# Whose side are you on?

**The dividing lines are more clearly drawn than ever in the management company debate**

BY FRANK H. ANDORKA JR. ■ MANAGING EDITOR

It's not always obvious, but Curtis Nickerson has felt the distrust and sense of betrayal from other superintendents when they find out where he works. He's felt it in the coldness of handshakes. He's seen it in the cold stares and the averted eyes. He's heard the snide comments, such as, "Oh, so you work for one of *them*."

Nickerson, superintendent of Bonaventure GC in Weston, Fla., knows many superintendents view management companies as implacable enemies of the profession. He thinks he understands why — at least a little. But what he doesn't understand is why former friends and colleagues in the superintendent ranks now look on him as the enemy simply because he works for ValleyCrest Golf Maintenance, a golf course maintenance company based in Calabasas, Calif.

Nickerson recounts one such encounter at the GCSSA show in February. He says he ran into a colleague at the show who recently lost his job in the private sector. In the collegial spirit that marks the profession, Nickerson approached the man and told him of opportunities at a management company, saying he could probably find work there until he found another job in the private sector. His colleague's response? "I don't think I'm ready to go work for a management company."

The comment irritated Nickerson.

"There seems to be this attitude about management company superintendents that we weren't good enough to work in the private sector, so we fell back to working for management companies," Nickerson says. "It's the complete opposite. Being part of a management company helped me become a better superintendent."

It's clear from even a cursory glance at the GCSAA's "Talking It Over" online forum that Nickerson isn't imagining the hostility. In a recent exchange, one superintendent accused management companies of "raping" superintendents when they take over courses. Other superintendents defended the spirit of the post, if not the choice of words.

But management company executives insist their segment of the industry has changed significantly in the past five years. For starters, there's now an alternative to full-service management companies, which typically have an ownership interest in the course. They are maintenance companies, which only handle the maintenance aspects of the course and are reportedly more superintendent-friendly. In addition, most management companies say they now consult with the GCSAA about soliciting business. The benefits management companies offer make them attractive to many superintendents who are tired of working at the whim of club presidents, general managers or green committee chairmen.

"This attitude that management and maintenance companies are intrinsically bad is a continuing obstacle to our ability to do business," says Terry McGuire, business development director for ValleyCrest. "We need to do a better job of helping superintendents understand who we are as maintenance companies. We think we are more superintendent-friendly than traditional management companies because our upper management is populated top to bottom with superintendents. We understand the issues they face, and we're here to help."

Still, Nickerson's experience shows that management companies still have a long way to

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**Curtis Nickerson, superintendent of Bonaventure GC in Weston Fla. and employee of ValleyCrest Golf Maintenance, says superintendents would benefit from taking a fresh look at management companies.**

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go to convince superintendents they're not out to get them. The lines were drawn in this debate long ago, and one of the most important questions that superintendents find themselves asking their colleagues who work for management companies is, "Whose side are you on?

### Distinctions must be made

Kim Heck, GCSAA's director of career development, says there are now two distinct groups of companies that handle golf course maintenance operations, which should change the way superintendents view the group.

One group of companies consists of full-service management companies, where companies (like ClubCorp and Troon) take ownership positions and run entire operations, from the food-and-beverage concessions to the pro shop to the maintenance functions and are responsible for generating revenue. The second group only runs the maintenance functions of a golf course, leaving the other revenue-generating functions in the hands of owners and operators (like ValleyCrest and International Golf Maintenance).

"There are perhaps some similarities in the manner in which the two groups pursue business," Heck says. "There are also significant differences. Therein lies the rub for superintendents. Superintendents lump everything into one big pool."

Heck says the GCSAA believes both types of companies have a role in the industry.

"If they weren't needed, they wouldn't be in business and surviving," Heck says. "They employ our members. The GCSAA doesn't have a position on whether or not management companies are good or bad for the industry."

### Management company overview

Robb Dillinger, regional manager and business developer (and former certified superintendent) with ValleyCrest Golf Management, says he felt as if a weight had been lifted off his shoulders when he joined Arnold Palmer Golf Management in 1989.

"When you're in the private sector, you always have that apprehension that if you make a mistake, your job's on the line," says Dillinger, whose last stop before joining the management company scene was at Westwood Hills CC in Poplar Bluff, Mo. (where he also took care of Poplar Bluff Municipal GC his last three years there). "In a management company structure, there's a support network if something goes wrong. It's comforting."

Dave Downing, senior vice president of operations for Pinehurst, N.C.-based Tri Star Golf and GCSAA board member, says he has worked for two management companies in the past 10 years (his complete career spans 24 years, and his last stop in the private sector was Las Vegas CC). He has come to appreciate the security that comes from working in a bigger organization.

