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# GOLFDOM

#### THE MAGAZINE OF GOLF BUSINESS

Vol. 51, No. 6, JUNE 1976, INCORPORATING GOLF BUSINESS

#### ARTICLES

#### ON THE COVER

Situated some 25 miles northeast of Atlanta, near Duluth, Ga., the present site of the Atlanta Athletic Club has been in the business of serving its member-ship since 1963. Located on a tract of land 628 acres in size, the AAC is probably one of the most modern, all purpose facilities in the United States. It has 27 holes of golf, a complete health club that offers racketball, volleyball and badminton along with a weight room. Included is an olympic swimming pool and a tennis complex, featuring 13 courts. If that wasn't enough, 22 miles north of the club on Lake Lanier is a yacht club for the membership servicing 188 boats from 16 to 66 foot. Complete staff at the hilt of the season is 160. Jim Petzing is the AAC's general manager and works with superintendent Bob McGee and club professional Harold Sargent to make sure the facility is in efficient order for the Open and afterwards. Cover photo by Dale Richardson.

FACILITY OF THE FUTURE National limelight will bathe the Atlanta Athletic Club when it hosts this year's U.S. Open, but all the attention won't prevent the club from offering advanced services for its 2,150 members once the spectacle is over. Managing Editor Nick Romano interviews general manager Jim Petzing, club pro Harold Sargent and superintendent Bob McGee for a close look at this unique club \_\_\_\_\_\_\_6

MUNICIPAL GOLF: DEFEATING THE DAILY FEE OWNER? National Golf Foundation regional director Fred Stewart details the inroads municipal golf facilities are making against the daily fee owner. Faced with an increased tax burden, golf businessmen are forced to view municipal courses as a threat \_\_\_\_\_\_\_\_12

THE PGA SPEAKS: CLUB SERVICES AND YOU Here's an explanation of the new program the PGA wants to provide for clubs and its projected effects on their business, as written by the newly named director of professional and club services for the PGA, Bill Blanks\_\_\_\_\_\_\_16

NEWS OF THE INDUSTRY Burning controversy rages in grass seed industry ... PGA president Henry Poe worries after recertification ... Unemployment abuse and whether clubs are being ripped off by seasonal workers ... AMF Harley-Davidson moves its golf car plant to Pennsylvania ... Suncoast chapter in Florida, latest in GCSAA lineup ... Bill Hartley is club pro of '76 for Southern California section ... Johns-Manville offers color brochure on Club Car ... Tampa pro Hank Davis is new veep for West Central chapter of Florida PGA section ... NRA seminar in south focuses on employee supervision ... free laundry planning offered by New Orleans company ... new president of architects association is Florida's Ed Seay ... teaching pros can get pointers at NGF summer sessions in New Hampshire, North Carolina ... OSHA stats indicate bigger crackdown on violators ... architect Bill Amick suggests passing greens as answer to slower play, more profit for clubs ... Schenley has free films for club managers looking to increase bar profit \_\_\_\_22

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### **GOLFDOM**

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BY HERB GRAFFIS

Close-outs poison pros and manufacturers, too: Many, many summers I have heard pros cry with pain, "Closeout sales are murdering us."

After all the years, I continue to be puzzled at the PGA being declared a law-breaker for protecting the top quality of the golf club market with "pro only," then slapping together cheap clubs as close-outs and that being legal.

Close-outs were supposed to be the result of a manufacturer's bad guess or misfortune in having production uncomfortably ahead of sales. Excess production had to be turned into cash, hence close-outs at prices lower than normal for the presumed quality of the merchandise. The close-outs weren't supposed to come onto the market until mid-August, shortly before the next year's models were shown.

Word got around a few manufacturers were deliberately making close-outs to sell to big store buyers for retail sale in June.

Pros screamed, but never were able to do much about getting the short end of the close-outs except when a few solidly financed pros at public courses began specializing in close-outs and butchered the normal golf club profits of stores and pro shops. Then these pros who collected the close-outs got bags, shoes and some balls as well as clubs. Some stores quit carrying golf goods in areas where close-outs were featured. Sales were so reduced at pro shops where first class equipment was sold, credit ratings of those pros suffered.

The preceding review of a merchandising headache in the golf equipment business is old stuff to veteran pros and salesmen and to the few manufacturing executives who have stayed on their jobs through the extensive changes in ownership and management of golf manufacturers. Newcomers probably won't have any happy answer to the close-out damage to golf market price stability.

