

A person in a dark jacket and pants is walking across a green on a golf course. In the background, there is a sand trap, a large tree, and a line of trees under a hazy sky.

Golf Course Business Strategies for Every Golf Course Superintendent

Presented by Michael Vogt, CGCS, CGIA, LLC

What's In It For Me?

Even if you pick-up one or two new ideas, **IT'S A WIN!**



Perhaps you will be a better golf course manager with an increased knowledge of the importance of business strategies common to properly managed businesses.

What Do You Do?

You are a Businessperson that just happens to be a professional in golf turf management.

Future of Golf

Local market conditions will have much more to do with individual course performance than macroeconomics of the golf course business. One or two conversions from private to public courses can make a big difference in a local trade area, as can the closing of one or two courses or clubs in your area.

Future of Golf

THE RACE TO THE BOTTOM!

Increases in golfers and rounds will not necessarily lead to proportionate revenues. Third party tee time discounters and aggressive pricing will continue to attract bargain-hunting golfers.

What's your Strategy?

Find out what are your key performance indicators are.

Find out how you and your stakeholders measure success.

How to Look at the Big Picture

What's the best way to measure golf course expense metrics?

- **Cost per member / player / rounds**
- **Cost per hole**
- **Cost per managed acre**
- **Cost compared to gross income**

All tell a story, but we'll use cost per member / player / round

How do we Arrive at a Fair Green Fee / Guest Fee?

So, what should the green fee / guest fee be?

Take the maintenance budget x .0001

\$1,000,000 maintenance budget x .0001 = \$100 Green Fee / Guest Fee

Generally, if that's not the case, one or the other is "OUTA-WHACK".

How do we Arrive at a Fair Golf Course Maintenance Budget?

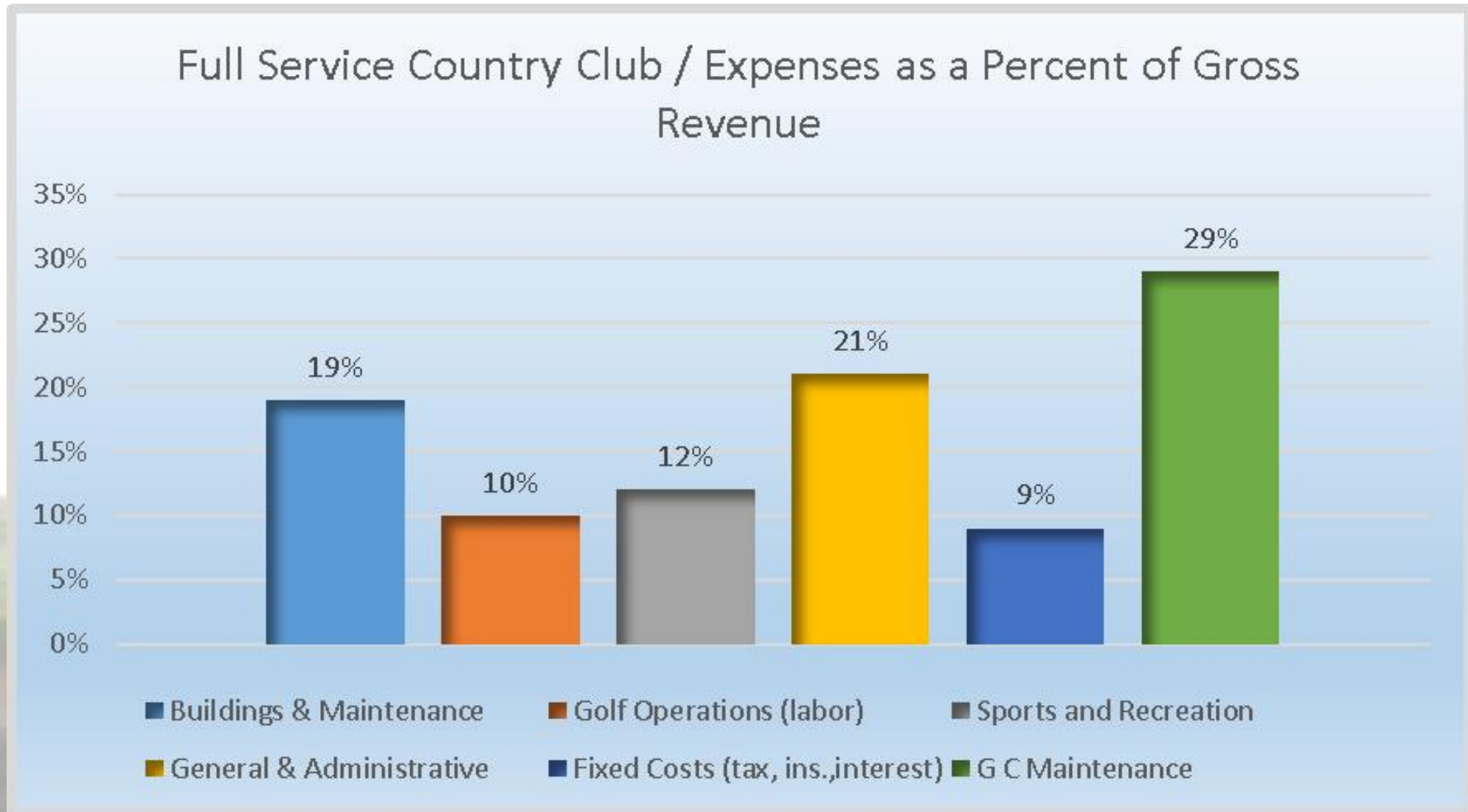
So, what should the maintenance budget be?

Take total club gross income x 29%

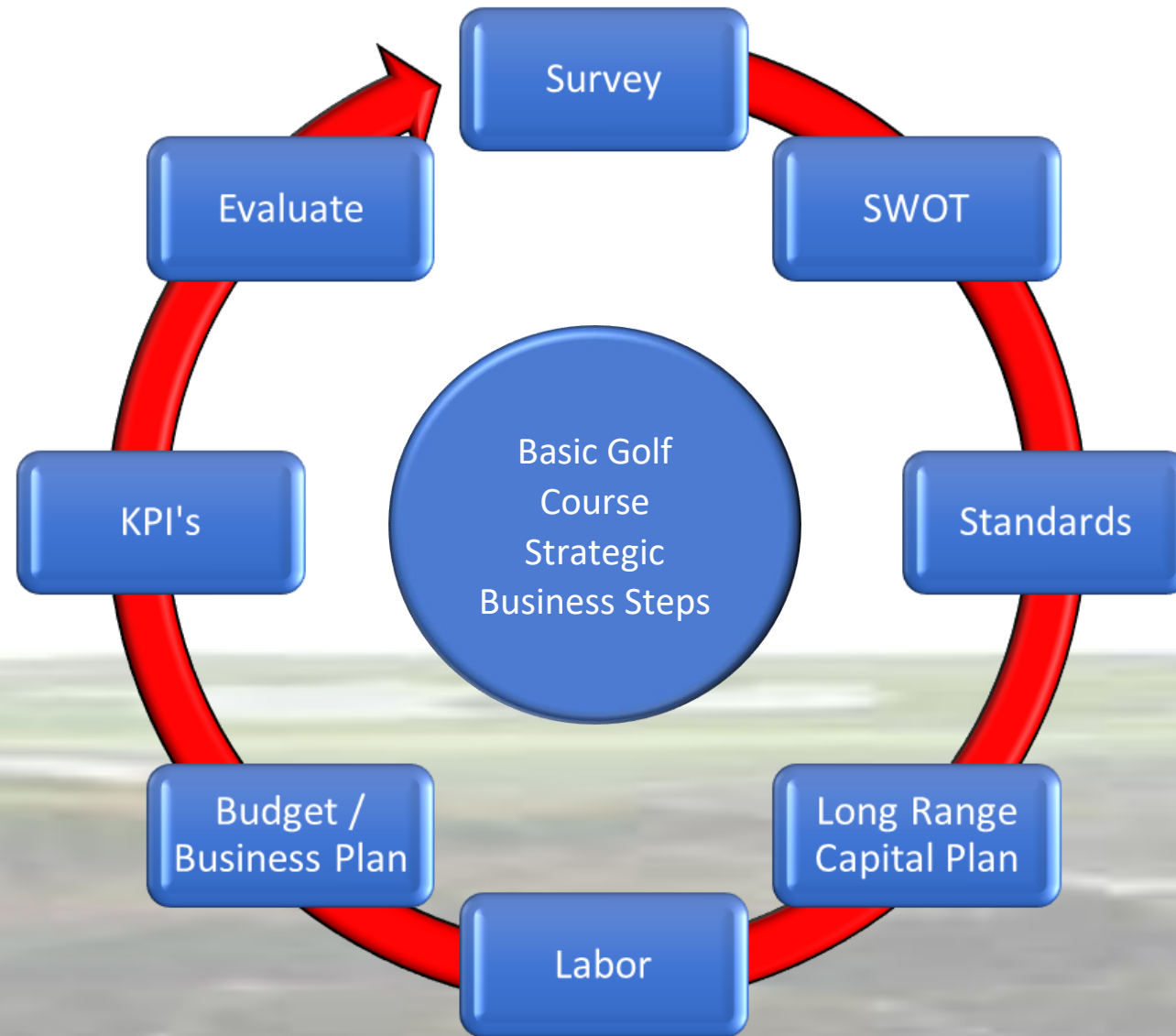
$$\text{\$3,500,000} \times 29\% = \text{\$1,015,000}$$

