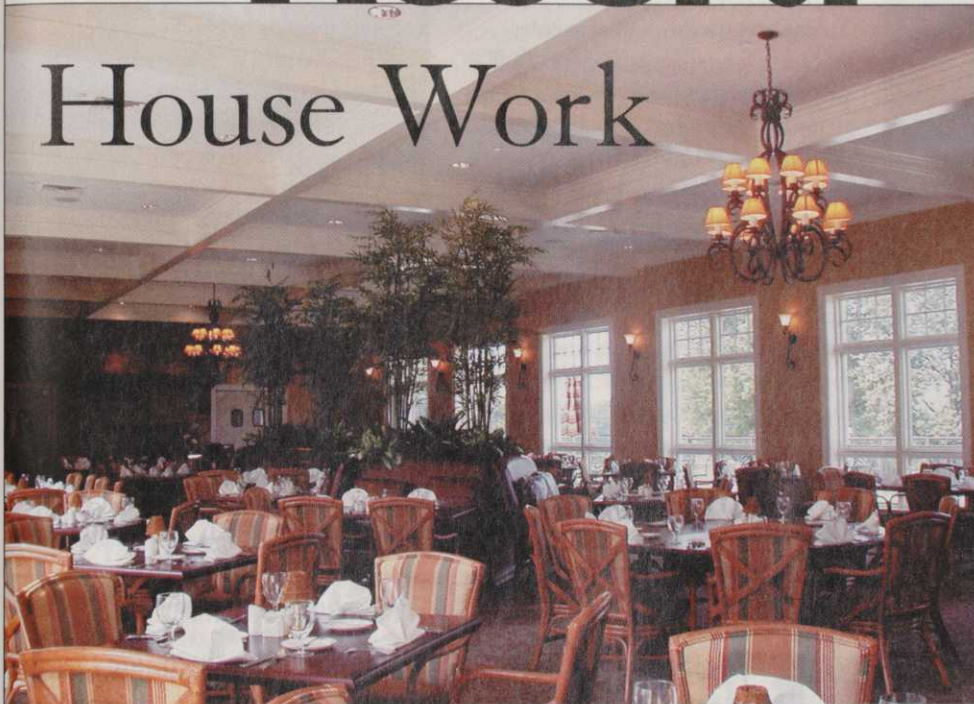


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PARADISE VALLEY

Country Club doubled its food and beverage revenues to \$3 million after renovating its clubhouse.

"We designed this clubhouse for little labor," Shafer says. "Two people can run this, and do it on a busy day if they have to." But, generally, there are three employees. With sightlines to the range, parking lot and several of the tees and greens, one counter person can manage the flow of play. Meanwhile, the cook and bartender are trained to operate both stations to serve the food and drinks.

Completed last March, the improvements seem to be paying off. Rounds and beer sales were up through spring and summer — and food sales, never before offered, are adding to the bottom line. Golfers are often spending \$10 or more extra in the bar and grill, Shafer says.

"Our theory was to build it to run with a minimum amount of people so we don't have more employee costs, and to get the people to stay after a round and socialize with each other," he says.

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It could be costly and inconvenient, but a clubhouse renovation could be fine for a course's image and its bottom line

BY BRUCE ALLAR

Golf courses are the best lawns in the world, but sometimes their owners can be house poor. If your clubhouse no longer measures up, a renovation could be well worth the expense and inconvenience — whether you manage a plush private club or a modest daily-fee facility.

At Valley Oaks Golf Club, a 27-hole public facility in Clinton, Iowa, that charges

\$32 per weekend round, revamping an outdated clubhouse has been good for business, says Chad Shafer, the club's general manager and superintendent. A facility dating back to the club's opening in the mid-1960s was gutted and redesigned to create a bar-and-grill atmosphere. "We no longer carry a pro shop," Shafer says. "It's hard to stock \$50,000 worth of merchandise. We can make more money selling beer, pop and food."

Shafer won't divulge the exact renovation figure, but says the owners — the Ladehoff family — spent more than \$100,000. Main features include a horseshoe-shaped bar and new windows with views of much of the golfing acreage. Point-of-sale computers at the bar and the check-in counter are programmed to process any purchases so that a customer can pay for 18 holes, a pack of golf balls and a snack or beverage in either location.



HOUSE WORK

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By contrast to Valley Oaks, consider Paradise Valley Country Club in metropolitan Phoenix, an exclusive private club with golf memberships at a reported \$80,000 and a multi-year waiting list. It recently built a new \$30 million Tuscan-style facility with two entryways, one for expanded banquet facilities and the other for access to the locker rooms. In the process, Paradise Valley doubled its food and beverage revenues to \$3 million annually and has added employees — from a former peak of 200 to 240 during the busy season.

General Manager Steven Richardson says the club's original 1953-vintage ranch-style clubhouse remained standing adjacent to the new structure during construction so Paradise Valley could continue to operate. Special emphasis was placed on easy access to the kitchen in the new space. "Dining needs to be all on one level and from a central kitchen," Richardson says. The former clubhouse struggled with service and quality control when a kitchen located in the rear of the building was forced to accommodate dining rooms on various floors.

The addition of a steakhouse-quality charbroiler and other top-of-the-line equipment gives the chef an opportunity to match the cuisine in upscale restaurants. Increased member meals and banquet events are keeping Paradise Valley bustling. Another area of focus is a 4,000-square-foot fitness center.

Paradise Valley paid for the new facility with a one-time assessment to its members. A few members quit at assessment time, but they were easily replaced. "If they're not using the club, it's a good time for them to drop their membership," the general manager says. "Fortunately, we had a long waiting list, and we still have a long waiting list."