Maybe price-slashing isn't the worst possible thing. With the caddie replacements diminishing in golf and slow play shutting out active young people, the price of almost \$500 for clubs, a bag and golf shoes isn't going to be a charming factor in winning the youth market.

Maybe pro shops with close-out slashing prices are an answer. In a pro shop recently, I saw two young men examining two "specials" on clubs. One was of four woods and nine irons ... "Was \$440 ... now \$289." and another "Special" of four woods and eight irons "Was \$555 ... now \$300."

One young man said to his friend, "I don't see that much difference and they feel about the same. How can they explain that much difference in the price?"

This seemed to me like a warning. When the pro shops start closing out, manufacturers are going to be hurt badly. The store business won't help the clubmakers a bit.

With many club-fitting experts in pro ranks wondering about the cast and forged-head iron club situation and remembering the aluminum shaft collapse, the pro shop rather than the store as the outlet for the close-outs may be due for deep study.

Further pressing for the point probe of manufacturers and home pros in solving the close-out problem is this year's report that some club companies did big volume, but lost their fannies, net. And "The Bottom Line" is what counts with those on High.

Grass root news: Conrad Scheetz, GCSAA Executive Director and the association publicity man Douglas Fender deserve cheers for their monthly Fore Front newsletter.

It is for the information of GCSAA chapter publication editors. There are over 50 of these regional publications in the U.S. and one in Canada. Most of them are monthlies. They are the close-up sources of regional problem discussion, activities and opinions. They are remarkably well edited and useful to superintendents and their employers. The editors' talents, energies and time are freely contributed to the business of golf courses and the nation's beauty.

Public course owners should be new force in industry: Formation of a national organization of daily fee golf course owners in Chicago recently brought into being a body destined to be a tremendous power for good in golf business.

The course owners' action was an outcome of meetings of fee course executives, the National Golf Foundation engineered last year in Cleveland and Burlingame, Calif. At those gatherings, it became apparent that owners of this country's 4,107 fee courses urgently needed to pool resources for protection and promotion.

Fee courses are about evenly divided in size with 2,085 of them being 18-holes or larger.

The fee course group is too close to being murdered by the taxwasters to think of surviving much longer without a powerful lobby. Golf business has become accustomed to taxation without representation as no reward at all for what golf has done for communities.

Outside of some limited, but valuable lobbying done in Washington by the National Club Association, which practically was formed by a firm of Washington lawyers specializing in industrial lobbying and several state golf groups assembled to protect golf clubs against discriminatory heavy taxes, golf hasn't been able to protect itself against bureaucratic burglars.

In the constructive area, fee courses have immense opportunities for creating more golfers and enlarging the course owners' market. High prices of private club memberships are keeping many of the most desirable young families out of golf. A lot of fee courses are providing facilities superior to those of private clubs but the social atmosphere, programming and standing need development. The USGA Associate Membership plan could fit into this picture with a better day for golf and golfers. The USGA made a pathetic start on its Associate membership venture. President Ford teed off the ball and Arnie Palmer was cheerleader, but there was absolutely no game plan and nobody knew what was to be done.

There's a great deal of need for a revival of the vigorous sort of golf promotion earlier fee courses did in bringing many thousands into the game.

Free golf lessons with loaned or rental clubs and balls are overdue as promotion. With modern and effective ideas in teaching golf, the newly organized fee course owners can hasten the next golf boom.



## FACILITY OF THE FUTURE

by Nick Romano

There has always been something stately about the south. For years, anything below the Mason-Dixon line was considered to have some sort of rustic quality. Well those days, for the most part, are gone.

Market growth in the south has exploded and a place like Atlanta might well be one of the next real business centers of this nation. The club industry and its profitability parallel business growth well in the Georgia capital. Such is the success story of the Atlanta Athletic Club.

A mixture of warm sunlight, pine trees and red clay make up the surroundings of the AAC, positioned 25 miles to the northeast of downtown Atlanta. On its present site near Duluth, Ga., the club has been set up since 1963. In fact, though, the AAC has been around since 1898 when a few fellows in town decided there should be some sort or club in the area that could service their athletic needs.

So, in 1905, Eastlake was born. It had 18 holes and a clubhouse and a little later it grew to 36 holes. Although, Eastlake was situated on the east side of town, there were from time to time, three separate downtown city clubs attached to the AAC.