Generally, if that's not the case, one or the other is "OUTA-WHACK".

As a Percent How Revenue is Distributed



“You’ve got to be very careful if you don’t know where you are going, because you might not get there.”(Yogi Berra)



What Type of Golf Business Are You?

- Old Architect Type Original Golf Only Club
- Family Type Country Club
- Country Club for a Day - Daily Fee Course
- No Frills Daily Fee Course
- Resort Golf Course
- Municipal Golf Course

Why is it Important to Know What Kind of Course You Are?

To match your course expectations and level of maintenance to your clients needs and desires. This will help you arrive at a value threshold.

Value

What is considered a good definition of VALUE?

$$\text{Value} = \text{Experience} - \text{Price}$$

People pay what they pay for the experience received.
When the experience is perceived to be greater than the price, customer loyalty is created.

Survey

Make your strategic plan about the consumer, not what you think the plan should be.

Getting a customer focused plan will enhance buy-in, and most important, **MAY INCREASE FUNDING!**

Survey

Because we make decisions based on what we think we know the facts to be, the discipline of creating and implementing a survey is in part, attainment of critical knowledge, to build and establish goals based on true customer desires and resulting in customer loyalty and value.

Survey

Uncover the answers. In a non-intimidating survey environment, you will learn about what satisfies survey respondents and what is important to them, and gather meaningful opinions, comments, and feedback. A non-intimidating survey environment is one that best suits the privacy needs of the survey respondent.

Survey

Evoke discussion. Give your survey respondents an opportunity to discuss important key topics. Communicate with your respondents about your survey topic. This allows you to dig deeper into your survey and can incite topics related to your survey within a broader perspective.

Survey

Base decisions on objective information. Conducting surveys is an unbiased approach to decision-making. Don't rely on "gut feelings" to make important golf course investment / management decisions. You can collect unbiased survey data and develop sensible decisions based on analyzed results. By analyzing results, you can immediately address topics of satisfaction and importance, rather than waste time and valuable resources on areas of little or no concern.

Survey

Compare results. Surveys results provide a snapshot of the attitudes and behaviors – including thoughts, opinions, and comments – about your player population. This valuable feedback is your baseline to measure and establish a benchmark from which to compare results over time. Including formulating **Key Performance Indicators.**

Survey

As the culture and the demographics of the club constantly change, gathering the data and keeping it current can be challenging. Surveying the membership is one great way to measure their satisfaction and importance with key features and specific maintenance enhancements.

Survey

Satisfaction vs Importance:

Be sure to measure both, they have a dramatically different meaning!

Put the money and effort into the most important and fix the least satisfied.

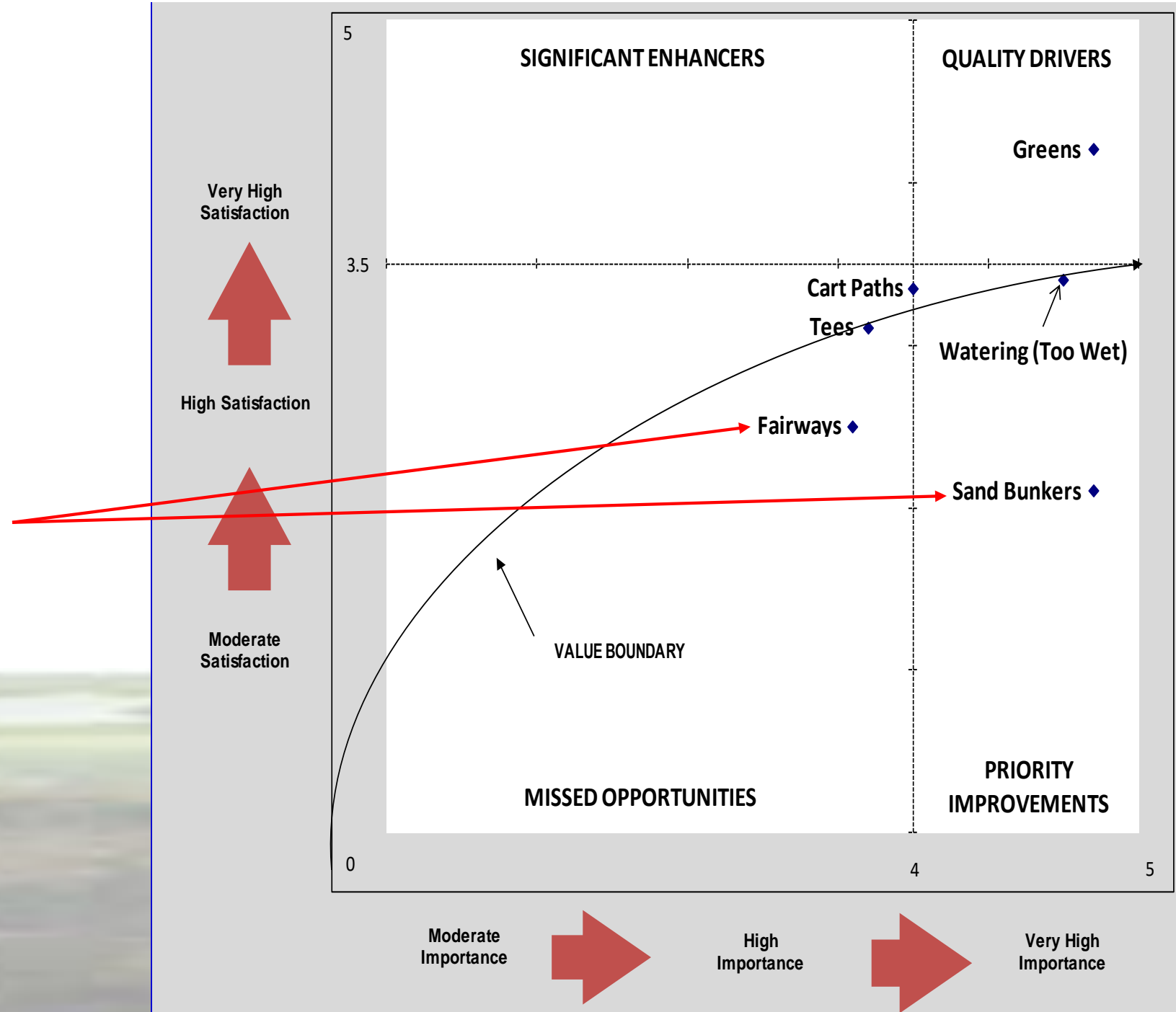
Survey

Satisfaction vs Importance:

- Most golf businesses want to wildly exceed customer expectations for all facets of their courses and other services, but if your golf organization is like most, you're not going to be able to do this. Therefore, how should you allocate money and resources?
- First, make sure you are not spending time and attention on things that *aren't* important to your customers and make sure you satisfy customers with the things that *are* important.
- One way to do this is to create a survey that contains two parallel sets of questions that ask customers to indicate the **IMPORTANCE** of certain features / services with how **SATISFIED** they are with those products and services

