





By Richard Singer and Forrest Richardson, ASGCA

Municipal golf has played a vital role in the democratization of the sport in the United States. These city courses host the highest number of rounds at the lowest cost to the golfer and have been integral to providing nonthreatening learning environments for beginning golfers. Given that much of the industry's future growth opportunity will be among minority and lower-income households with traditionally low golf participation rates, maintaining affordable municipal golf is becoming even more important.

Historically, municipal golf courses were often crude as compared with their private counterparts. Not only was it rare to find them on the best terrain, but maintenance conditions and customer service were often below the standards of private clubs. The ability to move massive quantities of soil to con-

tour golf courses was only realized after World War II. During the 1950s and '60s, municipal golf in the U.S. took deep roots, with a majority of courses constructed in this era. Park and recreation departments from coast to coast got on the bandwagon, discovering that it was not only popular to build golf courses; it was profitable. In the 1960s, a well-run municipal golf operation had the ability to return more than \$100,000 to the bottom line. Put that in today's dollars, and it was quite a business. Dig deep into the finances of nearly any busy golf course run by a city in the 1960s or '70s, and traces of profit will be discovered. Often banked in enterprise funds or simply returned to the general fund, the money from golf was hard to pass up. Even small communities got into the action.

Then came the 1980s, '90s, and the leap into the 21st century. The golf course market and the role of the

municipal golf course changed dramatically, making it more difficult for municipal golf operations to turn a profit. Ultimately, what was once a windfall component to a park's operation—at least in many instances—became a tough business model to sell. What happened?

First, a dramatic increase in the supply of public golf courses over the last 15 to 20 years has raised the competition for golfers' business. (More than one-third of the nation's current inventory of public courses opened after 1990.) And second, the number of golfers and the rounds of golf they play reached a plateau around the beginning of the 21st century, just as new course construction was peaking.

Today more than ever, trends share common ground, and research shows that golf has lost its way in much of the public sector. No set of solutions can be applied to address the problem in every

Keep the Ball Rolling



It's surprising how many golf courses in general—not just municipal courses—don't follow the simple revenue-increasing rule of giving golfers what they want. "There is no reason why municipal players shouldn't be able to enjoy high-quality playing experiences, day in and day out, at any municipal or public course," says Bill Yates, developer of Pace Manager Systems in Pebble Beach, Calif. Yates and his proprietary system of calculating and managing the pace and flow of golf courses have been responsible for many success stories at municipal operations across the country.

The scenario often goes like this: At a high-end course where players are paying \$100 or more for golf, it is often not a priority to worry about pace. Of course, at peak times such as weekend mornings, even the elite country club and resort courses must keep things moving. For public courses, however, pace is a double-edged sword. A lower cost per round can attract the masses, and when too many players flock to the same tee times it often leads to slow round times.

"What we're really doing is changing the philosophy of the municipal course manager," says Yates. "Courses with a reputation for slow play are leaving tens of thousands of dollars in potential revenue on the table and, worst of all, leaving the customer with a feeling that no one cares." Yates hears the same thing over and over: The player is at fault. Marshals have to keep players moving. Starting time intervals don't matter. It's simply a slow course.

The issue of slow play boils down to product quality. In golf, the consumer is purchasing a round of the game. That includes everything from arriving at the golf course to the details of course condition, facilities, interaction with employ-

ees, and, yes, the flow and pace of the round itself. While the player initially views slow play as a problem, the reality of slow play is that the consumer is experiencing a less-than-ideal product, in this case the entire golf experience. Economics 101 teaches that access or price is the only reason a consumer returns to a bad product. This is a bad formula for a golf course business model, and it is a compelling reason that pace of play is an essential ingredient for any municipal golf product.

At busy courses, early starting times typically provide a smooth and uninterrupted pace of play, while later morning times force players into five-hour rounds. As a result, players in late morning slots get a much poorer playing experience than do those playing early. Poor customer experience directly impacts revenue as players begin to realize that they all paid the same green fee yet received vastly different experiences. The effects continue when customers begin competing for high-quality early starting times and avoiding the later morning and afternoon times. "If golfers are desperate to play, they will either pay up, suffer and complain, find another course to play, or wait for the lower twilight rate that matches the lower-quality experience," says Yates.

When more starting times are filled throughout the day, new revenue is generated. Municipal course management teams who are trained to focus on delivering a consistently high-quality pace of play throughout the day will thus increase their revenue. Courses that adopt this thinking find themselves in a position to effectively build a sound customer loyalty program.

For more information on pace of play, go to www.pacemanager.com.

situation, but what follows are the top eight areas of concern in municipal golf. They represent a checklist for public-sector golf courses. Hold up your facility to each, asking whether everything that can be done is being done. Is your current operation paying attention to each area? What are you doing about future planning? In nearly every situation, researchers found that if more priority had been given to these essential areas, the results would have been far better.

1. Imitation and Big Budget Mentality

There is something to be said for imitation. Very often it is the lessons gained from private sector models that get applied to government-run operations. The trick is to adopt the positive and avoid the pitfalls. Choosing the best land for a golf course, for example, has always been key to the success of the operation. Far too often—especially in modern golf development—leftover land is put to use for golf, an approach that typically requires more investment to create a favorable transformation into a golf course. And in nearly all instances, such a decision requires more operational costs.