Today, the AAC is a multi-purpose facility with more than 2,000 members. Besides its 36 holes, 18 of which will host the U.S. Open this month, there are 13 tennis courts, an olympic swimming pool complex and a complete health club offering basketball, volleyball, badminton and combination racketball-handball-squashball facility. Complete sauna and exercise equipment are also available.

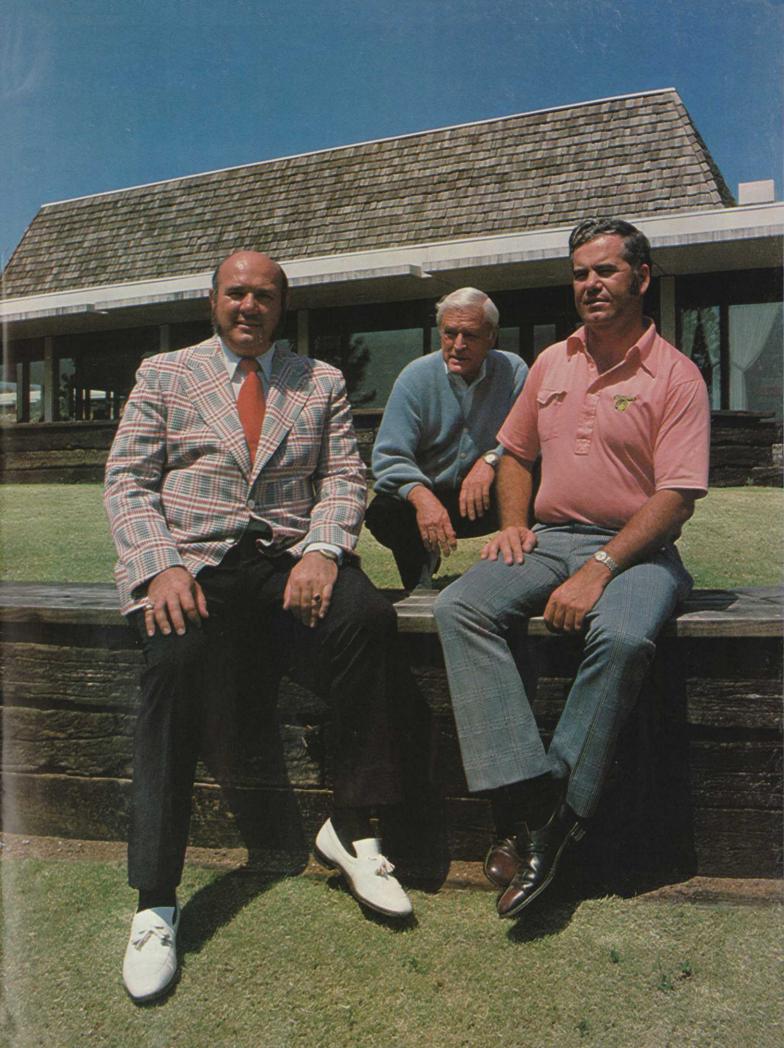
Couple this all with a massive clubhouse and a staff at the hilt of the season of between 130 and 160 employees and you can see the operation has to run efficient. Most of the front line responsibility falls on the shoulders of general manager Jim Petzing.

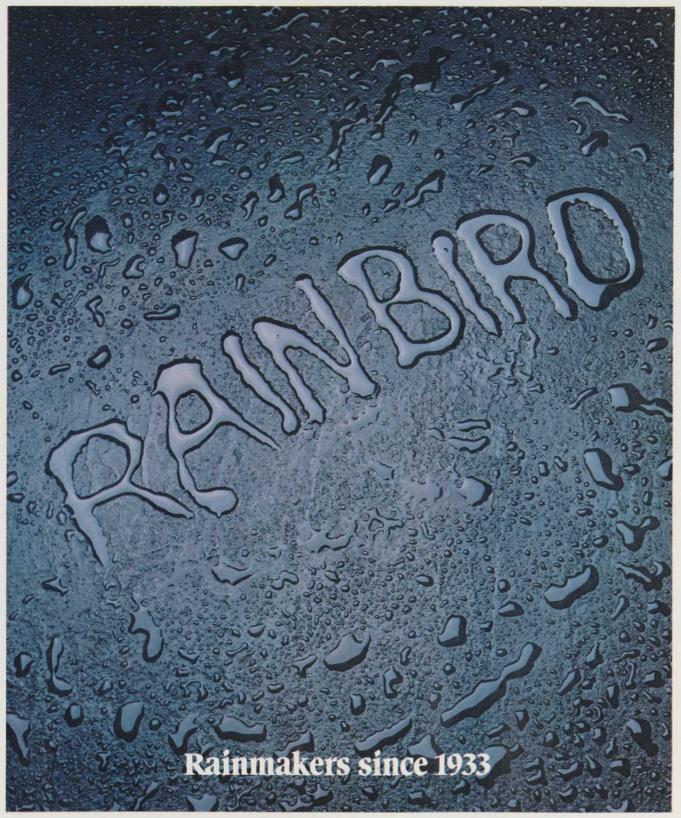
Admitting to being a young 43, Petzing is a native of Buffalo and started in the hospitality industry at a young age. He got his formal training in food and beverage management at Cornell University and came to the AAC in March, 1970. "I first came to the club as the food and beverage manager, but during 1972, was promoted to general manager by the board of directors," Petzing added.

