

The California Gold Rush is still on at Haggin Oaks, and the miner is a unique and successful municipal course professional

By Douglas Lutz

"We held the line in 1971, and we're shooting for a \$400,000 gross in 1972."

This incredibly optimistic note was sounded recently by Tommy Lo Presti, head professional at Haggin Oaks Municipal GC in Sacramento, Calif. It was typical Lo Presti!

For almost 40 years Lo Presti has flourished in a sometimes lean, occasionally tight, always competitive, market. Even today in what many consider a declining market he remains optimistic. The buying and selling practices of this highly successful municipal course professional are worth examining. In a broad sense municipal course professionals are not expected to make a lot of money. Volume sales are secondary to providing the basic needs of the community's golfers. Lo Presti, however, has never subscribed to those theories.

Long before serious business practices were applied by most shop operators in favor of the social and "fun" aspects of being a golf professional, Lo Presti was mining some of Sacramento's gold. In the late twenties and early thirties, Gene Sarazen, with whom Lo Presti had been pursuing elusive purses on the tour, told him to give it up and go into business, make the business of golf pay off. It was the best advice Lo Presti could have had and he has never been sorry he followed it.

Taking over Haggin Oaks, already established as a fine public golf course, Lo Presti soon turned the service shop into a money maker. In a unique arrangement, as far as municipal courses go, he did not have to share revenues with the city. The pro shop was his own business. That procedure remained in effect until 1970 when Sacramento and Lo Presti entered into a new arrangement whereby he gives up 6 per cent of the first \$150,000 and 10 per cent thereafter. Still a damn good deal, according to Lo Presti. Of course, by 1970 he was already grossing in six figures every year and he could afford to be generous!

When the boom hit in the fifties, Lo Presti's business practices were firmly established and operating smoothly. The influx was taken in stride. While others floundered and were unable to gauge the new volumes, he simply continued business as usual—only on a grander scale.

Reflecting on the rough years through the Depression and the tight years during World War II, Lo Presti says, "We've seen some lean years, but during the past 10 years we've seen golf come up from practically nothing in this community into a big business." With yearly grosses running to \$490,000 for quite a few years, he was surely talking about his own pro shop business, too.

Part of Lo Presti's selling philosophy could serve as a guide to guaranteed financial success at other public course shops. Particularly because he feels most municipal and public course professionals don't handle their customers with enough concern. He offers the following advice, "Too many pros underrate their buyers, give them second and third rate treatment. Every golfer is a king. Treat him like you would a country club member. Most pros only cater to the man who spends monev with them. Remember, the poor boy and the teenager of today may be a doctor or dentist or own a gas station some day and have a little dough to spend." Sound advice. And Lo Presti's sales results back up his right to give advice, too.

Haggin Oaks, which has been characterized as the country club of Northern California public golf, spreads an 18 and two nines of gently rolling terrain over a verdant plain on the edge of Sacramento; 78,000 rounds a year on the 18-hole course and 35,000 on each of the two nines insure a steady flow of pro shop customers. Every golfer, even those who sign up a week ahead for a reserved starting time on the 18-hole layout, must go through the pro shop to check in before registering with the starters. As manager of the course for the city, Lo Presti has seen to that. Incidentally, all six full time starters are Lo Presti employees. Reservations are taken only on the 18. The two nines are sold separately, on a first come, first served basis. "If a man signs up for the Blue nine, he must finish that continued

GOLDEN continued

nine and come in again to sign up for the Red nine," Lo Presti explains. "In the meantime he looks around the shop, maybe he buys a little merchandise or goes down to the range to hit some balls. This is what we think is good business." The system must be working. The driving range alone accounts for 10 per cent of the yearly gross.

Scanning advertising in all the golf publications for the new "hot" items and immediately making them available is common practice at Haggin Oaks. Lo Presti places his orders by long distance telephone, if necessary, in order to give his customers a choice of new merchan-

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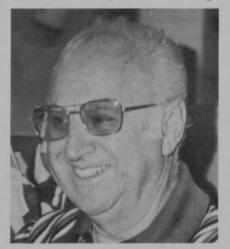
dise. "We run up some tremendous telephone bills around here, but we get the merchandise to the buyers as quickly as we can," Lo Presti reports. "Many orders are rushed out by airmail, too. Of course, all the 'hot' items go for the full price, but we're giving golfers what they want."