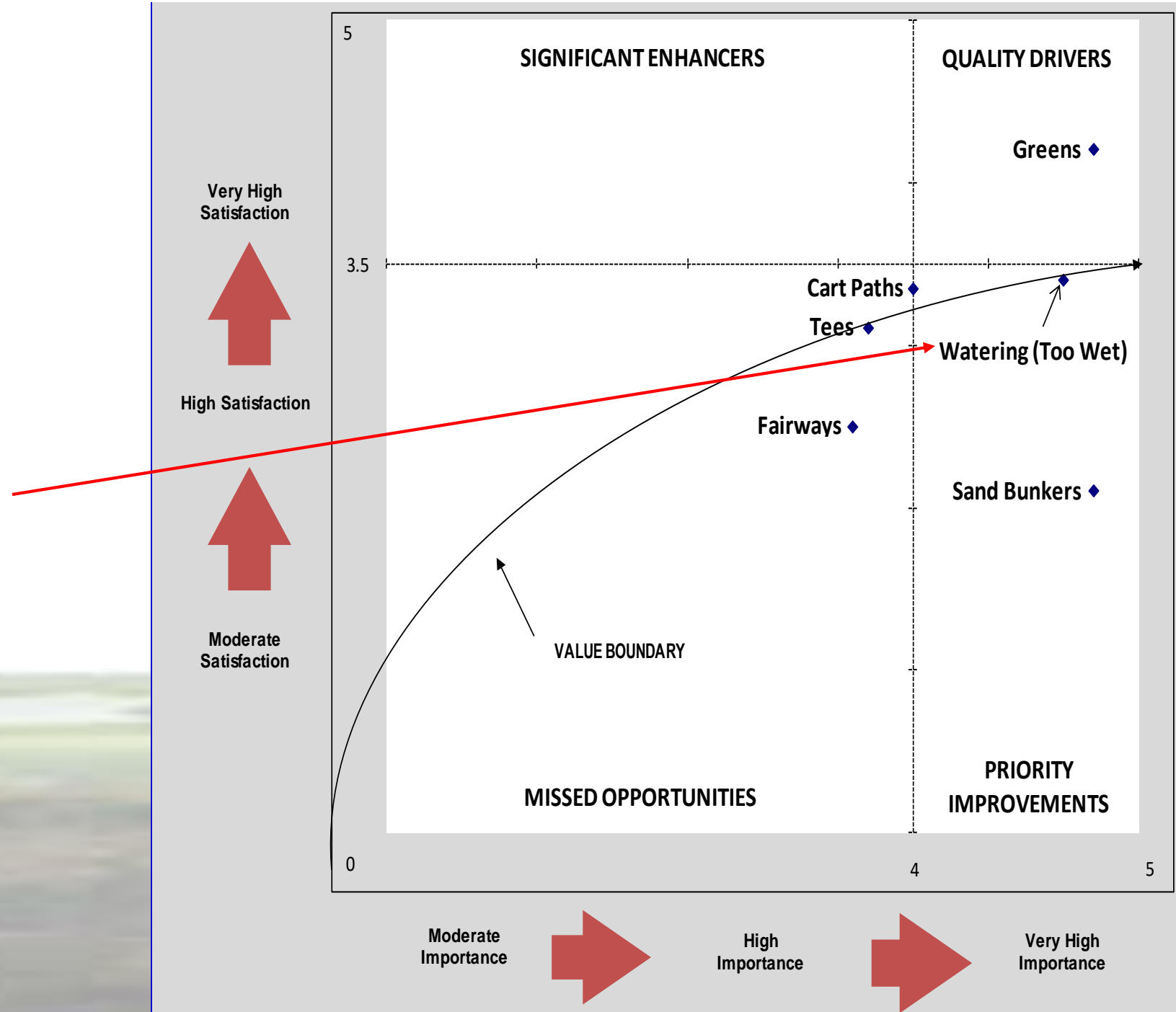
Survey

According to data from this survey, sand bunkers and fairways need work!



Survey

We should investigate drainage or improve methods to apply water.



Survey Need Not Be Complex

Greens	Importance vs. Satisfaction
Tees	Importance vs. Satisfaction
Fairways	Importance vs. Satisfaction
Sand Bunkers	Importance vs. Satisfaction
Cart Paths	Importance vs. Satisfaction



Standards of Achievements

Golf Course Standards of Achievements are guidelines that detail the manner in which a golf course is maintained on a seasonal and daily basis. They are not instruction manuals for each cultural or maintenance practice, or a list of job descriptions for employees, although these can be included. They are, however, formal documents that outline golf course maintenance goals and the necessary practices for meeting these goals. These plans can be very helpful in addressing budgetary concerns and customer expectations. Also these standards are helpful in discouraging volunteer committee members from implementing pet projects.

Standards of Achievements

GREENS

Green surfaces are the ultimate measure of all great golf courses. Every effort will be made to protect and preserve the finest greens surfaces available. The objective is putting surfaces with evenly comparable pace, smoothness, firmness and overall uniformity. The greens will be closely mowed each day the club is open for membership play within the regular golfing season. Green speed and/or pace will be determined by the golf course superintendent and the green committee prior to the golf season.

Achievements

- 1) Greens will be mowed daily during the regular golf season. Spring and fall heights of cut will be $\sim .125$ of an inch with grooved rollers. The heights will be lowered based on weather and growing conditions in preparation for the regular golf season (generally $.115$ of an inch). Health conditions and weather permitting, the height will be lowered to $.100$ of an inch with solid / smooth rollers and will remain throughout the regular golf season with a separate outer ring cut at $.125$ of an inch.

Standards of Achievements

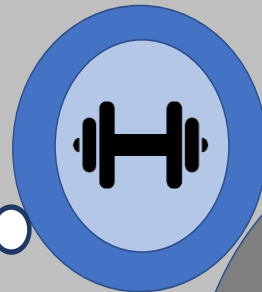
The achievements also justify expenditures based on a quantified level of maintenance. For instance, if a superintendent exceeds the achievements and remains within budget, a case can be made for additional compensation for the superintendent based on management expertise.

Guidance For Business Planning - SWOT

SWOT ANALYSIS of BIG GREEN GOLF CLUB

Great Course Design
Central Location
Excellent Practice Facility
Rich and Successful 85 Year History
Virtually No Debt

STRENGTHS



GC Flooding During Heavy Spring Rain Storms
Old Equipment
Irrigation System (19 years old)

WEAKNESSES



Housing Available for Talented Interns
Arrangement with Member-Owned Sand Company
Water Discovered on Property -Well Will Yield 200 GPM

OPPORTUNITIES



New /Renovated Course Opening North of City
Non-Stable Workforce
Major Road Work on West Main Street
Ageing Membership (19% under 50)
Golf Rounds Down 8% From Last Year

