

Have You Received the Memo?

Although the memo isn't out, the industry is changing.

BY CHRIS HARTWIGER



Have you received the memo? Neither have I. Apparently there is a new business model in the golf industry, and courses are doing business in new and different ways, but I'm not sure anyone has taken the time to write advice on what to do. While I might not have the credentials to write a memo for the new business model in golf, I am out on the front lines regularly and would like to make a few suggestions for a memo.

A CHANGING INDUSTRY

The golf and golf maintenance industries are in a state of rapid change. Rounds continue to decrease. Revenue

is shrinking. Budgets are down. Almost every measure of prosperity in the game has decreased over the last decade, with sharp declines occurring in 2008 to the present. What is more troubling is the collapse of differentiation in all but the upper-end private club market. On the daily-fee side, "memberships" or annual passes are common. On the mid-level private club side, initiation fees are disappearing if not gone, and various forms of outside play (outings, tournaments, juniors) are sought after. On the bright side, now is a great time to be a golfer, and bargains can be found in just about every city.

GETTING BETTER IN A DOWN MARKET

Survival in this market means making it through the year and hoping either supply decreases or demand increases next year. Golf courses will either respond or will be out of business. Golf courses have tried many different things to survive. Some have worked. Some have not. Below are a few ideas to help survive in this difficult market.

Fun: Make the golf course fun to play. Tall rough is out. Back tees are out. Tee it forward. Find ways to make the game more fun for golfers at your facility. Think outside the box.

Functional: It is more important than ever to make maintenance as functional and efficient as possible. Three ideas are included below:

Goodbye to Bunkers: There is a growing trend to remove bunkers that are unnecessary or ones that unduly punish high-handicap players. Many golf courses have far too many bunkers. They have to be edged, raked, repaired after rainfall, and replenished with sand from time to time. If a bunker is unnecessary, the maintenance department is spending unnecessary dollars to maintain it. Is this idea a license to alter a masterpiece? Not at all. It is an opportunity to discuss what a given facility needs in terms of an architectural feature and balance that with what it costs to maintain this feature. There are many courses that could shrink their bunker acreage by 30 percent without missing a beat.

Say No to Extra Turf: The modern golf course is long and is built with multiple sets of tees. Often, there are out-of-play areas adjacent to tees that are mowed, irrigated, and fertilized. Is this necessary? In the Southwest, restrictions on water use are causing courses to scrutinize every area of turf and assess if it is really part of the

playing surface or golf experience. Other regions can learn much from the Southwest. To be sure, there are issues, such as turf type, alterations in irrigation, and intensity of maintenance, but if one looks long term, acres of turf can be removed from many golf courses without altering the golf experience.

Appropriate Grass Selection: Much has been written about the wave of putting green conversions from creeping bentgrass to ultradwarf bermudagrasses in the Southeast. Many courses have found that they can improve turf quality, use fewer inputs annually, and dramatically reduce the risk of catastrophic turf loss in the summer months. Now is the time for courses to assess and make sure they have the proper grasses on the golf course for the long term.

Fiscal Responsibility: No superintendent I know wants a smaller staff. Yet year after year, staffs are shrinking by way of attrition. Fewer full-time employees are on the payroll and more part-time or seasonal employees are joining the staff. The fact remains that about two-thirds of most golf course maintenance budgets are allocated to payroll. When budgets remain flat or

are cut, something has to go. Most of the fat has been cut from budgets years ago, and now the debate turns to the topic of being more efficient with fewer people. Continue to ask the important question, "How are we going to perform this same task more cost-effectively next year?"

CONCLUSION

Golf is a great game that has been enjoyed by millions of golfers. The basics of the game have not changed, but the economic climate has brought a new reality to the industry. Slumps don't last forever and markets do cycle over time. With or without a memo, adjustments are being made in the industry that will have immediate and long-lasting effects. These changes are crucial not only for immediate survival, but also for positioning golf courses to prosper in the future by developing more efficient ways to provide a good product to the customer.

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A lower-maintenance turf in out-of-play areas adjacent to tee complexes helps to lower the bottom line.