End of season sales, bulk buying and year-end closeouts have been Lo Presti shopping markets for more than 35 years. "When you buy someone's surplus of 500 or 1,000 dozen golf balls, you can get pretty good buys and good prices," Lo Presti says. "Recently I bought 500 dozen on a closeout deal of \$1 a ball. We invested about \$1,600 and passed some of our savings onto our customers. We make the ball a special at \$5.95 a dozen after paying only \$3.25 a dozen. In mid-season, we would pay \$7.20 a dozen for the same ball. Normal 40 per cent at \$3.25 would give us a profit of \$1.28 per dozen, but at \$5.95 each, we made twice that and still gave our regulars an exceptional buy on a good standard ball. In other words, we served a need and did better than we would at standard buying and selling prices.

"On the other hand," Lo Presti continues, "sometimes you take less and give more. Like the time one of our friends was going on vacation and wanted a particular shoe. By the time we could get it in from the East he would be gone-and unhappy, too. We called the manufacturer in the East and had a single pair shipped out airmail special. By the time we paid the phone bill and airmail costs the profit had narrowed down to about 10 per cent. The payoff came when the same guy bought a full set of clubs later that same season. Again, service paid off. It's one thing to have merchandise available or bend over backwards to get it, but personal service goes a long way. It's sometimes more important to a customer than the feeling that he's getting a good buy."

Shoes and balls combined can usually be counted on to gross \$70,000 or more a year. About 18 per cent of gross, according to Lo Presti.

"One thing we've always tried to do," Lo Presti says, "is have enough



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merchandise around to give our customers a choice. Too many professionals get tied into one company's staff and they try to jam the items or line they're representing down the throats of the members. There's nothing wrong with being on a staff, but pushing a line should only be attempted when a customer is undecided."

Soft goods, the elusive part of any

sales operation in which many a professional has found himself trapped in over-ordering only to find what he has to offer is already out of style, gets a big boost from the women in Lo Presti's shop. With special attention to the women at Haggin Oaks, Lo Presti has managed to realize the great potential in soft goods. "Most pros are missing a good bet on

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women's soft goods," Lo Presti says. He has been doing about 12 per cent a year in soft goods.

The demand for women's play at Haggin Oaks has been so high that Lo Presti expanded the original women's club, then added a second and a third group. The women now number more than 315. To prepare for the new season style changes, fashion shows are arranged for the women's clubs tournament dinners. "Last Christmas season," Lo Presti relates, "we ran three fashion shows in conjunction with our awards dinners." As usual models were chosen from among the members and they were offered 20 per cent discounts on the clothes they modeled. "It stimulates the other women to buy so they can be dressed up, too. We probably have the best dressed women in municipal golf in California," Lo Presti reports with a smile.

Ken Morton, Lo Presti's associate pro for 17 years, was recently made a full partner. Ken attends to most of the soft goods buying, accessories, and so on, while Lo Presti concentrates on the hard goods. With almost 40 years in this Sacramento market place, he knows it well.

"We feature many lines," he says. "We'll try them all. That way we offer a wide choice. Many public course players can't afford to be changing whole sets, so we make sure there are plenty of single putters, wedges and drivers around. These are particularly easy to pick up at closeouts and year-end sales."

Lo Presti's shop also has been used by manufacturers to promote and test market new club lines, so Lo *continued on page 34*

exclusive offer



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Presti's customers have the added advantage of seeing the latest and most innovative features in golf equipment.

A few months ago Dick Madsak moved on from the teaching pro slot at Haggin Oaks to head professional at Valley High, a private club in the area. Lo Presti in typical fashion moved Tom Shanke, who had been Madsak's assistant, up to the top spot. Now Shanke will be responsible for about \$40,000 of the gross each year. That's what teaching, with a small assist from rentals, brings in.

Rudy Lozano is operations manager in charge of selling, the starters and tournament details. Bruce Cud-

"Most pros are missing a good bet on women's soft goods."

dy, a young professional on the way up, splits his time between working the starting boards and selling on the floor. He is also breaking in as backup man on club repairs. Haggin



Oaks offers a unique service in the form of Mike Silva. Pursuing a lost art, Silva is an expert on club repairs. Practically a factory expert, according to Lo Presti. So much so that he handles repairs from the entire Sacramento area in addition to the needs at Haggin Oaks.

Morton, Shanke, Lozano, Cuddy and Silva, a formidable professional force, offer Haggin Oaks' golfers the kinds of service Lo Presti feels are vital to success.