THREATS

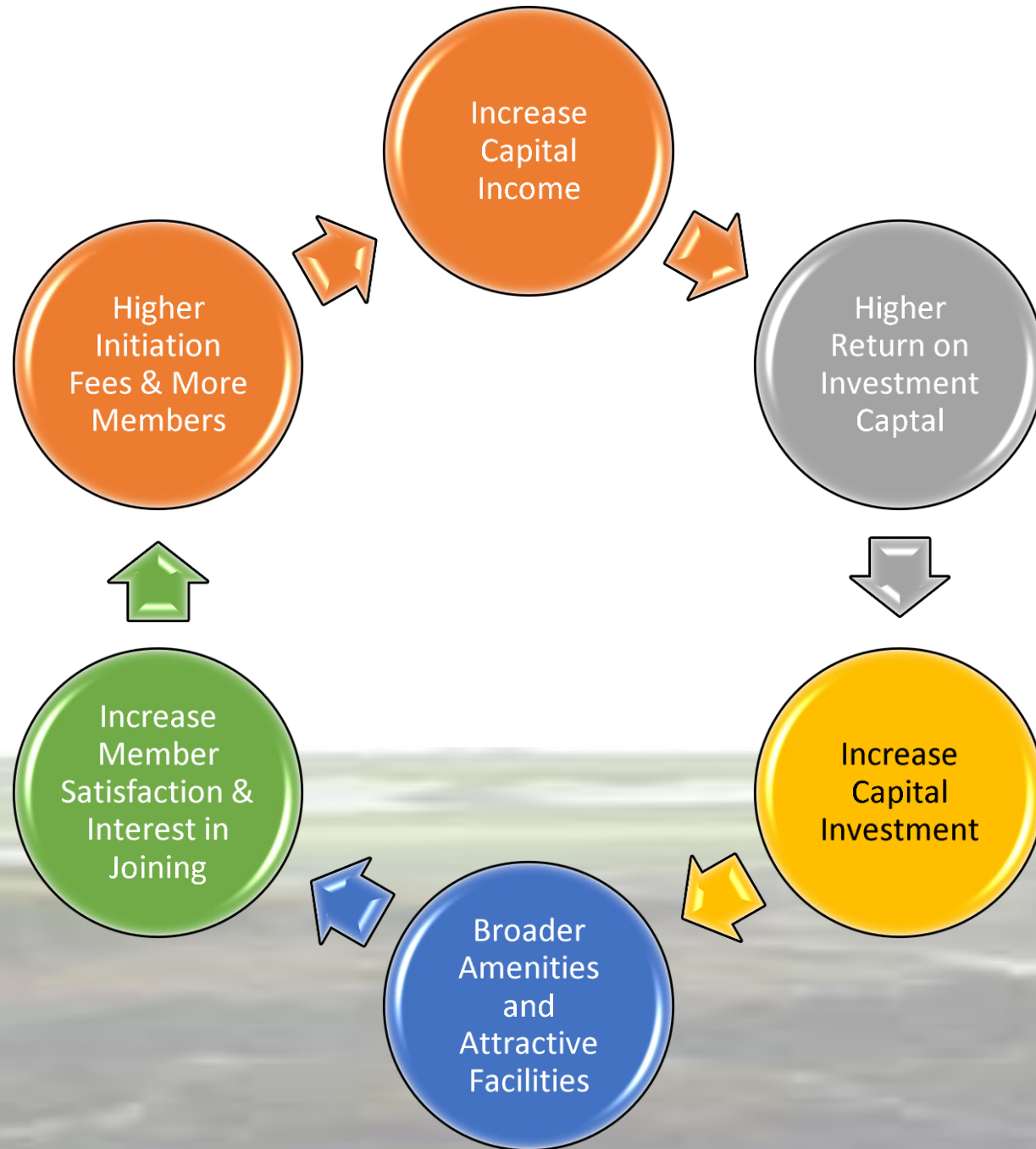


Guidance For Business Planning - SWOT

Why is a SWOT analysis important?

What really makes SWOT powerful is its usefulness in setting a course to take advantage of prime business opportunities. Without a strategic plan, companies can just aimlessly drift around without a direction, or operate without any forward development.

In highly competitive industries, failing to seize opportunities is almost as catastrophic as making a major business mistake. SWOT allows you to **map out opportunity well in advance** and begin planning to deliver a quality solution and marketing plan.



Long Range Capital Plan

Replace when expected life
has expired or fix when
broken?

Capital - the lifeblood of a golf business

How can we measure the appropriate amount of capital funding to sustain golf course features, components and equipment?



Capital - the lifeblood of a golf business

Mr. Jones purchases a new membership at Big Green Country Club, and he enjoys his membership, but upon his retirement - he's heading to Arizona to get out of the winter of the Chicago Suburbs. Mr. Smith decides to join Big Green, taking an equity membership left by Mr. Jones. The practice tee and chipping area has a useful life of 20 years, and just a year after Mr. Smith joins Big Green Country Club, he is handed a \$2,000 Special Assessment for the renovation of the practice tee and chipping area.

Mr. Jones, the original owner, used 95% of the life of the practice green and chipping area. The second owner, Mr. Smith, used 5% of the life of the practice tee and chipping area, and he is stuck with the entire replacement cost.

SOMETHING IS HAYWIRE!!

Capital - the lifeblood of a golf business

A Complete Asset Reserve Study is Smart Business to Measure the Appropriate Amount of Capital Needed to Keep Current Assets Fresh, Keep R&M Costs In-Line, Help Avoid Emergency Repairs, Help Avoid Special Assessments and / or Bank Loans to Fund Unexpected Capital Expenses.

Capital - the lifeblood of a golf business

What is a reserve study?

A reserve study is essentially a long-term capital replacement strategy / budget. The end product is the reserve study report, which is supported by a site observation, component condition assessment, component cost assessment, capital replacement time schedule and a capital replacement funding plan.

Capital - the lifeblood of a golf business

Irrigation System \$ 1,279,995

# of Units	Component	Years in Service	Condition 1-5 (1 Poor- 5 Excellent)	Estimated Useful Life From New	Unit Cost	Replacement Cost	Useful Life Remaining	Replacement Year	Comments
1	Flowtronics Pump Station	5	4	20	\$ 185,000	\$ 185,000	15	2028	Pump stations have been serviced annually by specialist
1	Flowtronics Pump Station	5	4	20	\$ 120,000	\$ 120,000	15	2028	Pump stations have been serviced annually by specialist
1	Booster / Transfer Pump	17	3	20	\$ 38,000	\$ 38,000	5	2018	Pump stations have been serviced annually by specialist
21	E-Osmac Irrigation Satellites	1	5	15	\$ 6,500	\$ 136,500	15	2028	
1	Irrigation Central Control System (Lynx)	1	5	10	\$ 80,000	\$ 80,000	10	2023	
727	Toro Sprinkler Heads	21	3	25	\$ 185	\$ 134,495	12	2025	
1	Pipe and Wire	21	3	25	\$ 565,000	\$ 565,000	15	2028	Substantial ongoing irrigation repairs should occur year-to-year.
1	Thor Guard Lightning Detection System	15	4	20	\$ 21,000	\$ 21,000	5	2018	System is in as new condition, along with sensors in the field
					\$ -	\$ -			
					\$ -	\$ -			



Capital - the lifeblood of a golf business

Asset Reserve Studies **DO NOT** account for new equipment, new features or new components (just what the golf course business currently has).



Capital - the lifeblood of a golf business

How do most courses fund capital replacements?

THEY DON'T!



Capital - the lifeblood of a golf business

63% of courses say they have a Capital Income Account,
25% of the 63% have a zero balance!*

Where Does The Cash Go?

Revenue

(Dues, F&B Net, Ancillary Departments)

Gross Profit

Fixed Operations

- General & Administrative
- Buildings Maintenance & Operation
- Fixed Charges
- Golf Operations Labor
- Course Maintenance Expense
- Sports, Recreation, Youth Programs

Net Operating Result

Total Capital Income

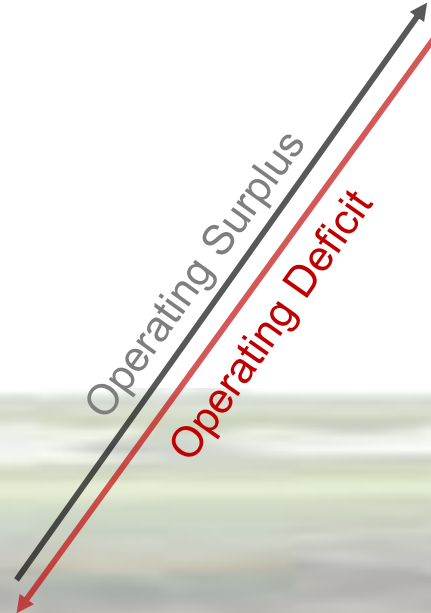
(Initiation, Capital Dues/Assessments, Investment Income)

Adjust for Net Operating Result

Subtract Lease Expenses

Net Available Capital

Net Available Capital is the amount the club has available for capital investment, debt reduction and increasing reserves



Where Does The Cash Go?

- Unrestricted net assets (in a Member Owned, Not-for Profit = Net Worth of Club)
- Given Operating Ledger is set to break-even...Net Worth increases if Net Available Capital is greater than Depreciation or costs to fund reserve account budget.
- Thus, Net Worth growth requires incoming and existing members to contribute to capital.

