

GOLF has really come into its own in the past 10 years and that can be attributed to many factors; increased earning power on the part of the average American, more leisure time available to the working golfer, more and more women taking up the game, increased television coverage, bigger purses being offered on the pro circuit, and an increase in the number of golf facilities available to the public.

But perhaps the single most important factor in the growth of golf is the golf car. It also represents, today, the most profitable revenue-producing item for a golf club, whether public or private.

At one time, the golf car was anathema on the course. Who wants those vehicles driving all over, cluttering up the course? And after all, where's the exercise in golf if you use a golf car?

Now, the golf car has come of age. It does not take the exercise out of golf. The exercise is in playing the game, being outside and competing. Most important is the fact that the golf car has speeded up play, vital with the growing numbers of golfers taking to the fairways. And it has opened up more golf to more elderly golfers who were unable to play because of the strain of walking 18 holes.

Grounds maintenance personnel also recognize the benefits of the golf car. With today's turf tires, the golf car does less damage to the course than golf shoes.

Because a golf car fleet is recognized as a necessity, new clubs opening up figure a fleet in the operating budget. However, some older clubs, although a small percentage, still allow member ownership of golf cars. How do they go about converting to a club owned fleet?

Let's take a minute to balance private ownership of cars against club ownership, looking at it from both the individual standpoint and club management.

In all cases, I am referring to the electric golf car. Eighty percent of all golf cars in use today are electric and this number will increase as more and more people are becoming conscious of the need, not only to conserve fuel but also to eliminate the noise and pollution caused by gas-consuming vehicles. Also, the figures I quote are for the Otis four-wheel electric golf car although initial purchase prices are about the same, regardless of brand.

Let's say a golfer owns his own car for which he paid \$1500.00. For evaluation purposes, we will use five years as an average life span of

a golf car with a resale value of \$400.00 at the end of five years. During those five years, he'll put out about \$45.00 a year for insurance. He will probably also replace the complete set of batteries twice during those five years at a cost of \$150.00 each set. Golf cars require tune-ups, just like any other moving vehicle, and the cost for two of those during the five year period will run about \$75.00. Service calls for such things as flat tires or blown fuses, etc., are all to be considered.



GOLF CARS PRIVATE VS. CLUB OWNERSHIP

By DENVER BROWN
Sales Mgr., Special Vehicle Div.
Otis Elevator Company

If his club offers storage and maintenance facilities, he can keep his car at the club for a monthly storage fee of approximately \$15.00 and an additional \$10.00 per month for preventative maintenance and get-ready charges. This is strictly a matter of convenience and is not mandatory. If he opts to keep it at home, he must count in the cost for a trailer and a slightly increased electric bill for recharging that vehicle at home.

So what is the golf car costing the individual owner? Taking into consideration the maintenance and service costs, replacement of batteries and the initial purchase price, the cost comes to about \$3600.00 over the five year period, less the \$400.00 resale value.

Now what if that golfer plays at a club or facility which maintains its own golf car fleet? What would be the rental cost to him and how would it balance out against his own membership of the golf car?

If he plays a round of golf a week for 52 weeks at an average car rental rate of \$8.00 per round, it would cost him \$2,080.00 over a five year period. But he would probably split the cost with a playing partner. And this is all. He would not have the hassle of maintaining his own car, of providing storage and of worrying about winter storage in areas with seasonal play, nor would he be faced with the expense or replacing an outdated or worn out car.

From the club's point of view, what is more important is that the rental income represents practically clear profit to the club and just as important, to the members of that club, decreases the amount of yearly assessments. In short, an individual cannot justify ownership unless he plays more than three times per week, year round.

One golf car alone, acquired by the club (and we will discuss the methods of acquisition later) for \$1,500.00 and rented out five times a week for 52 weeks at a rental rate of \$8.00 (national average), would bring in \$2,080.00 for the first year. And that's based on only one rental per day. On weekends that car will be rented out twice a day on the average — depending on play.

As you can see, that car has brought in a profit in the first year of operation. The second year, the profit picture is even better when the initial purchase is no longer a factor.

Granted there are services and maintenance costs, replacement of batteries, etc., just as with private ownership of golf cars. Even taking that into consideration, the profit picture is still impressive.

And remember, too, that the electric golf car is a simple machine to maintain. Take Otis' golf car. It comes with its own built-in charger and plugs into any 110 volt outlet. No auxiliary power equipment is needed. It has a cyclac body with a welded tubular steel frame. It is weather resistant and its high-impact, rugged cyclac body is rust

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GOLF CAR BATTERIES

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weight of the passengers, the degree of the slopes or hills on the golf course, the efficiency of the transmission, the temperature conditions under which the golf car is operated and the horse power of the motor.