"I know who I work for, and I can communicate directly with my superiors," Downing says. "At a private club, you have hundreds of owners [in your members], and you can't always know what your status is. A management company offers far more support than that.

"I've been given a lot of responsibility by my bosses, and I've grown as a professional in those ranks," Downing says. "We all have to make personal choices about what we want out of our lives and our careers. Right now, this is what I want to do."

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## Is It Time to Revamp Management Company Structures?

Mike Hughes, executive director of the National Golf Course Owners Association, says the current model of full-service management companies hasn't worked because the economies of scale it purports to bring to golf courses is often offset by the addition of middle managers to the equation.

"[Full-service management companies] have a structure that gives them cost savings at the beginning because of their size, but to preserve that advantage you have to deliver it in an almost undiluted state to the courses," Hughes says. "If you have to have intermediaries to deliver those benefits, you've probably not only nullified your advantage but you may actually be at a disadvantage."

Hughes says he envisions a day when management companies operate more like hotel franchise companies. In other words, a management company would lend its name to a local golf course owner to help him market the golf course and leverage the purchasing power of the franchise company for bulk purchases of equipment, chemicals and other golf course commodities. At the course, however, the ownership would remain local. In return, the owner would pay the management company an annual franchise fee to use the name. He believes that it could be the wave of the future.

"A good local owner-operator is certainly more a part of his or her community and understands the community and customer base better than someone brought in by a management company that doesn't have those ties," Hughes says. "A system like that could revolutionize the industry."

**– Frank H. Andorka Jr., Managing Editor**


JACI BLAIN

**Scott Zakany, executive vice president of IGM (left) examines a soil sample with Jason Moore, director of golf maintenance at the company's Mystic Dunes GC in Kissimmee, Fla. Zakany says his company proves its commitment to superintendents by sending all of them to the GCSAA show each year for further education.**

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Dillinger says he's also impressed with the package ValleyCrest offers its superintendents, which including a 401K plan, health benefits and educational support.

ValleyCrest's McGuire says maintenance companies also offer superintendents backup in case key personnel leave or equipment breaks down. Regional mechanics are shared among clustered courses. A call to one of the company's regional superintendents can dispatch a mechanic out to the course as quickly as the same day if required.

Tom Martty, president of Martty Golf Management and a board member of the American Association of Golf Management Cos., says superintendents are vital components for any management company. Without them, the management company's only asset — the golf course — would suffer and prevent the company from making money. Therefore, he believes management companies try to treat superintendents well.

But in return, superintendents have to be willing to take direction, something many are not used to, Martty says.

"Particularly in these difficult economic times, management companies have become more hands-on, and superintendents have come under the microscope," Martty says. "They don't like it, and they don't care to be there. That's OK. There are no hard feelings on our end if a superintendent chooses to leave."

But the question of how superintendents leave management companies is the subject of some of the most heated debates among superintendents. Do most superintendents leave on their own accord or are they forced out? That's usually the starting point from which verbal brawls begin when management companies are discussed.

## Lines of division

When maintenance or management companies come up (and one learns to bring them up gingerly in large groups of superintendents), the two most common complaints involve the way management companies treat superintendents before and after they take over a course.

In the first scenario, a management company that's desperate to make money solicits golf courses through mass mailings by promising owners that it can maintain golf courses cheaper, faster and better than the current superintendents.

Reports of such mass mailings rankle superintendents, who view them as an unethical end-run. Superintendents often tell tales about colleagues who don't find out that management companies have done site visits until after they've received their pink slips.

"Most superintendents look at management companies as the enemy," says Max Bowden, certified superintendent at Cleveland CC in Shelby, N.C. "When companies send out these fliers and mailers to boards and owners saying they can save them money, I have a problem with that. I think that's a clear violation of the GCSAA's code of ethics."

But even if the management company keeps the current superintendent on, it's often not long before it's asking him to slash his budgets to boost profits for the company, some superintendents say.

Bowden, who has never worked for a man-

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> TRI STAR GOLF

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agement company, says he's talked to colleagues who tell of courses whose conditions have gone downhill after management companies had taken over because they gutted the maintenance budget.

"Management companies must make money," Bowden says. "Cuts have got to come somewhere, and more often than not they come from the superintendent's budget, which makes it hard to maintain high turf-quality standards at the course. Poor conditions lead people to point the finger at the superintendent, who then loses his job."

Scott Zakany, a former certified superintendent who now is executive vice president of International Golf Maintenance (IGM), gets a little defensive when he hears such stories. He says those are stubborn myths that have taken on a life of their own.

"We don't go in there and fire superintendents," Zakany says. "That's not our job. We don't have a busload of superintendents waiting to take people's places. Nine times out of 10, we get a phone call about a problem at a golf course.