Net Available Capital
Less Than
Depreciation or Reserve
Funding



Net Available Capital
Greater Than
Depreciation or Reserve
Funding

Labor Allocation

Generally, golf course business labor is 50% to 60% of the total golf maintenance budget.



Labor Allocation

Mowing, Set-Up, Applications: All very routine and measurable tasks and relatively easy to allocate hours.

Planned extra tasks (non-routine) such as venting, aerification, tree trimming, and other cultural practices and renovations are more difficult to allocate.

Labor Allocation

Being that labor is the greatest line item of the budget, do you know how much routine tasks cost?

- Mowing of greens
 - Raking bunkers
- Changing hole cups
 - Etc...

Labor Allocation

Ways to justify labor expenses that match your golf facility:

**Step #1. ASK YOUR CLIENTELE WHAT'S
APPROPRIATE FOR THE LEVEL OF
MAINTENANCE.**

THINK SURVEY

Labor Allocation

STEP #2 DRAFT A STANDARD OF ACHIEVEMENTS.

What are the major reasons you may want a written Standard of Golf Course Achievements?

Gets conditions and your organization into the “Daylight”;

Quantifies labor hours, machinery needed and the superintendent's responsibilities;

Keeps individuals from changing standards without proper protocol.

Labor Allocation

STEP #3 MAKE EMPIRICAL FORECASTS BASED ON TASK DRIVEN STANDARDS OF ACHIEVEMENTS.



Labor Allocation

Measure the Cycle Times each task takes:

Mow greens (2 triplexes with 2 operators x 3.5 hours each)
x \$10.50 per hour = \$73.50 per greens mowing.

$$(2 \times 3.5) \times \$10.50 = \$73.50$$

Labor Allocation

TASK COSTING MODULE						Hours	Dollars
DAY OF THE WEEK	EMPLOYEE	TASK	HOURS	DOLLARS / HOUR	DOLLARS / TASK	88	\$ 740.94
Wednesday	Labor 5	Bunkers Hand Rake	4	\$ 8.00	\$ 32.00		
Wednesday	Labor 6	Bunkers Hand Rake	4	\$ 8.00	\$ 32.00		
Wednesday	Labor 7	Bunkers Hand Rake	4	\$ 8.00	\$ 32.00		
Tuesday	Labor 7	Bunkers Hand Rake	6	\$ 8.00	\$ 48.00		
Tuesday	Labor 8	Bunkers Hand Rake	3	\$ 8.00	\$ 24.00		
Tuesday	Labor 9	Bunkers Hand Rake	3	\$ 8.00	\$ 24.00		
Tuesday	Labor 5	Bunkers Mechanical Rake	4	\$ 8.00	\$ 32.00		
Thursday	Assistant Mechanic	Bunkers Mechanical Rake	4	\$ 14.50	\$ 58.00		
Thursday	Labor 4	Bunkers Hand Rake	4	\$ 9.42	\$ 37.68		
Thursday	Labor 5	Bunkers Hand Rake	4	\$ 8.00	\$ 32.00		
Thursday	Labor 6	Bunkers Hand Rake	4	\$ 8.00	\$ 32.00		
Sunday	Labor 5	Bunkers Hand Rake	5	\$ 8.00	\$ 40.00		
Sunday	Labor 7	Bunkers Hand Rake	5	\$ 8.00	\$ 40.00		
Sunday	Labor 9	Bunkers Mechanical Rake	4	\$ 8.00	\$ 32.00		
Sunday	Labor 11	Bunkers Hand Rake	1	\$ 8.00	\$ 8.00		
Sunday	Spray Tech	Bunkers Hand Rake	1	\$ 9.00	\$ 9.00		
Saturday	Labor 8	Bunkers Hand Rake	7	\$ 8.00	\$ 56.00		
Saturday	Labor 10	Bunkers Hand Rake	5	\$ 8.00	\$ 40.00		
Saturday	Labor 12	Bunkers Mechanical Rake	4	\$ 8.00	\$ 32.00		
Friday	Labor 4	Bunkers Hand Rake	3	\$ 9.42	\$ 28.26		
Friday	Labor 5	Bunkers Hand Rake	3	\$ 8.00	\$ 24.00		
Friday	Labor 6	Bunkers Hand Rake	3	\$ 8.00	\$ 24.00		
Friday	Labor 7	Bunkers Hand Rake	3	\$ 8.00	\$ 24.00		
			88	\$	740.94		



Labor Allocation

Non-reoccurring projects or maintenance tasks need to be accounted for on a special worksheet.



Labor Allocation

Input Your Typical Season length, Above Red Cell For MONTHS, Then Above Blue Cell For WEEKS.

32
WEEKS

7
MONTHS

Tasks

Details

Occurrences

Hours

Task (Non-Routine Golf Course Maintenance)	Detail	Weekly	Monthly	Yearly	Hours Per Task	Total Hours
Topdress	Greens		2		6	84
Complete Edging and Sand Re-Location	Greens-side sand bunkers			5	140	700
Refurbish Ballwashers	Sandblast and paint			1	120	120
Trim Trees	Clean out deadwood			2	200	400
Grind Reels and Bedknives	Fairways Mowers			2	55	110
	Utility Mowers			3	40	120
	Green and Tee Mowers			5	16	80
Blow-Out Irrigation System	Remove Water from Piping w/Air			1	250	250
Energize Irrigation System	Spring Irrigation Start-Uo			1	40	40
Vent Greens	Soild Pencil Quad-Tine		2		10	140
Complete Edging and Sand Re-Location	Fairway Bunkers			2	150	300
Trim Shrubs at Clubhouse				3	50	150
Plant Annuals	Clubhouse and Course Beds			2	250	500
Mulch Shrub Beds	Clubhouse and Course Shub Beds			2	175	350
Overseed Rough				1	100	100
Fill Divots	Range Tee		2		30	420
	Par Three Tees		2		30	420
	Fairways			4	40	160
Aerify	Greens			3	250	750
	Tees			2	200	400
	Fairways			1	120	120
Edge Cart Paths				4	150	600
Fertilize	Fairways			3	25	75
	Rough			2	110	220
Task (Special Projects)	Detail	Weekly	Monthly	Yearly	Hours Per Task	Total Hours
Sod Work	Resurface Range Tee			1	450	450
Drainage	#1 Fairway, #13 Rough and Fairway			1	225	225
Cart Path	Concrete work around 1st tee			1	350	350
Optional Data Entry Field #1						0
Optional Data Entry Field #2						0
Total Man Hours Required →						7,634

Labor Allocation

Whether you need to allocate labor by task or budget there are very progressive ways to accomplish your goals.

Most of all, you may need to make the PITCH for labor to achieve certain standards.

Labor Allocation

Beware of Wage / Pay Compression

Pay compression is the situation that occurs when there is only a small difference in pay between employees regardless of their length of service, skills or experience.

ALSO

Pay compression is the result of the market-rate for a given job outpacing the increases historically given by the organization to high tenure employees. Therefore, newcomers can only be recruited by offering them as much or more than some senior employees.

Labor

The 9 Steps to Solving Pay Compression

Revisit/rebuild “grade structure.” The first thing we can do is to rebuild our grade structure, which may be responsible for “structural compression.” A major contributor to existence of pay compression rests with the nature of the pay ranges themselves, specifically, that they are too narrow from grade to grade.

Labor

Make “equity adjustments” to accelerate pay. When you look at a group of employees at the low or high end of the range, identify people whose performance level and rate are not in the proper relationship. Those are the candidates for equity adjustments.



Labor

Make sure your ranges are pegged to the market. You want to adjust pay ranges on regular basis; my recommendation is to adjust every year. If you can't do that, it's likely that you are falling behind the market, at least structurally.

You don't have to rebuild the wage structure every year, but you do have to adjust each year.

Labor

Improve your pay administration. Study rates, attach names, experience levels, and performance levels. Compared to “relevant others,” are employees paid fairly? Ideally, this should be done company-wide.



Labor

Consider promoting employees. When concerned about those clustered at the top of the range, ask, is this a person that we can move out and up to another pay grade? Don't do this lightly, but if someone could contribute if in a job with higher responsibility, you can solve the pay compression problem.