The general manager concept is not something new at the AAC, in fact, the philosophy has been at the club since the '40's. Petzing works closely with the board of directors to make sure board directives are carried out, but for the most part they treat him as a professional manager and the great majority of facility operation is up to him.

Except for the club professional, Harold Sargent, Petzing has complete budgetary control over each department head. Sargent, 62, has been head pro at the club since 1947 and prior to that served as assistant under his father George. In the club operation, Sargent is actually an independent businessman, who does share some shop profits with the club.

On overall budgetary decisions, Petzing asks all department heads to develop budgets on a cooperative basis. Each head works with his corresponding director to get figures that are submitted for review. Petzing may question certain requests and send them back for minor changes. Each department head along with Petzing will go before the finance committee to seek final approval. In the end, the entire budget for all departments goes before the board of directors for their approval.





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## **FUTURE**

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Although, the committee system has fallen apart at many private clubs throughout the nation, it still seems active and involved at the AAC. Each member of the board of directors is also a committee chairman and a vice chairman of a second committee.

Average male members at the club range in age between 40 and 50 and are in the middle to upper middle class. The initiation fee at the club is \$5,400 and the purchase of \$100 share of stock in the operation. Monthly dues are \$85. Compared to some other private clubs in the area, the AAC rate is very competitive and in several cases lower than some clubs offering less.

Admittedly, the AAC is a private club and is non-profit by design, but Petzing and his staff are very cost conscious with a yearly budget of more than \$3 million to contend with. "We are very proud of the fact we usually are less than three percent off on such a big budget," Petzing stated.

With his roots in foodservice operations, Petzing admits he is a food man. Quality preparation is the key for Petzing and executive chef Rene Bouteillie, a French native who once served in the kitchen of President Charles de Gaulle. Two managers really coordinate the meal operation, Alan C. Borders and Jerry McCoy. Both in their late '20s, the pair trade shifts with one on day duty and the other in charge of the dinner operation. Borders is a Florida State graduate, while McCoy went to Michigan State.

Bouteillie has an efficient and well-trained kitchen staff and along with the beverage operation, the AAC grossed \$900,000 during its fiscal year, which ended March 31. Petzing admits probably 60 percent of the total is in the beverage area.

"All we really expect to do with the foodservice is meet expenses," said Petzing, "and if we're fortunate, a very nominal bottom line. Since Petzing's six years at AAC, gross food and beverage sales have doubled.

Facility utilization is another im-

portant area for AAC. Of course, it will vary with the season. Some of the members who are located in areas of the city beyond normal driving time will only use the facilities on the weekend.

Basing that premise on meal frequency of the membership, lunch and dinner are the only meals served at the club. Luncheon range on the average will go about 130 a day with an average check running around \$3.40. Night service on Friday and Saturday nights hits 140 covers and on Sunday, lunch is in the vicinity of 250.

Again, interaction and cooperation are the keys to the efficient AAC operation. In the pro shop, Sargent and his staff easily do six figures in gross sales every year. Along with his wife Jean, Sargent relies on a transplanted Connecticut Yankee, assistant Jim Pinard, teaching assistant Bill Byers plus shop staffer Leslie Kelly to keep everything running smoothly.

"Just because our members belong to the club," said Sargent, "we don't take them for granted. They could always go somewhere else and get their merchandise." Staying competitive in the area market is always a concern for Sargent, but he admits the invasion of the "retail" shops has not hit Atlanta pros as it has in other areas of the country.