"There are a lot of these myths that are out there," he continues. "[The complaints] typically [come] from disgruntled superintendents who have lost their jobs. Then they blame the people or companies that come after them for driving them out."

Dennis Walters, president and CEO of Walters Golf Management, a regional management company based in St. Louis, is more blunt.

"There are a number of superintendents who are insecure," Walters says. "If you get rooted into a job and if you don't progress, you can become stale. Management companies don't want stale employees."

Walters says he's not picking on superintendents — the same standard applies to professionals, club managers, chefs and other employees of the golf course as well.

"We have high standards for how we want our golf courses run, and we hold our employees to those standards," Walter says. "Some superintendents don't like to be told how they should run their courses, and sometimes they chafe under management company structures. When that happens at our company, we try to help superintendents find other positions for which they may be more suited."

### Conflicts of interest?

Bowden says the GCSAA is in an awkward position when it comes to dealing with alleged management company ethics violations, particularly in the area of soliciting business. He understands the association can't regulate management companies because it has no legal ability to restrain them from doing business.

Nevertheless, he believes the GCSAA wouldn't do anything even if it could because of the financial incentives to be had in working with them.

"If a management company has 100 superintendents who pay dues and go to the national show and the same company advertises in *Golf Course Management*, the GCSAA can't afford to do anything about any problems," Bowden says. "From its standpoint, if the GCSAA cracks down on management companies, it would be losing a lot of money at a time when it can't afford to lose money."

GCSAA's Heck says she can't comment on management company revenues that come in to the association's magazine, but she says the companies do support the ongoing educational objectives of the GCSAA. She also explains the association works closely with management companies to ensure they are working within the ethical guidelines laid out in the association's Professional Conduct Guidelines and its Code of Ethics.

"What we ask all companies that are attempting to gain business at golf facilities is that they look at the way they're pursuing business from the superintendent's perspective," Heck says. "We strongly discourage blanket mass mailings, but we can't stop them. That gets into 'restraint of trade' issues."

Heck also says she has worked with management companies to tailor any mailing to avoid crossing ethical barriers. IGM's Zakany says that whatever mailings they do have been vetted by the GCSAA to meet all ethical standards. He adds the days of mass mailings at IGM are over.

"It's probably been two or three years since we've done one of those," Zakany says. "Now the GCSAA looks at our targeted letters first, and then we usually pass it on to the chapter presidents to give them a heads up."

Heck encourages chapter presidents to get their members involved in a grassroots

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**"We're populated from top to bottom with superintendents."**

TERRY MCGUIRE
BUSINESS DEVELOPMENT DIRECTOR
VALLEYCREST GOLF MAINTENANCE

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campaign to stop a mailing if they are offended by it.

McGuire also says that when ValleyCrest is contacted to visit a course, the company suggests the course's superintendent be informed.

Some management company critics insist that *suggesting* the superintendent be involved isn't enough. They argue that management and maintenance companies should insist that the superintendents be included in any discussions or refuse to visit.

Rick Fiscus, superintendent of West-Chase GC in Brownsburg, Ind., says it's time for the GCSAA to get off the fence and into the fray.

"It's time for GCSAA to take a stand," Fiscus says. "It's a situation the organization should address on the national and local levels."