If the average battery has a cost of \$25 and each golf car contains six batteries (\$150 worth of batteries) it obviously can make a great deal of difference in a course's net profit from golf car rentals if one obtains 800 battery charges as against only 200 battery charges and, at the same time, cuts his electricity costs for charging batteries in half.

DON'T BE CHEATED ON BATTERIES

It has been reported in several areas that golf course executives are unknowingly evaluating electric golf cars containing six of the more expensive 106-minute (220-amp) batteries and then getting only 75-minute (180-amp) batteries in the golf cars when they are delivered. This is being done by some golf car salesmen to circumvent the lighter weight of other golf cars and make it appear on testing that their golf car can obtain the necessary distance (minimum of two rounds) between battery charges without deep-cycling the batteries.

Unfortunately, the amperage or rating in minutes is not identified on many batteries. Some of the 88-minute and higher priced 106-minute batteries are packaged in a casing of exactly the same dimensions. **The only sure way to tell the difference is to weigh the batteries.** Both batteries contain 19 plates per cell (57 plates), but the 88-minute battery weighs 598 pounds and the 106-minute battery weighs 65.1 pounds.

Make certain you ask all golf car salesmen to identify what amperage batteries are in the demonstrator golf cars you are evaluating and what amperage their golf car pulls on a level grass surface with an average 360 pounds of passenger weight. Then ask for a guarantee that the test golf car contains the same amperage batteries you expect to pay for and receive when your golf cars are delivered.

If you wanted to buy a boat having a 20 h.p. motor, it wouldn't be fair if one salesman demonstrated his boat equipped with the 20 h.p. motor, but another salesman demonstrated with a more expensive 50 h.p. motor.

Insist on demonstrator golf cars being equipped in exactly the same

way you expect to buy and pay for them. □

PRIVATE vs. CLUB CARS

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proof, corrosion proof and never needs painting.

Many clubs with large golf car fleets hire a maintenance man for about \$6,000.00 to \$7,000.00 per year who maintains that fleet in good working order, paying off in the long run. A golf car that is not out on the course is not producing revenue.

Since the profitability of owning a golf car fleet is evident, how do you go about establishing a fleet, especially if your club now allows individual ownership of golf cars.

If your members now have their own cars, you can purchase the cars from them outright, rent them back to them or use the cars as trade-ins on a new fleet.

Or you can acquire a new fleet outright, and let the individual car owners dispose of their own cars.

And just how does a club acquire a new fleet without a tremendous outlay of capital, capital most clubs just don't have?

It is recommended that a course have one golf car for every eight golfing members. If your membership is 400, that means 50 golf cars at a purchase price of approximately \$75,000.00.

Don't let that figure throw you. There are many ways to acquire that fleet without huge assessments to members and without using capital earmarked for other more critical uses, such as course repairs, new facilities, etc.

For instance, Otis and other golf car companies have worked out multiple ways in which you can acquire cars without capital outlay.

One is a lease program with a purchase option whereby you have a set monthly payment of approximately \$45.00 per car. Compare this investment with the income of \$8.00 per

round, five rounds per week or \$40.00 times 4½ weeks and you have a gross profit for the month of \$130.00. This multiplied by 12, then multiplied by the total number of cars in your fleet comes to a real tidy profit for your club.

Now, this lease program also gives you the right to purchase these cars at any time during the lease. However, why purchase? Upgrade your fleet by phasing out old cars and bringing in new ones on the lease program without increasing your monthly expenses. Two important reasons for upgrading a fleet: 1, you keep your members happy, and 2, you keep your maintenance costs low.

The second plan, becoming more popular with many customers, is the rental participation agreement. A club's responsibility for maintenance is kept to a minimum and there is no investment required. The club's car requirements are based on past history or estimated utilization. The dealer places the fleet at the club and each time the car is rented, the club divides the income with the dealer at a predetermined percentage.

But, remember, the dealer has his capital invested, not the club's. The dealer also provides a back-up "tournament fleet" with pick up and delivery service.

Both leasing and rental present another benefit to the golf club or facility. When introducing an initial fleet, a club may not be sure of just how many cars would be needed. Both a lease or rental program allows for adjustment to the size of the fleet. Therefore, the club is not committing itself to a golf car fleet. Therefore, the club is not committing itself to a golf car fleet which will not be totally operational and therefore, revenue producing.

In the long run, the decision to acquire a golf car fleet must be based on the growth the club or facility hopes to attain. The profit potential from one golf car has already been outlined. The potential from 10 times that many or 100 times that many can spell financial profit for the club willing to take the initial step.

And what club or facility could not use that extra revenue? Aside from cutting members yearly assessments, you could use the added revenue to make that much needed expansion to your present facilities, install golf car pathways, or maybe even build a swimming pool to further enhance your facilities.

Anyway you look at it, the golf club without its own fleet is not on a par with those who have them. □

