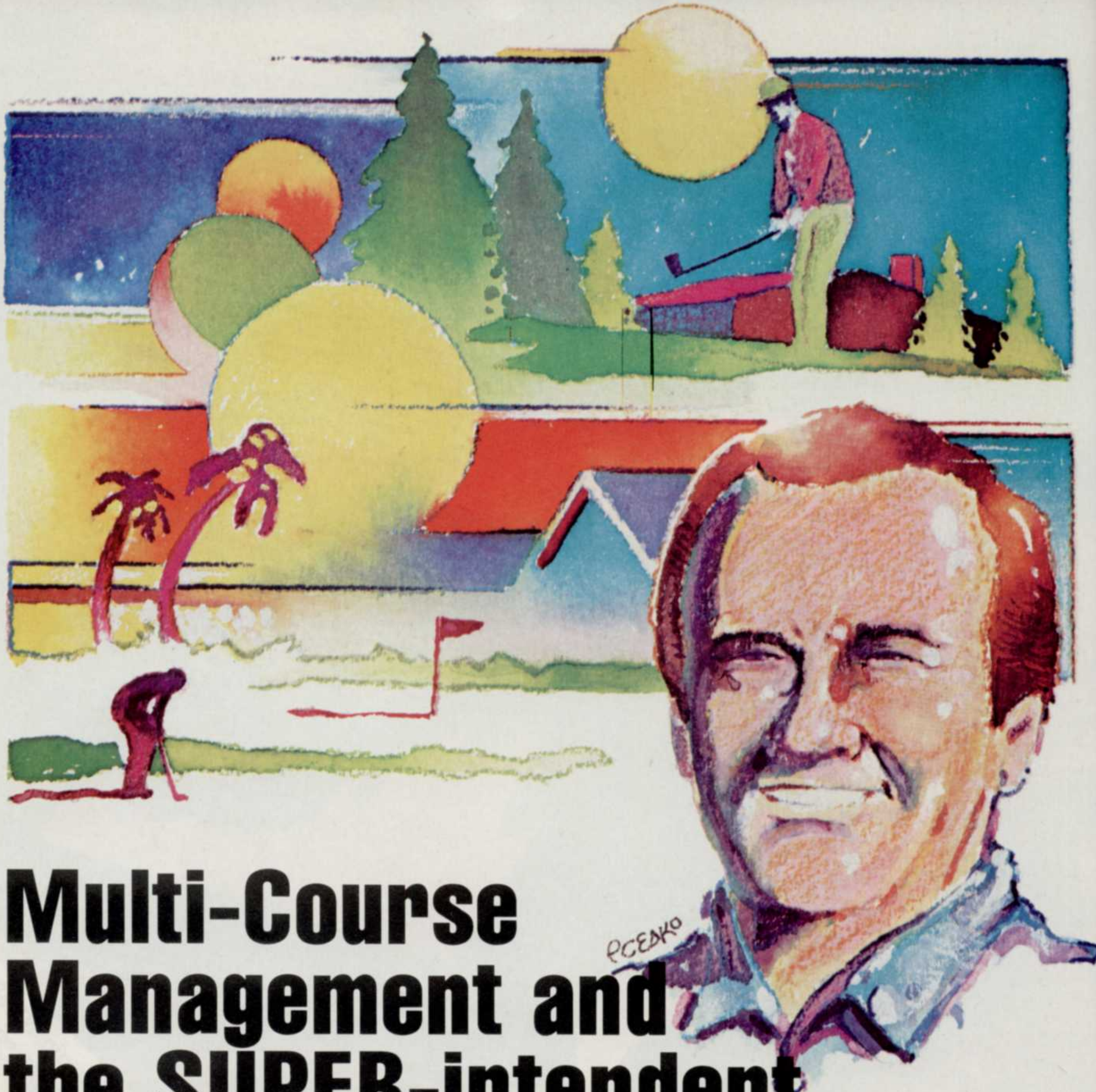

Multi-Course Management and the SUPER-intendent

A few superintendents manage a number of courses as economics favor contract golf course management and leasing.

by Bruce F. Shank, executive editor

Golf, like other sports, has grown from a priviledge of the rich to the right of the common man. It is a major part of the business of recreation.