Another innovation in the repair line that keeps the customers coming in is one hour repair service on Bag Boy carts. A complete stock of parts is kept on hand. "Browse while you wait" usually adds to the revenues. As Lo Presti says, "Any golfer looking around that shop is likely to buy something. You've got to have ways to keep people coming in."

Lo Presti has turned Sacramento's golf to personal advantage. too. He owns two short courses in the area. The Perkins Golf Center, a par 72 layout, has been his for 14 years. Last year he added Lyndale Golf Center, a par 29, which is now being rebuilt. Both courses are equipped with driving ranges. Lo Presti feels short courses are one answer for many golfers who don't have time for a full 18 holes. "The young housewife with children at school. Salesmen on the road with a few hours to kill. Businessmen looking for a quick nine. Teenagers after school. These are the customers, Lo Presti says.

Just 35 miles northeast of Haggin Oaks, where the American and Feather Rivers meet, gold was discovered in 1848 at John Sutter's sawmill. The California Gold Rush was on. Fort Sutter became Sacramento and California became the Golden State. To this day some Californians continue to mine gold. Tommy Lo Presti, unique among municipal course professionals, is certainly getting his share of Sacramento's gold.

Douglas Lutz, a native New Yorker, is a television production veteran of 21 years. He spends his spare time writing—mostly on golf. In addition to contributing to national golf magazines, he wrote and illustrated the Metropolitan Golf Guide, a guide to 77 public courses within 50 miles of New York City.

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The problems that exist at golf clubs today didn't just happen. They have resulted from the way officials and the professional staff have approached their jobs in relation to the total operations at a club

Club officials and the professional staffs at golf clubs and courses are aware that something is wrong. The animal is not operating in the manner designed or desired. Revenue is slightly increasing while costs are soaring off the end of the scale. Invariably the rationalization reached in examining the predicament is to say, "Well everything is getting more expensive." Few officials, if any, really look at the germ of the problem: the way in which the club or course is managed. This management must objectively face the problems; if it doesn't, the problems will be compounded.

The two basic problems which exist in golf operations management might be summarized as follows:

Disassociated management: a situation that develops when the golf professional, the club manager and the golf course superintendent think of their jobs as separate and distinct from one another.

Avocational management: a situation that develops when the various committee chairmen are actually involved in the day-to-day management activities of the club.

Neither situation is relatively close to sound business management.

A recent ground swell implies that there is a movement toward hiring a general manager for all operations at the club. This is well and good if the club is fortunate enough to select the right man for the job. Obviously, the wrong man can be a disastrous mistake. Why the ground swell? It's simple. Too many clubs are faced with the situation in which the members of the staff are disassociated with the objectives of the club or the governing body. All too often the professional, manager and superintendent feel that their jobs are not related to each other. Nothing could be further from the truth. If these three "managers" do not have common objectives the

result must be less efficiency and a product which is less than desirable.

The disassociation of objectives can come about through a variety of causes. The governing body of the club can favor one of the "managers" creating resentment among the other two. Policy decisions may be made without consulting the manager, the professional or the superintendent. This creates neutral feelings among the staff members. Also, disassociation is created when any one of the three consider his job and responsibilities more important to the success of the club than those of the other two.

The clubs that I have seen and would classify as top-flight operations invariably have one common ingredient—a team approach to the management of the club. Each individual—the superintendent, professional and the manager—bears the total, responsibility for the total operations at the club. They do not have extremely distinct and separate lines of responsibility. Each is dependent on the other. All three have a common objective.

I favor this type of management structure for a club because each individual is related to the total objective. It prevents management skills from scattering in different directions. Obviously it is not a dead lock cinch that a club can always have three key individuals who are equal in ability. Invariably one of the three comes to the top; however, if he is a first-class businessman, he keeps the other two just as involved and informed as he is.

Objectives are reached by establishing perspectives which fit the club and are well understood. The governing body of the club must establish the proper perspective within its managerial staff. In my opinion the disassociated management may be a primary result of avocational management. It is amazing how all of us, myself included, assume, when we are elected or appointed to a position such as a board of directors, that virtually overnight we are experts on the entire operation. We all have a tendency of assuming the role of avocational managers. We try to run a business on a part-time basis with only limited knowledge at our disposal. The general result of our approach is to make decisions based upon emotions rather than upon facts.

