

Off The Fringe

NEWS WITH A HOOK

Business briefs

GCSAA Conducting Water Study

The Golf Course Superintendents Association of America is getting out the measuring cup. The GCSAA will conduct a national study called the Golf Course Environmental Profile project to collect data on water use and conservation on golf courses.

The survey is part of a multiyear project by GCSAA that will evaluate environmental performance on golf courses. The project is designed to collect information that will allow golf course superintendents and other facility personnel to become better managers, help facilities operate more efficiently and help GCSAA develop more valuable programs and services.

Information will include details about playing surfaces, natural resources, environmental stewardship efforts and maintenance practices on the golf course. It is being funded by The Environmental Institute for Golf, thanks in large part to a grant from The Toro Foundation.

The first survey was conducted earlier this spring when GCSAA queried member and non-member superintendents regarding the physical characteristics of their golf courses. This second survey, measuring water use and conservation, was conducted through Nov. 20.

Great Lakes Charts New Image

Great Lakes Golf Course Products will change its name to The Prestwick Golf Group, effective Jan. 1. Accompanying the name change is a new Prestwick Golf Group logo as part of the re-branding initiative.

Great Lakes President Matt Morse said the name change is a sign of the company's substantial growth as the market leader in the golf course furnishings industry.

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Reading Between the Lines

UNDERSTANDING CORPORATE DEALMAKERS THESE DAYS REQUIRES A DICTIONARY AND A FAIR AMOUNT OF INTUITION

By David Frabotta, Senior Editor

With many residential and commercial real-estate markets cooling, well-funded investors looking for other real-estate options could be coming to a golf course near you. The Donald is a good example, but he's not the only one.

The recent announcement that KSL Capital Partners will buy ClubCorp for \$1.8 billion might not have been a surprise to many of us in the industry, but KSL's size is fairly impressive with \$1 billion to spend and plans to expand ClubCorp's portfolio of more than 160 properties.

Superintendents might be wondering how their day-to-day operations might change. When *Golfdom* talked to ClubCorp CEO John Beckett in October, he said superintendents likely won't notice any changes at the property level, at least for now.

"It's presently envisioned that [the management structures] will not change ... but we're one week into this, and we're evaluating what [KSL's] vision of the future is and how we fit into that, so it's really too early to tell," Beckett told us.

As an interviewer of at least 200 CEO types, my translation would be:

There will be no changes until the shareholders think they can make more money. Then, your budget will be cut. Maybe not this year, but eventually, you will be asked to do even more with even less.

Why?

Equity firms buy properties sometimes for prestige, but all the time to make more money for their investors. With a reported \$1 billion in equity, KSL manages money for some heavy hitters looking for alternatives to their hedge funds.

That means shareholder return just became the most important

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Thompson, Steinke Win Musser Awards

Dr. Sarah R. (Devereux) Thompson, a recent graduate from North Carolina State University in entomology, and Dr. Kurt Steinke, a recent graduate from the University of Wisconsin in horticulture and soil science, earned the Musser Foundation Award of Excellence for significant and innovative contributions to turfgrass science research. They each received \$20,000.

Thompson is a senior research scientist at BASF Corp. in Research Triangle Park, N.C. Steinke is an assistant professor of turfgrass ecology at Texas A&M University in College Station, Texas.

Andersons Unveils Web Site

The Andersons' Turf & Specialty Group unveiled a Web site that explores the benefits of granular fertilizer and pesticide technology. The site explores subjects such as costs, safety, environmental, efficacy and the many types of granules available on the market.

"Our industry may experience a transformation in product innovations in the next several years due to new technology development of granules as well as environmental and regulatory pressures," says Chuck Anderson, technical development manager of The Andersons.

The Web site is located at www.GranuleTechnology.com. ■

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gauge of success for the company, and it will trickle down eventually. The proof came in the Nov. 1 announcement that Beckert will move over to KSL as its senior advisor (they might as well call him the transaction hunter) and Eric Affeldt, a founding member and principal of KSL Capital Partners, will replace Beckert at ClubCorp.

"John Beckert has a diverse background and a valuable skill set which will help us accelerate our growth in the travel and leisure industry," KSL Managing Director Michael S. Shannon said in a prepared statement. "As ClubCorp's new CEO, Eric Affeldt will employ KSL's successful hands-on methods of managing and expanding enterprises in order to increase both member and shareholder value."

Yikes. Still think your budget is safe? In case you missed it, "hands-on methods of increasing shareholder value" means you'll be having a budget meeting with someone you've never met before some time very soon.

These lawsuit-dodging, analyst-impressing, employee-confounding press releases are tough to decipher, so I thought I'd look at a couple recent company announcements to polish up on what's really being said in corporate communications.

"The pace of change over the next five years is going to dwarf the pace of change over the last 50 years, and we're going to have to get out in front of it."

—Jeff Zucker, chief executive of NBC Universal's television group, on news of a major restructuring that will eliminate 700 jobs (10/20/2006).

Note to self: be very wary of the phrases "get out in front of change" as well as, "We're experiencing a sea of change in the industry."

Let's try another:

"We are working aggressively on a detailed analysis of the company, top to bottom."

—Chrysler Group President and Chief Executive Tom LaSorda said this during an earnings conference call in October after revealing Chrysler lost \$1.5 billion in the third quarter of 2006.

Between the lines: Please don't dump your shares yet ... our share price will bound once we disclose how many plants we're closing and how many people we'll be sending to the unemployment line.

Also be alert to "Dynamic markets require good companies to adapt," or "We're going to concentrate on our core competencies."

Does that mean companies actively pursue noncore competencies? You'll know they do when you read something about "developing markets that required a heavy front-end commitment that didn't materialize on the back end." That means they gambled and lost.

Reading the tea leaves might not be as easy as it used to be, but exercises like this one might enable you to see what's coming before it renders you "unable to adapt to current market conditions due to ubiquitous external factors that forced a more streamlined property so the core customer could better leverage all the synergies provided in this unique facility."

That one probably means you're fired because you're too expensive, and that's a message that seldom gets lost in translation. ■

Editor's note: This column originally appeared in the Nov. 2 edition of *Golfdom Insider*, our biweekly e-newsletter. To sign up or view newsletter archives, visit www.golfdom.com.