Santa Says Golf Has A Merry Future

BY GEOFF SHACKELFORD

This just in: After amortization and bonuses for his staff, Santa Claus figures to earn a record net profit on this year's delivery of goods to the world's coveted 2- to 10-year-old demographic.

"Frankly, I embrace deflation," the hefty CEO said in a conference call to shareholders as he prepared for his Dec. 24 all-night journey. "We focused on harnessing efficient interfaces, engaged end-to-end paradigms and cultivated scalable synergies to not only maximize margins, but to further strengthen distribution channels into the fourth quarter of 2014 through net income distribution. Oh, and it really helped that the cost of everything went way down this fall."

News of Santa's optimistic earnings forecast sent golf courses across the land into a frenzy, with several excitedly jump-starting projects put on hold after this fall's market collapse.

Well, not yet.

When the markets took a dive, golf courses across the land joined just about every other business in deciding to put spending on hold. No winter projects. No spring projects. And likely no other infrastructure improvement work anytime soon.

Lenders also put a halt on new projects or larger-scale course redos. Architects and contractors are twiddling their thumbs, wondering how to make ends meet, with a seemingly endless trickle-down effect.

While the market reaction at the time seemed to make sense, we've since seen commodity prices plummet and those decisions to halt work look more knee-jerk than shrewd. After July's high price points for oil and other vital goods, costs for nearly everything have dropped, with economists predicting even more deflation to come in 2009.

Schedules for talented professionals have opened up and those budgets that just couldn't be justified in July now make sense to be revisited. And with play expected to be down again, what better moment than now to re-invest in your course than when fewer customers are around to be annoyed?

In other words, as Santa tells *Golfdom* in an exclusive from his North Pole headquarters, it's a great time to invest in golf course "product."

THE GAME'S FUNDAMENTALS ARE STRONG AND NO OTHER PASTIME OFFERS SUCH A UNIQUE USER EXPERIENCE

Q: There has a been a reluctance to cut green fees or member initiation fees out of a fear of "devaluing" a course. What do you say to that?

SC: You build brand equity through solid maintenance and enjoyable architecture, not through price structures, no matter how much the bean counters insist. Give people a good value and they'll keep coming back. Swallow some pride, think of the long term and do what it takes to survive this downturn. The fundamentals of your game are strong.

Q: When you fly over many of the world's golf courses, do you see ways to cut costs?

SC: Absolutely. I can't believe how many acres of turf are irrigated. It's time for golf to harness more efficient leverage over the water lobby by eliminating turf under trees and in those vast areas that are not in play. Now, I know this is not easy with homeowners along the fairways not appreciating such a new crispy look, but the other option is worse: no course at all. This is why it's a great time to call an architect for advice on the best ways to disintermediate turf aggregation.

Q: Failing that?

SC: Golf needs to take a deep breath. The fundamentals are strong — no other pastime takes you outdoors and offers such a unique user experience. Growth may be down this coming year depending on how consumers spend their leisure time, but if the sport engages young users, delivers value for older customers, maintains or improves its core product via projects and in general does not panic, all will be well beyond the short term.

Ho, ho, ho, I say to that!

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