Today, nearly half the golf courses in the United States are public. The few wealthy families, who played golf in the late nineteenth century on courses situated among the dunes of the Eastern Shore, have grown to more than 17 million golfers of all incomes.

The greenskeeper, a person of limited responsibility in the early years, is now in charge of hundreds of thousands of dollars in property and maintenance expenses. Golf is big business and the superintendent is largely responsible for the product.

The responsibilities of the superintendent continue to grow as owners or operators of more than one course assign a group of courses to him. This new role has various titles, but super-superintendent fits well.

Multi-course management, which began in Los Angeles in the 60's, might explode in importance during this decade. Approximately 300 golf courses are operated by multi-course companies today and that number may double by 1985. The rate of growth in multi-course management is not restricted by construction of new golf courses or even ownership. It is tied only to the speed at which lease or management contracts are signed and the capacity of the multi-course operator to expand.

Starting in L.A.

In 1960, Zeke Avila, then superintendent of Hacienda Golf Club in Mission Viejo, CA, signed a contract to maintain Arcadia Golf Course, a municipal course in Arcadia, CA. The next year he quit his job at Hacienda and started looking for more courses to maintain.

Twenty years before, Avila entered golf course management as part of the crew at Lakeside Country Club in Whittier, CA. For $65 per month he worked six days per week and every other Sunday learning how to maintain a golf course. He reflects, "The golf professional was in business for himself but not the superintendent. I believed I could work out something like the pro."

Zeke Avila, *the father of contract management.*

Today, Avila operates ten golf courses in Los Angeles and Palm Springs grossing more than $2.5 million per year. He is considered the father of contract golf course management.

If Avila is the father of contract golf course maintenance, then David Price is the dean. Price, a property lawyer for Getty Oil in Los Angeles, recognized the opportunity in golf club management in 1970. He negotiated a lease for Westchester Golf Club in Los Angeles and hired Richard Bermudez as superintendent. With Bermudez, assistant Vicki Higgins, and civil engineer Sandy Burns, Price carefully built California Golf-Tennis. Now called American Golf Corp., Price's company operates 50 golf courses from California to New York. He recently negotiated a lease for six municipal courses in four boroughs of New York City.

The largest single owner of golf courses is Club Corporation of America (CCA) in Dallas, TX. CCA was founded by attorney Robert Dedman in 1957 and today operates more than 90 golf courses and 30 city clubs, including Firestone and Inverrary.

James Faubion is director of golf operations for CCA. Seven regional superintendents report to him. "I function mainly as a consultant to our superintendents, not someone who tells them how to run their courses," Faubion said.

CCA owns most courses and operates each as its own profit center. Central purchasing of some equipment and supplies makes CCA a big factor in the golf course market from a manufacturer's viewpoint.

Jack Nicklaus's companies design, operate, and consult many golf courses, including Muirfield Village in Dublin, OH, and St. Andrews in Hasting-on-Hudson, NY. Edward Epchells is president of Golf Turf Inc., a subsidiary of Jack Nicklaus Cos., North Palm Beach, FL. Golf Turf Inc. consults 34 courses on agronomics and maintenance operations. Jack Nicklaus Club Management, established originally to consult on clubhouse operations, has expanded into total club management under contract.

Environmental Industries of Calabassas, CA, a multi-million dollar landscaping company is exploring golf maintenance contracting as part of its services to municipalities. ChemLawn made a stab at golf course maintenance in the mid-70's but retreated to concentrate on its primary customer, the homeowner. Certainly, ChemLawn has the technical resources to expand into golf course operation by adding knowledgeable superintendents to handle management.

Multi-course advantages

Operating a golf course can be a business separate from ownership. It was this discovery that opened the field to rapid growth. Contract maintenance or operation relieves the owner, often a group of investors or municipality, of operational headaches. This is generally done by either a lease or contract for services.

The keys to contract operation are agronomic and business expertise, better control of labor, and discounts from volume buying.

Contract golf maintenance has its critics, often other superintendents who suspect contract operators lower standards to make a profit. And, since contract maintenance is often utilized to solve union problems, a scab image persists.

When American Golf Corp. leases a course, it is taking a risk. Since its income is based upon greens fees it can't afford to let the course scare away golfers.