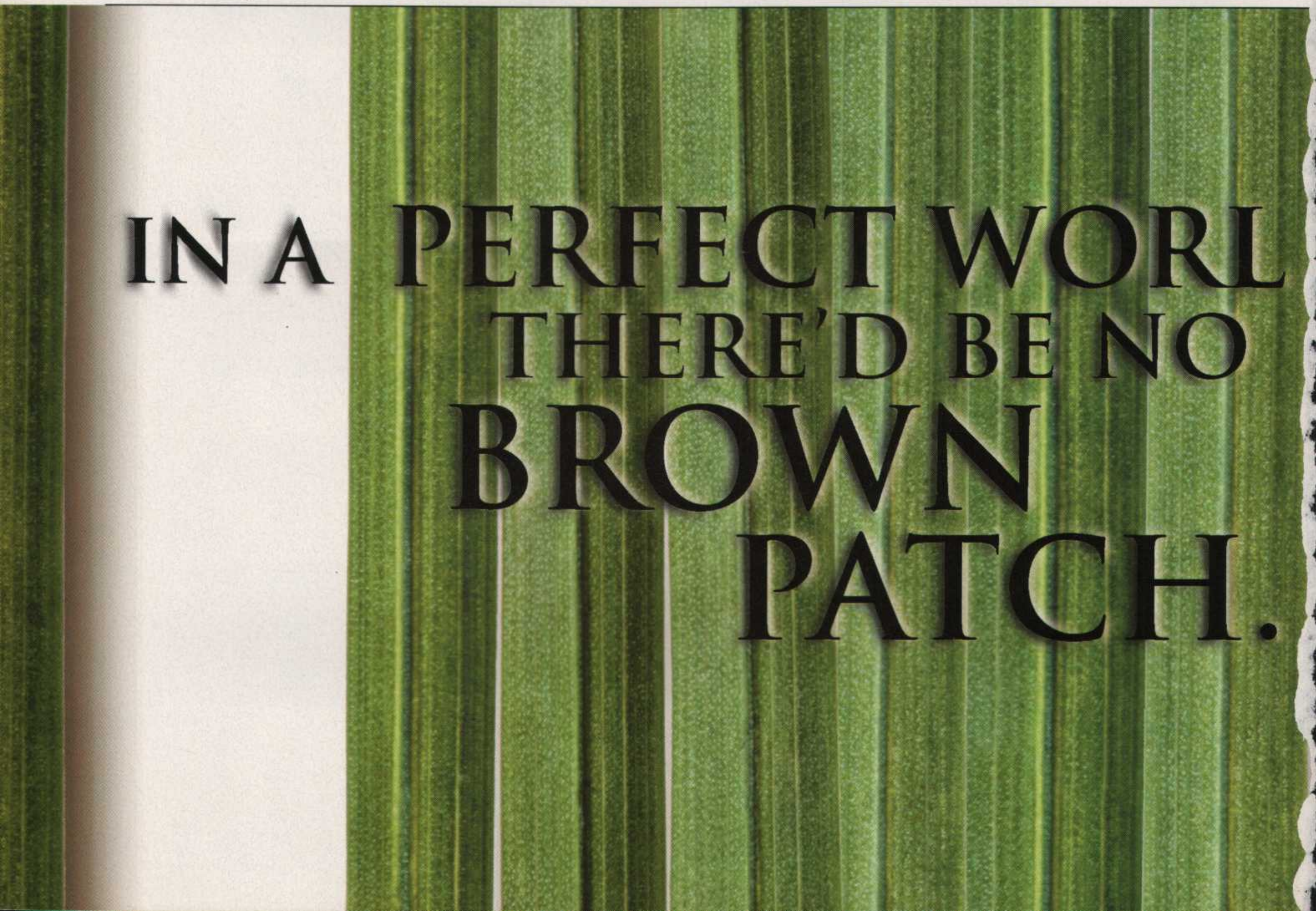
He adds that while the GCSAA may not be able to regulate management companies, it surely can discipline individual members who work for them and are complicit in violating the Code of Ethics.

"If a GCSAA member works for a management company and goes out to look at a course without telling the superintendent, why isn't that a [violation of the Code of Ethics that applies to all superintendents]?" Fiscus says. "I don't blame the management company. I blame the individual member for not abiding by the code."

If a GCSAA member feels there's been an ethical violation, he or she is encouraged to report it to her office, Heck says. "There's a procedure in place to deal with those complaints," she adds.

Heck says that although the association strongly discourages management companies from using mass mailings to solicit business, it has no power to stop them. As a fallback position, GCSAA suggests to management companies that pursue mass-mailing campaigns to target courses that don't currently employ GCSAA members.

"We're an association for our members, and our first priority and goal is to advance our members," Heck says. "We are also concerned for all superintendents, but if you have [man-



agement] companies pursuing business, our first allegiance is to protect our members' jobs. We're looking at the profession as a whole second."

She hastens to add that GCSAA is not heavily marketing and promoting that idea, nor has any management company pursued that strategy to her knowledge.

Heck says most management companies have been good about listening to GCSAA's concerns and trying to implement its suggestions. She says the organization hasn't talked about sanctions, but the career development committee will discuss ethics in employment the next time it meets.

She also says the GCSAA revisits the issue from time to time with its lawyers to see if there's any sanction take against companies that violate the ethics' code that won't run afoul of current trade laws.

### A house divided?

The question of management companies has strong partisans on both sides, but that doesn't mean the two will never be reconciled.

"I'm still an honorary director with my local chapter," Dillinger says. "I don't want to break any ethical alliance, but business is business. If we're contacted, we'll go check it out. I would urge superintendents not to judge all management companies as if they are the same."

Bowden says he doesn't hold anything against superintendents who've gone over the line to join management companies.

"When it gets down to it, they're still superintendents, and it's still a brotherhood," Bowden says. "We still have one of the most ethical professions around."

Nickerson, for one, will be glad to hear that.

"If superintendents do their own research on these companies with an open mind, it would change a lot of minds in the industry," Nickerson says. "That might help the overall relationship in the future." ■

*You can reach Andorka, the author of this article, at fandorka@advanstar.com.*

**Editor's Note:** ***Golfdom*** **contacted American Golf Corp. several times to participate in this story, but company representatives declined to be interviewed.**