Labor

Consider “reassessing” some employees. If you have underperformers, people whose performance contribution is less than it should be, consider freezing compensation. Generally, don’t take pay away, but you can freeze. Or ask - should this person be reassigned to job with lower responsibility levels?

Labor

Rewrite job descriptions. Perhaps you need to reclassify employees as duties change. Have a person's duties, roles, responsibilities changed? Is person's role too narrow?



Labor

Consider merit bonuses instead of raises. This is not a solution per se, but you can use merit bonuses to avoid aggravating the pay relationships in compression situations. The obvious benefit is that you can allow some rates to float up, and others to remain the same to “disperse” the bunched pay rates, all without building increases into base pay rates.

Labor

Take care setting pay rates for new employees! This is the real “killer”. Study local similar job descriptions (mow & blow, landscapers, school groundskeepers). Adjust your rates as needed.

You're probably are not competing with the fast food market for employees, chances are that McDonalds workers are not going to work on a golf course!

Labor Allocation

The federal minimum wage was introduced in 1938 during the Great Depression under President Franklin Delano Roosevelt. It was initially set at \$0.25 per hour and has been increased by Congress 22 times, most recently in 2009 when it went from \$6.55 to \$7.25 an hour. 29 states plus the District of Columbia (DC) have a minimum wage higher than the federal minimum wage. 2,561,000 workers (or 3.3% of the hourly paid working population) earn the federal minimum wage or below.

What say you?

Business Plan

Objectives: Are your business goals considered S.M.A.R.T. goals?

Specific

Measurable

Attainable

Relevant

Time-Based

Business Plan

Strategies: How best to accomplish your business plan and what makes your golf business different from the competition?

Business Plan

Action Plan: What are the specific action items and tasks you need to complete now? What are your future milestones? What will you need to accomplish those milestones in order to meet your ultimate objectives?

This Lean Business Plan can be the beginning of a more detailed plan as the future will dictate.

Business Plan

Slick Greens Country Club

Identity

18-hole world class country club and golf course maintenance operation.

Problem

To supply a better maintained golf course for the membership at a reasonable cost.

Our solution

Always look for member survey results to guide our maintenance departments goals and strategic direction.

Target market

Adults and families within a 20 mile radius of the club with a minimum annual household income of \$300,000 or greater.

The competition

Big Green Country Club, 8 miles from our club.

Revenue streams

Monthly dues, guest fees, locker-room fees rental fees, practice range fees, private outing fees. Estimate \$1,250,000 per year.

Marketing activities

Market the best golf/family experience and capitalize on our classically design expertly maintained golf course.

Expenses

- Labor
- Supplies
- Utilities
- Repair costs

Team and key roles

Superintendent – Harold TurfNoggin
Golf Professional – Sam SweaterFolder
Assistant Superintendent – Ray Flagstick
Head Equipment Technician – Wally Hydro

Milestones

As we grow the membership to 250 regular members (estimate - 2025) we will begin to re-invest in major golf course capital projects, funded with asset reserves from a dedicated percentage of dues income.

Identity: What is your business?

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Problem: What deficiencies does your business need to solve?

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Our solution: Where are the answers and how are you going to implement them?



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Business Plan

Target market: Who are our members / customers?

Slick Greens Country Club	
Identity 18-hole world class country club and golf course maintenance operation.	Problem To supply a <u>better maintained</u> golf course for the membership at a reasonable cost.
Our solution Always look for member survey results to guide our maintenance departments goals and strategic direction.	Target market Adults and families within a 20 mile radius of the club with a minimum annual household income of \$300,000 or greater.
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Marketing activities Market the best golf/family experience and capitalize on our classically design expertly maintained golf course.	Expenses <ul style="list-style-type: none">• Labor• Supplies• Utilities• Repair costs
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Our solution

Always look for member survey results to guide our maintenance departments goals and strategic direction.

Target market

Adults and families within a 20 mile radius of the club with a minimum annual household income of \$300,000 or greater.

The competition

Big Green Country Club, 8 miles from our club.

Revenue streams

Monthly dues, guest fees, locker-room fees rental fees, practice range fees, private outing fees. Estimate \$1,250,000 per year.

Marketing activities

Market the best golf/family experience and capitalize on our classically design expertly maintained golf course.

Expenses

- Labor
- Supplies
- Utilities
- Repair costs

Team and key roles

Superintendent – Harold TurfNoggin
Golf Professional – Sam SweaterFolder
Assistant Superintendent – Ray Flagstick
Head Equipment Technician – Wally Hydro

Milestones

As we grow the membership to 250 regular members (estimate - 2025) we will begin to re-invest in major golf course capital projects, funded with asset reserves from a dedicated percentage of dues income.

The competition: Who is the threat to our success ?



This Lean Business Plan can be the beginning of a more detailed plan as the future will dictate.

Business Plan

Revenue streams: What do we sell to create income?

Slick Greens Country Club

Identity

18-hole world class country club and golf course maintenance operation.

Problem

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Marketing activities: What are we selling and how do we identify our demographics?



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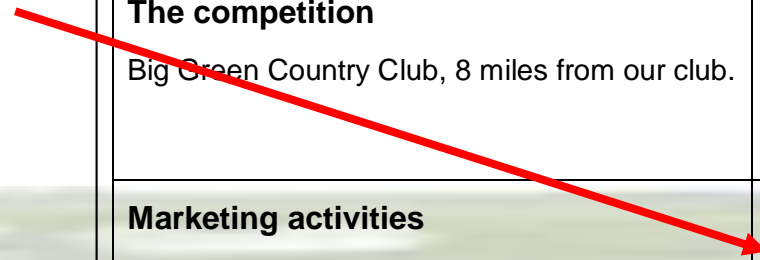
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Expenses: What are our four largest expenses?



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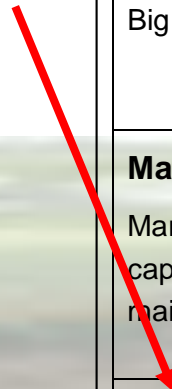
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Team and key roles: who are the major players to implement plans?



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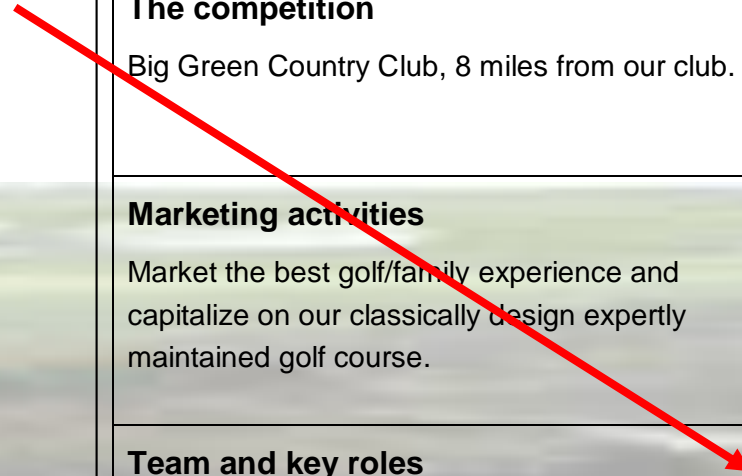
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Milestones: How can we measure success?



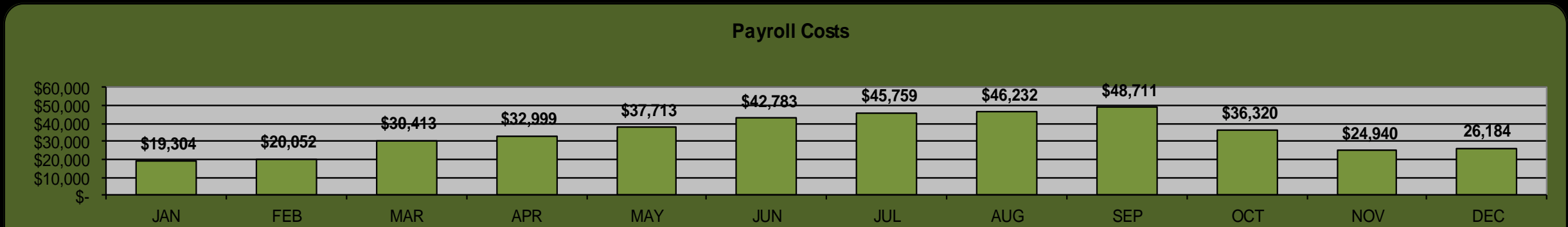
Business Plan

Maintenance Budget: Should be more than just numbers!



