experienced, tenured superintendents for cheaper, less-qualified and (usually) younger alternatives.

Does this happen? Sure. Does it happen as often as it did a decade ago? I hear the horror stories, but I also hear that corporate golf is getting smarter. Management and maintenance companies now realize the superintendent is the key person at the facility and letting that person go simply to save money is bad business.



SUPERINTENDENTS NEED TO DEAL WITH THE FACT THAT MANAGEMENT COMPANIES AREN'T GOING AWAY

The fact is that management/maintenance companies are here to stay. There will always be a certain percentage of courses that lend themselves to centralization or simply aren't as profitable as they could be with a little help from an outside manager. And, unless you're working for an old-line private club where money is still no object, profitability is what this business — and it is a business — is all about.

The big boom in traditional management companies occurred during the savings-and-loan crisis of the late 1980s. That's when the enormous bubble of course construction as an anchor for housing developments suddenly burst and corporate golf moved in to fill the void.

It's obvious to me and others that we'll see a similar (but I think smaller) boom in outsourcing over the next few years as we deal with the consequences of the combined effects of the dot-com bust, 9/11, Wall Street scandals and a stubbornly soft economy. Too many "ego courses" were built in the '90s, and they'll be sold or contracted out for pennies on the dollar over the next couple of years.

It's a buyer's market for those who have the financing to actually do the deals. But only a handful of companies and banks have the confidence or capital to pull it off, so it just isn't likely we'll see the same growth as a decade ago.

Nonetheless, corporately managed golf courses are here to stay, and superintendents need to deal with it. That's the basis for this month's cover story and I can guarantee you that *Golfdom* will revisit the topic again (and again and again and ...).

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