Softgoods are the best items moving in the Sargent shop, there are a number of sales and closeouts available to the members each year. In the past, Sargent and his staff had conducted surveys to seek out personal color and style preference, but Harold admits more often than not these surveys and their influence on types of merchandise stocked had very little influence on sales.

With the effects of last year's recession and inflation, Sargent feels buying habits have changed somewhat. "I still am a great believer in turning over my inventory six or seven times a year. That's why we continue to feature sale merchandise," Sargent added.

In the golf equipment area, the AAC shop staff attempts to make a lot of sales on the range or at the practice tee. "We try to do a thorough job for the member when he or she is thinking about new

clubs. We take a look at what they were using and determine if the loft, length and swingweight are suited for them and if these lend themselves to the member's game," commented Sargent. Keeping with his quality image, Sargent only handles about eight different club lines in the shop.

In his 29 years as head professional, Sargent has had 10 of his assistants go on to head spots and while they train under him, he drives home the point about knowing about cash flow and how it can influence their success or failure in the shop. The shop does a monthly inventory, so Sargent knows how much money is available for more stock during the season.

Like Sargent, course superintendent Bob McGee is another AAC manager who works out his problems pretty much on his own. A native of Rome, Ga., McGee has been at the club since 1968 after a year at Lin Valley Country Club, Lindale, Ga.

Since the 36 holes were not opened to play until 1968, McGee is working on a course that is still a couple years from being completely settled. For example, some sort of major construction project has been going ever since McGee became superintendent. With the fairway rough bermuda grass and the fairways bentgrass, McGee admits having a big tournament like the Open presents certain problems sometimes his own maintenance crews don't understand.

"There are specifications that the USGA has presented to us to get the championship course ready for the Open and it's tough to get crews to thinking in those terms. Some days I have to order people not to cut grass, just because of the height desired for the rough," McGee

Drainage has probably been the biggest problem for McGee to combat over the years. A new system was recently installed to take care of most of the headaches, but there are still some areas where standing water accumulates following storms. After the Open, this last part of the hangup should be solved.

Well respected by management and membership, McGee has good rapport with all involved in the

## **FUTURE**

CONTINUED

facility and has complete control to decide on play and cars on the course after rains.

Presently operating with a \$320,000 annual budget, McGee received an extra \$400,000 over a three and one-half year period for needed work for the Open. Approximately \$100,000 was earmarked in the drainage correction project. Of that \$320,000 figure, McGee admits 70 percent of his total is in the labor area.

Along with his green chairman Charles Sokwell, McGee works with a crew of 30 men and his assistant Bob Thompson. With a fleet of seven tractors, seven triplex tee mowing units, nine gang fairway units, a dozen walking greens mowers, four rotary rough mowers and two-seven gang rough units, McGee's crew tackles the two courses. Just to add more experience to all this is McGee's former green chairman,

Paul Smith, who is grounds chairman for the Open.

This month, touring pros will converge on the AAC and McGee realizes there might be negative comments from pros having a rough round. "You can't please 'em all. It's natural for someone to search for an excuse when they are doing poorly. When I was younger, I learned that when you step onto a course, you accept it for what it is. When your round is over, you accept that and move on down the road."

Like the maintenance department, every section of the operation is under a constant training and evaluation program. From the first day of work, the employee is involved in an orientation program which offers information about the club and what the club expects from the employee. During this period, the employee is screened thoroughly and indoctrinated by the club's personnel manager. After this the employee is turned over to the department head and gains informa-

tion pertinent to the job and learns who they will be directly responsible to

Each week, the various departments have evaluation sessions where they can discuss policy and relay changes of thinking on department procedures. Beyond those sessions, each management person will be involved in a weekly session with Petzing and if there are needed changes voiced, he will take them to the board at their regular sessions.

Business attitudes are seriously exhibited at the Atlanta Athletic Club. Some of the area's best business brains are members and realize a professional approach to running a facility of this scope is the only way to achieve and maintain success.

Multi-purpose operations like AAC will continue to be built in the future, as industry people realize a club must have many faces to survive in the golf business. The one advantage the AAC has over its competition and the rest of the nation, is that it has its facility now.





Clubs and cars are just two of the areas club professional Harold Sargent works with at the Atlanta Athletic Club. Sargent, pro at the club for 29 years, handles seven or eight club lines and attempts to turn his inventory over six or seven times a year. The car fleet, 130 in all, is housed in a garage, almost directly beneath the shop.