Business Plan

Month	Payroll Salaries	Payroll Hourly	Overtime	Payroll Costs	Benefits	Work Comp.	Employee Meals	Incentives & Bonus	401 K Match	Total Payroll	Comments
January	\$ 15,208	\$ -		\$ 2,129	\$ -	\$ 467	\$ 250	\$ -	\$ 1,250	\$ 19,304	
February	\$ 15,208	\$ 646		\$ 2,220	\$ 12	\$ 467	\$ 250	\$ -	\$ 1,250	\$ 20,052	
March	\$ 15,208	\$ 5,776		\$ 2,938	\$ 24	\$ 467	\$ 250	\$ 4,500	\$ 1,250	\$ 30,413	
April	\$ 15,208	\$ 9,362	\$ 2,500	\$ 3,790	\$ 48	\$ 467	\$ 375	\$ -	\$ 1,250	\$ 32,999	
May	\$ 15,208	\$ 12,399	\$ 3,500	\$ 4,355	\$ 84	\$ 467	\$ 450	\$ -	\$ 1,250	\$ 37,713	
June	\$ 15,208	\$ 12,399	\$ 4,000	\$ 4,425	\$ 84	\$ 467	\$ 450	\$ 4,500	\$ 1,250	\$ 42,783	
July	\$ 15,208	\$ 18,404	\$ 4,500	\$ 5,336	\$ 144	\$ 467	\$ 450	\$ -	\$ 1,250	\$ 45,759	
August	\$ 15,208	\$ 19,820	\$ 3,500	\$ 5,394	\$ 144	\$ 467	\$ 450	\$ -	\$ 1,250	\$ 46,232	
September	\$ 15,208	\$ 19,112	\$ 2,500	\$ 5,155	\$ 144	\$ 467	\$ 375	\$ 4,500	\$ 1,250	\$ 48,711	
October	\$ 15,208	\$ 14,863		\$ 4,210	\$ 72	\$ 467	\$ 250	\$ -	\$ 1,250	\$ 36,320	
November	\$ 15,208	\$ 4,923		\$ 2,818	\$ 24	\$ 467	\$ 250	\$ -	\$ 1,250	\$ 24,940	
December	\$ 15,208	\$ 323		\$ 2,174	\$ 12	\$ 467	\$ 250	\$ 6,500	\$ 1,250	\$ 26,184	
TOTALS	\$ 182,495	\$ 118,026	\$ 20,500	\$ 44,943	\$ 792	\$ 5,604	\$ 4,050	\$ 20,000	\$ 15,000	\$ 411,410	



Business Plan

Plant Protectant Program - Greens											
Course:	<u>Big Greens Golf Club</u>					Supt:	<u>Rodger Turface</u>				
Year:	<u>1/1/2019</u>	Total Ft ²	139,392	Cost/ Ft. ² - Greens:	\$0.0243						

Fungicide Greens											
Month	Week	Trade Name	Active Ingredient	Application Site	Rate	Target Pest	Quantity	Unit	Unit Cost	Cost/M	Total
FEB	3	Briskway	Difenoconazole / Azoxystrobin	Greens	0.725	Fungi	3	1	356.00	0.0077	1,068.00
MAR	2	Daconil	Chlorothalonil	Greens	5.4	Fungi	4	1	167.00	0.0048	668.00
MAR	2	Torque	Tebuconazole	Greens	2	Fungi	2	1	293.00	0.0042	586.00
APR	2	3336	Thiophanate-methyl	Greens	3	Fungi	5	1	213.00	0.0076	1,065.00
				Greens						-	-
				Greens						-	-
				Greens						-	-
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Total Cost - Greens										\$	3,387.00

Business Plan

Fertilizer Cost per Square Foot on Greens	Chemical Cost per Square Foot on Greens	Fertilizer Costs per Square Foot on Tees	Chemical Cost per Square Foot on Tees	Fertilizer Costs per Acre on Fairways	Chemical Cost per Acre on Fairways
\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ -

Maintenance Costs per Acre
\$ **4,413.76**

Maintenance Costs per Golf Hole
\$ **24,208**

Maintenance Costs per Full Dues Member
\$ **1,162**

Maintenance Costs per 18 Hole Round
\$ **18**

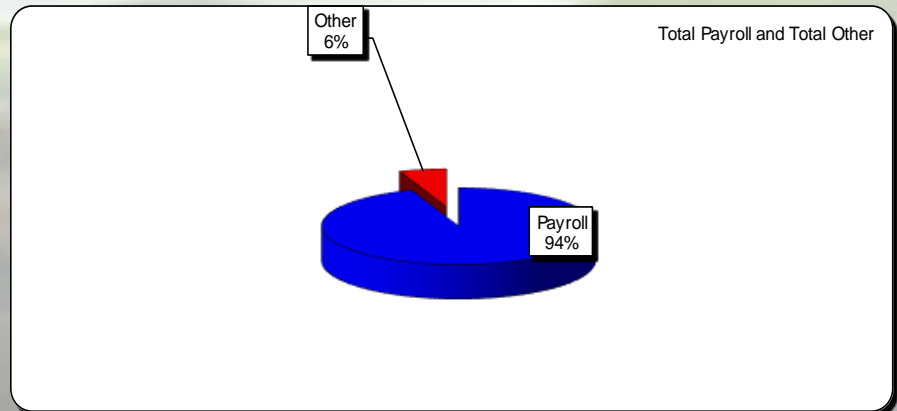
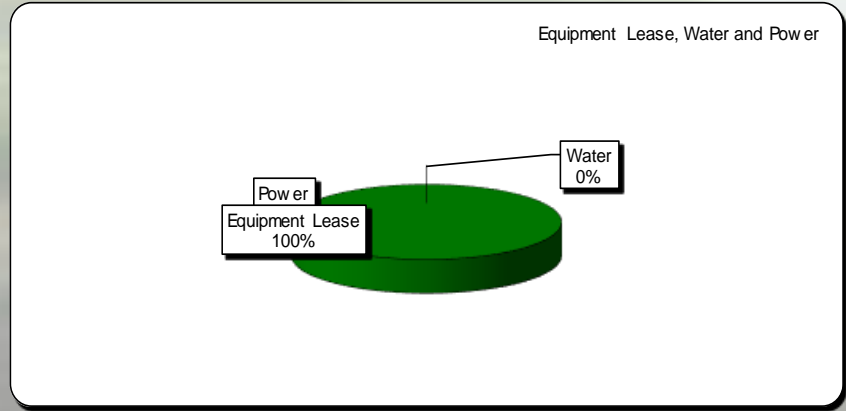
Average Hourly Wages Less Payroll Expenses
\$ **14.83**

Dues as a Percentage of Total Budget
13.10%

Total Ft² Greens	139,392
Total Ft² Tees	110,000
Total Acres Fairways	27
Total Acres Rough	66
Total Acres Maintained	99
Total Non-Variable Exp.	\$ 4,357

Total Full Members	375
Total Golf Holes	18
Payroll Budget	\$ 411,410
Other Budget	\$ 24,339
Total Maintenance Budget	\$ 435,750

Water	\$ -
Power	\$ -
Equipment Lease	\$ 19,983
Total Variable Expenses	\$ 431,393



[Click to go to help information](#)

[Click to go back to Club Stats](#)



Branding – Part of Your Business Plan

What Should a Brand Do?

In the golf business, branding is not just about getting your target players or members to select your course or club over the competition. It's also about getting your prospects to see you as the sole provider of the best solution to their golf or recreation need.


Branding – Part of Your Business Plan

A good brand will:

- Deliver a clear and concise message;
- Confirm the brand's credibility and position in the marketplace;
- Emotionally connect target prospects with your course and its services;
- Motivate the buyer to make a commitment to play or become a member;
- After the initial commitment, create member/player loyalty.