Assuming that a golf club has a qualified manager, professional and superintendent, the function of the governing body is quite simple policy formulation—and nothing else. Should the qualified full-time professional staff handle the day-today management or should we do it on a part-time basis? If the club is in a situation where the staff is not capable of accepting this responsibility the club must get staff people who can.

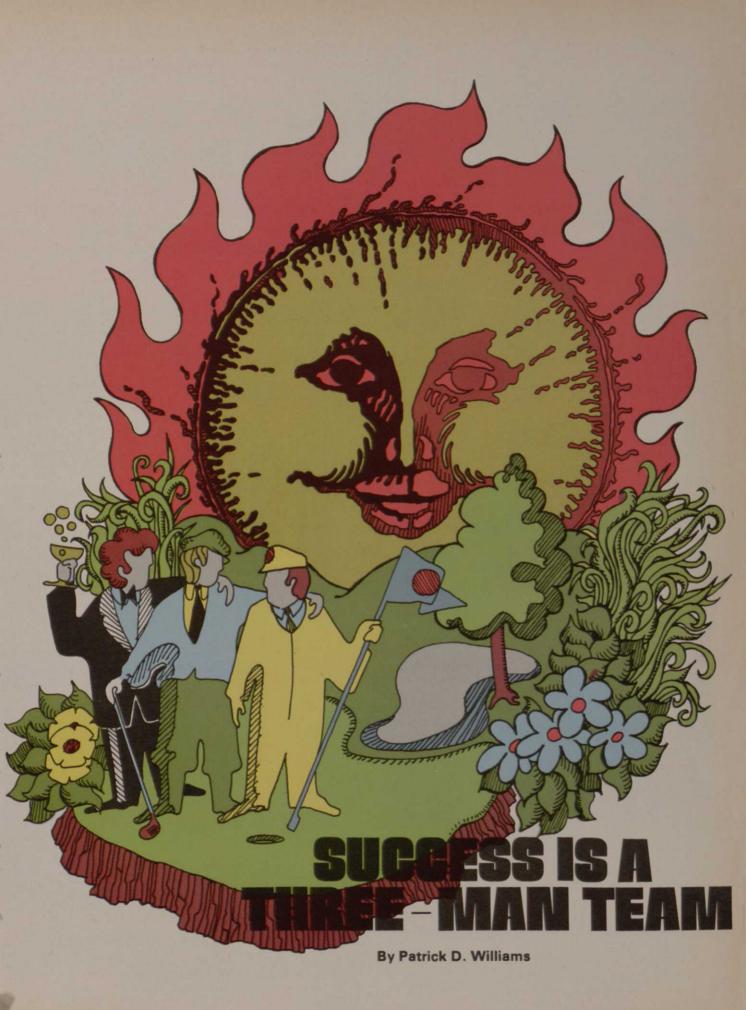
Generally speaking, the professional, the manager and the superintendent are adequately compensated for their services. If the governing body is going to assume some of the responsibilities, that body had better review their contribution to the club operations and make the necessary adjustments. It is not the responsibility of the board to manage the club. It is the board's responsibility to set the policy regarding the management of the club.

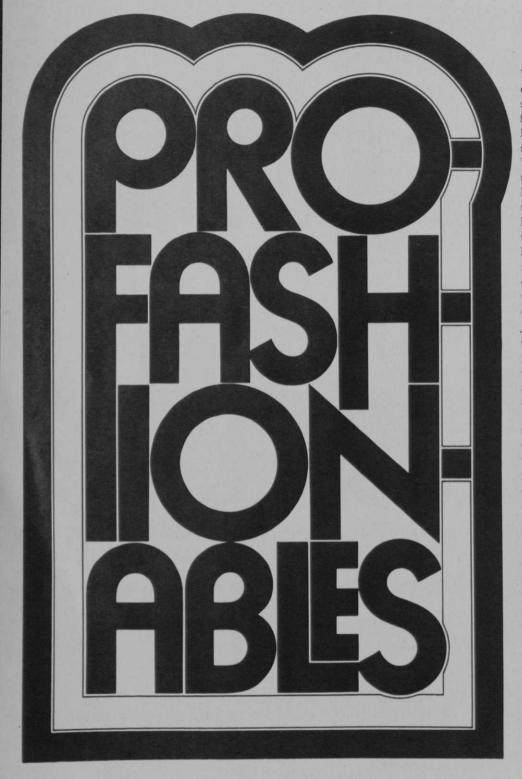
Even though most clubs are a nonprofit operation, they have to be run like a profit operation. Sometimes clubs make decisions without regard to the dollars and cents involved. Or sometimes the dollars and cents become the sole factor for decision making. And on too many occasions decisions are made strictly on an emotional basis rather than on fact.