Certainly Jack Nicklaus doesn't want his name associated with poor maintenance. He designs many of the courses his Golf Turf Inc. advises. His customers want the prestige of the Nicklaus name for their courses and are willing to pay for it. Real estate developers can attract more investors when the project is associated with Nicklaus.

When a company specializes in managing golf courses it learns the tricks to efficient operation, tricks a single superintendent may not know, especially if he has always worked for courses where money is not an issue.

As golf becomes more a business and less a game for the wealthy, operational efficiency becomes more important. Most new courses are resort courses run as investments in recreation, a profitable option for today's investors.

Men like Avila and Price have discovered investors aren't the only ones who can make a profit. So can the operators. They realize they can move equipment and crews from course to course when necessary. They know they have clout with suppliers when buying for ten courses instead of one. These savings alone can represent a reasonable profit without changing maintenance practices.

"One of my men works as hard as three municipal workers," says Avila. "He is given specific responsibilities and takes pride in his work or he answers to me. He is also directly responsible for the equipment he uses so there is no one to blame for breakdowns except himself. If a breakdown does occur, we can get a replacement machine to his course within two hours."

"The municipality or owners have the assurance that if one of our men burns a green," Avila states, "our $1 million insurance will cover it. We can't afford dissapointed golfers any more than the owner can. Owners negotiate with me, not a union. I take care of all fringes and labor disputes. We work with the owner to establish a definite set of specifications for maintenance and operation."

Mike Heacock, one of three regional super-superintendents for American Golf Corp., was an opponent of the multi-course management concept before he left Lakeside Country Club to join AGC. "I expressed my opinion to Bob Williams, president of AGC," says Heacock, "and instead of throwing me out of his office, he hired me to correct my concerns." Heacock is responsible for 17 courses in southern California. Ken Sakai is in charge of four courses in northern California, and Richard Bermudez handles the rest. Bermudez recently hired John DeMatto from Pinehurst to run the six New York City courses.

AGC leases its equipment instead of buying it. Due to its size, AGC was able to negotiate a financing package with Litton Industries to buy Toro equipment and Textron to buy Jacobsen equipment. This reduces the financial exposure of the company to approximately the length of it golf course leases. It also makes AGC a national customer instead of a regional customer.

"Capital improvements to a course," says Heacock, "are either deducted from the lease or built into the greens fee. This gives the municipality, which generally just wants to break even, a chance to improve its course without going to the voters for a bond

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issue." Proposition 13 in California cut public funding in many areas. It may be part of the reason for the success of contract golf course maintenance there.

AGC's Vice President Bill Brown recently annnounced formation of a "golf club" to spur rounds at 22 of its golf courses in California, Nevada and Arizona. For a $48 membership fee, golfers get a free round at any of the courses including preferred tee times and tournaments. Marketing the game of golf is one of the most difficult tasks for an owner or municipal course. AGC is using marketing tactics similar to those used by American Express and Diner's Club to increase revenues.

"We're finding group buying a great benefit to our clients," says Epchells with Golf Turf Inc." We specialize predominantly with newer golf courses and developers. We help them get established and then follow up with group buying and operational problem-solving."

The future of multis

The case for multi-course management is economic. Beside groups with ten or more courses, are many more with two or three courses. Many of these are owned by developers who built the courses to serve as the centerpieces for recreational communities. These developers eventually try to sell the golf course to the owners of the condominiums or homes in the development. Failing this, they seek other options.

Companies which once found owning a golf course prestigious, are also tempted by ways to lighten their burden. Municipalities faced with tight-fisted taxpayers and growing problems with basic services, labor, and schools, may be anxious to cut their loses and reduce management headaches by leasing their courses to multi-course operators.

Even the private golf club, disappointed with superintendents and afraid to raise dues, may try contract maintenance or a consulting organization.

Of course, consulting is available from other sources, especially the United States Golf Association Green Section. The certification program by the Golf Course Superintendents Association of America can help superintendents document competence if needed.

The real foes of individual superintendents are management, labor problems, and size. To match the expertise and cost savings of multi-course operators, superintendents will require strong association and extension support, buying groups to gain quantity discounts, and a greater knowledge of managing and marketing their course.

It will be more difficult to stay a "greenskeeper" and leave the operation of the course to the club manager and the golf professional. Recreation is now a business and the superintendent will need to become a businessman as well as a skilled landscape manager to guard his future. **WT&T**