Branding – Part of Your Business Plan

Your brand is the source of a promise to your consumer. If you're billing yourself as the best maintained golf course in a specific price range, your golf course must live up to that promise of brand.



Branding – Part of Your Business Plan

In developing a strategic marketing plan, your brand serves as a guide to understanding the purpose of your **Key Performance Indicators** and enables you to align the plan with those objectives. Branding doesn't just count during the time before the purchase - the brand experience must last to create players/members loyalty. You can create that by answering these three questions:

1. Did the golf course and service perform as expected?
2. Was the course's quality as good as promised or better?
3. Was the entire member / golfer experience positive?
4. Was value delivered? (**value = experience – price**)

Branding – Part of Your Business Plan

Beyond Loyal Customers

Branding not only creates loyal customers, but it also creates loyal employees. A quality brand gives your team something to believe in and something to stand behind. They feel like they're a part of something special and significant and not just another golf course or club in a crowded market.

Key Performance Indicators

Key performance indicators (KPIs) form an important part of the information required to determine (and explain) how a company will progress forward to meet its business goals.

KPIs help organizations understand if the company is headed in the right direction—and if not, where it needs to divert its attention. No matter what it measures, the goal of a KPI is to improve the health of an organization

Key Performance Indicators

A key performance indicator is a quantifiable measure a company uses to determine how well it's meeting its operational and strategic goals.

This means that different businesses have different KPIs depending on their individual performance criteria or priorities. That said, the indicators usually follow industry-wide standards.

Key Performance Indicators

The three characteristics of KPIs are the following:

- **Quantitative.** The KPIs can be presented in the form of numbers.
- **Practical.** The KPIs integrate well with existing company processes.
- **Actionable.** The KPIs can be put into practical application to effect the desired change.

Key Performance Indicators

Examples of Key Performance Indicators

- A golf course's KPI is not the same as its goal. For example, a course may set a goal that all of its greens will be 100% bentgrass. However, instead of using the percentage of bentgrass, the course uses the percentage of *Poa annua*, moss and clover as a KPI to determine its position against 100% bentgrass.

Key Performance Indicators

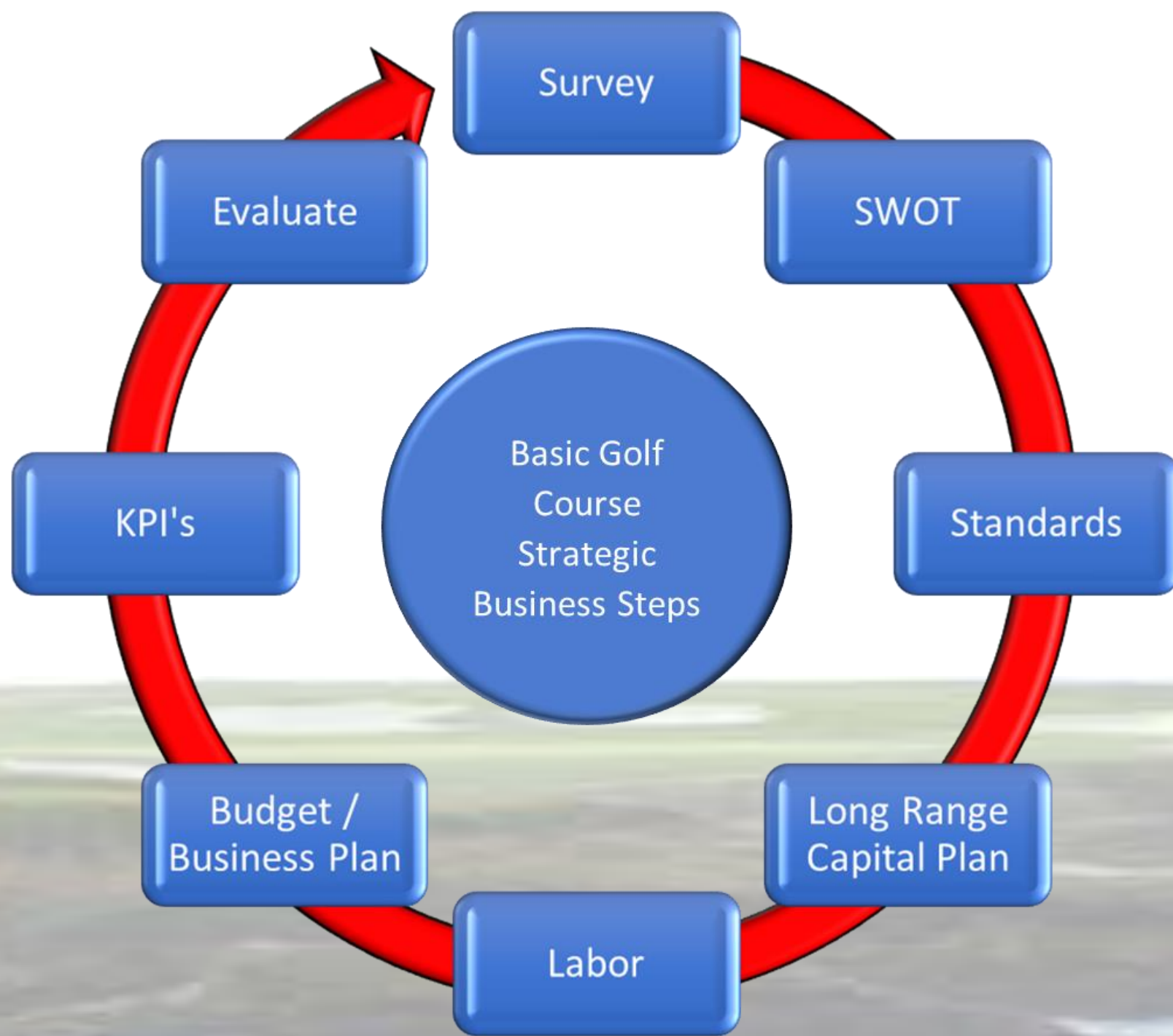
Examples of Key Performance Indicators

- Your KPIs will be unique and often based on the stakeholder's survey information and your expert knowledge of the property.



Evaluate your Successes

- At the end of each season it's time to score yourself and make adjustments to your plan. Fine tuning each part of the overall plan is a good exercise to build a better strategic look into the future of your business.

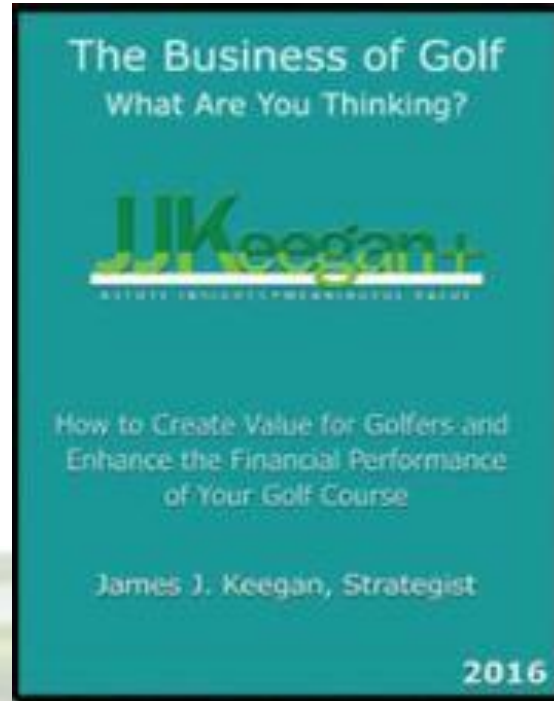


LET'S HOPE ALL OF THIS



IS WORTH IT, BECAUSE IT'S
A LOT OF WORK!

Good Reading



<https://jjkeegan.com/product-category/book-store/>

A person in a dark jacket and pants is walking across a green on a golf course. The background is slightly blurred, showing various trees and a clear sky. The overall scene is bright and open.

*Golf Course Business Strategies for
Every Golf Course Superintendent*

**Who Has The First
Question?**

A person in a dark jacket and pants is walking away from the camera on a green golf course. In the background, there is a large, leafy tree and a misty or overcast sky. The overall scene is a typical golf course setting.

Call or email anytime

Mike Vogt

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or

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