The atmosphere of a part-time management operation lends itself to avocational management. This is why policy cannot be construed as management. This is why the two must be separated.

Think about your club operation. Make sure you have policy formulation as the objective of the governing board. Leave the management to your professional staff. Insure that your management team has an associated not a disassociated management approach.

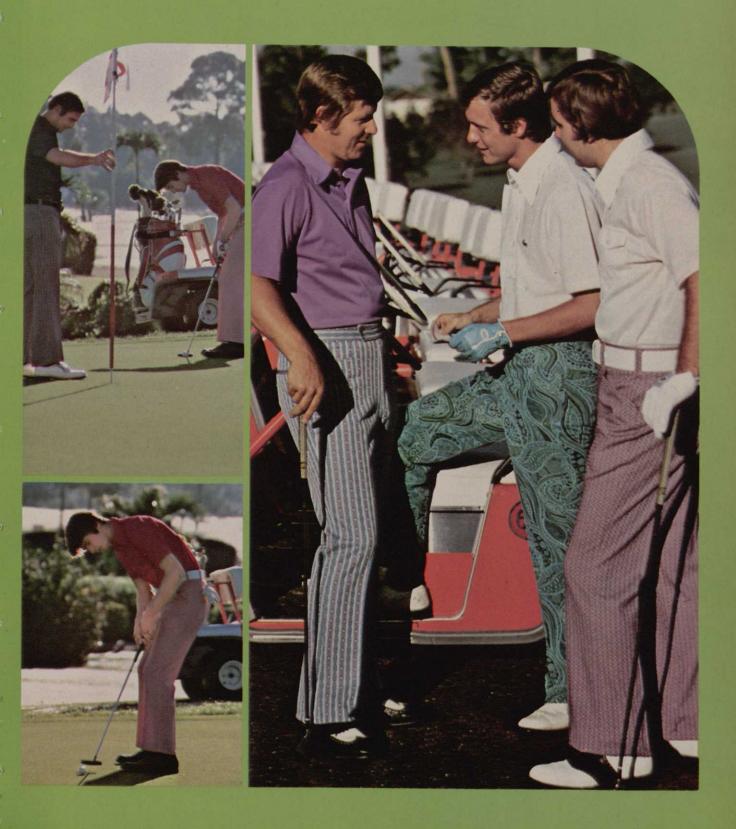
When these two criteria are met, then and only then will a club operate as a business unit and meet those objectives which benefit the entire management. Pat Williams served for four years as director of education and special projects for the Professional Golfer's Assn. He is currently partners with architect Don Sechrest in a golf course consulting firm and writes the regular column, "The Professional Approach."





By Jean Conlon Photographed by Ron Colby at the PGA National Golf Club

When the PGA Merchandise Show comes up each year, club professionals get together around the tents for a bit of friendly socializing and a lot of serious buying. This year's show at the PGA National GC, West Palm Beach, was no exception. The professionals took a good long look at spring '72 golf fashions, then started placing orders, most heavily in men's golfwear. Some of their specific choices GOLFDOM has recorded here on these pages, modeled by none other than the buyers themselves-the pros. And we think they made some very wise choices: Assistant Professional Jack Eachus (top left) of the Breakers West CC, West Palm Beach, Fla., predicts his red/white/blue polyester seersucker slacks styled with a gentle flare leg will be the look this spring. From H.D. Lee Pro Division. His partner, Assistant Professional Gary Grump of Troy (Ohio) CC (top right and bottom), has always worn Izod golf fashions. He now wears his Izod vertical stripe, doubleknit of Dacron polyester slacks with Izod alligator shirt of Dacron polyester. Three pros who not only enjoyed their round of PGA shopping, but a few rounds of golf as well, were (l to r) Frank Sluciak of Lakeview Inn & CC, Morgantown, W.Va., Rick Diebold of Emporium (Pa.) CC and Ron Manchek of Oconomoc (Wis.) GC. Frank bought and wore polyester knit slacks and shirt by DiFini. Rick selected the morotronic doubleknit slacks from Thomson Trousers to wear with his Izod shirt. Ron went all out for Etonic: cotton print slacks, cotton lisle shirt. These fashions will be featured in GOLF MAGAZINE's April issue.



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