Most clubs contemplating a new or renovated clubhouse should go through a series of steps prior to construction.

Bill McMahon Sr., an architect whose St. Louis-based McMahon Group Inc. consulted on the Paradise Valley project, says a membership survey is an important early action. He recommends either a focus group involving up to 100 members or a survey of the entire membership, the often-chosen alternative. Begin with a simple question: Are members satisfied? The process should measure support for improvements, rank those upgrades in order of importance and provide a sense of the maximum dollar amount the membership will agree to spend for the projects.

"Once you have the survey results in front of you, you can silence any opposition," says McMahon, who specializes in private-club planning.

Jerry McCoy, an independent consultant based in Norcross, Ga., says that once the fact-finding stage is complete, a strategic planning phase should follow involving ownership, a club's

A membership survey is an important early action. Begin with a simple question: Are members satisfied?

board of directors (if one exists) and outside specialists. The goal is to set a vision for what the club should become. A capital investment program and master planning process can then be initiated.

"I often help a club hire an architect and interior design team," says McCoy, who calls his business Clubwise Consulting. In many cases, three or four groups will be asked to submit bids, and McCoy suggests that clubs or golf course managers request "future fees" quotes in advance from these firms. Fees that are bid nearly the same at the master planning stage can often diverge

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CLUBS TODAY ARE selected for much more than golf. What goes on inside the clubhouse has much to do with the decision-making process.

greatly when work begins on the actual design. "The key is: How much are you going to charge me for architectural fees and interior design fees later?" he says.

Daily-fee courses have the option of selecting from cookie-cutter architectural designs when building a new clubhouse or renovating an existing structure. Like lot owners in new subdivisions, golf course operators can select from a number of suitable pre-existing floor plans. This option may particularly appeal to golf-only facilities, public or private, but club and resort courses are seeing a bigger emphasis on clubhouse function and aesthetics.

"The club industry is an image business," McCoy notes. "If you want to compete in the marketplace, you have to have a very positive image. And the exterior and look of the clubhouse are a very important first image for prospective members."

Says McMahon: "For a club to be successful it should excel at three things — its golf course, its clubhouse and its dining program. If it has one area of weakness, it can survive. If there are two areas of weakness, that club is in trouble."

While the food and beverage business in most clubs is not profitable — in large part because of high staffing and low table turnover — this aspect of the operation must excel and must be seen as a revenue center.

Norwood Hills Country Club in St. Louis recently completed a massive \$7.5 million renovation project, with \$2.5 million directed toward expanded kitchen and clubhouse facilities. General Manager and Chief Operating Officer John Wright says memberships at the club, which hosted the 1948 PGA Championship, were suffering post-9/11, down to 624 with golfing privileges. There are now 750 golfing members and 940 total and what Wright describes as a "modest waiting list." Norwood Hills added 20,000 square feet to its clubhouse and renovated an existing 30,000 square feet.

The revamping has doubled the kitchen size to 3,000 square feet, allowing the club to simultaneously serve 200-plus a la carte and up to 500 in its banquet facilities. Bar business is up 22 percent and a la carte food up 30 percent during the first year of expanded operations. With food and beverage revenues now at \$2.3 million per year, Wright says "I can see the ability where we could break even."

Wright began the whole renovation process by scheduling board retreats away from the club, either at other well-managed golf courses or at resorts. Those became the most productive board meetings of the year, he says, and left time for playing 18 holes in the afternoons.

"Make sure the board has a good plan because that plan has to be sold to the membership," he advises. "There's a point where members will agree and a point where they'll say, 'That's enough.'"

Once it was determined the clubhouse and food and beverage operations needed attention, Norwood Hills brought together its three principal

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HOUSE WORK

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players early — the architect, interior designer and contractor. "Having them on board from the beginning really helped," Wright says. The large addition is a window-wonderland, offering views to the course. The kitchen was given a central location, negating long walks by servers that had affected promptness and from-the-grill freshness.

The club also added a 2,100-square-foot fitness center. "That's attracted a lot of young families," Wright says.

The president of I.R.I. Golf Development, Debbie Pedersen, says her company, which owns and manages both daily-fee and private clubs, would not consider adding a fitness center at the public facilities. (However, I.R.I. Golf Management recently added fitness cen-

ters in two Dallas clubs in residential developments.) As the company's point person on clubhouse facilities, Pedersen instead looks at the dining facilities at daily-fee courses. Expansion makes sense, she says, if the dining room only seats 100 and many events are drawing 150 or more. So does the ability to host groups of varying sizes. I.R.I. has more smaller outings of between 20 and 60 players, who use the course and require a smaller dining room.

Particularly at daily-fee courses, kitchen operations are designed so that one person can run things during non-peak hours. They're also laid out so that cold-prep items can be managed in an area with a view to the golf shop and the food counter, allowing employees to move from one station to another.

For Pedersen, there are always tough choices any time capital dollars become available. "Most of the time we make decisions based on what will generate the most revenue or save the most expenses," she says. "Sometimes aesthetics lose. If we have a bad mower that's costing us \$2,000 a month, we'll replace that mower."

Clubs today differ from their predecessors. Where 20 years ago the man of the house selected a club largely for its 18 holes and business benefits, now it's a family decision based on programs for children and juniors, swimming, tennis, fitness and a rounded social program.

As McCoy says, "The clubhouse facility plays a bigger role today." ■

Bruce Allar is a frequent contributor to Golfdom.

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