Another pitfall is the temptation to invest too heavily in golf. While the higher-end municipal course may be the ideal model in one community, it is a very tough path to take when competitive facilities have already embedded themselves in a market. Following in the footsteps of the private golf developer should be carefully weighed. Chances are good that operators won't have to look far to see some failures in private-sector golf as well as in the public sector, where governments have found that a big budget does not always equal a big return. When the dust settles on development, all that remains is the long-term debt of over-budget golf facilities, often without high revenues.

When considering undertaking a new project or renovation, ask yourself: Has a "Warranted Investment Analysis" been prepared? Perhaps more impor-

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tantly, does your team have the capability to perform such an analysis? Only when you look at golf courses as assets are you able to get them on track. Do you know the value of your golf operation? Besides its benefit to the community, what is it really worth?

2. The Competition

Municipal golf operators often don't have a grasp of their competition. This may be traced to the times when there was little or no competition. Today it is rare to find a market where the municipal golf course enjoys a noncompetitive situation. The very same emphasis that applies to business—and indeed the business of operating any city, county, or park district—is essential to operating a golf course. The days of waiting for customers to show up in the parking lot, often lined up at dawn for a tee time, are gone. Contemporary public-sector golf operations must be oiled like a machine: adaptive, nimble, and reactive.

How long does it take to implement rate changes? Has your system tied the

hands of the golf operation? What would it take to be more competitive, and what could that mean to the bottom line?

3. It's Alive!

Golf courses are living, breathing entities. Their benefit as open space—an 18-hole course produces enough oxygen for a town of 7,000 people—is evidence enough that they are not static. The investment to build a golf course pales in comparison to the long-term costs of operation, maintenance, and capital expenditures. As a golf course operator—and owner—it is imperative to fully appreciate the nature of golf and the necessity of eventually replacing, upgrading, and restoring each component. The playing conditions and beauty of the course depend on what lies beneath the surface. Infrastructure such as irrigation, drainage, and root zones do not last forever.

The details of a golf course are often overlooked in favor of doing things the old way. Turf reduction plans, using less water, and having fewer acres of

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CIRCLE 12 ON PRODUCT INFORMATION FORM
ON PAGE 74



turfgrass to maintain can all be accommodated when we look at courses with an eye toward planning. Golf courses are meant to change, preferably for the better.

Does your staff or operator realize the dynamic nature of a golf course? Can you identify the people in your

organization who think a golf course will last forever without improvement?

4. Lack of Planning

Every golf course deserves a long-range master plan. Without such a plan, daily and seasonal decisions are made in a vacuum. Each tree added to the land-

scape can affect liability, strategy, and turf conditions. An expensive irrigation repair may be more efficient when performed with a bunker and drainage renovation. Ultimately, each area of a golf course affects other areas.

A master plan saves money and allows operators to get the most from their annual investment. A qualified golf course architect prepares the plan, working with key staff that includes the golf course superintendent, golf director, citizen group members, and parks management.

Do you have a master plan? Is it up to date? Has it been formally adopted?

5. The Financial Equation

The counterpart to the master plan is the financial plan. Research shows that most municipal golf courses have outdated financial plans. Aside from operating budgets and a list of capital projects and expenses, most public-sector

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CIRCLE 14 ON PRODUCT INFORMATION FORM ON PAGE 74

CIRCLE 13 ON PRODUCT INFORMATION FORM ON PAGE 74

operators have not looked far enough into the future. Again, lack of planning is usually the culprit.

Do you know the outlook for golf at your facility? Is it based on a master plan? Is it an accurate picture of the future? Did impartial individuals develop it with true oversight?

6. Delivering the Best Possible Product

Unfortunately, a municipal golf experience is often equated with a lesser experience. But golf is a game of experiences. Regardless of ownership, such elements as customer service, effective management, pace of play, and quality should each be held to the highest standard possible. Training is key in making that happen.

What is the quality of training in your golf program? Is the training you have in place capable of improving standards? Is the training backed by a commitment to deliver the best possible product?

7. Management Format

Several management combinations can be applied to municipal golf, but there is no one-size-fits-all solution. Finding the right mix for your operation is one of the most important golf decisions you will make.

Does tradition, necessity, or policy drive the current management format? Is it the best format possible? Would a different format lower cost? Would it increase quality? Would it improve the asset?

8. Developing New Customers

Like many PGA touring pros, Billy Mayfair grew up playing a public golf course. "It was a place a kid could go and learn to play, have a few Cokes, and hang out with friends," says Mayfair. "What we need are more of those back-to-basics municipal layouts where we can bring new people into the game without it costing an arm and a leg or being too intimidating."

Mayfair is not alone in his thinking. Golf movements such as Golf 20/20 are

making headway to ensure the vitality of the game. But are the initiatives in line with the facilities? Municipal operators must ask whether their golf courses can serve beginning golfers as well as seasoned players.

Are your practice facilities programmed to attract new players? Are

they in good locations?

Municipal golf is ready for change. By asking the questions posed above, implementing the right combination of changes, and working more efficiently, operators can work to overcome the status quo and position golf facilities for a brighter future. **P&R**



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- ◆ State of West Virginia
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CIRCLE 15 PRODUCT INFORMATION FORM ON PAGE 74