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Call out the... THE FIRE BRIGADE!

Many golf Clubs are suffering from decreasing membership levels, lower round figures and as a result declining operating revenues. The problem is not limited to South Africa and on a recent extended stay in Europe, which included visits to 10 countries in Europe and the Gulf, I heard pretty much the same 'groans' almost everywhere I went. Even in areas, cities and regions acknowledged to be the preserve of the 'better off', the issues of lower membership levels and declining revenues were the same. For example in and around Henley on Thames, a particularly affluent area in the UK, two professionals and a Club manager confirmed that the Clubs in the area had not been any more immune to the problem than anywhere else. I was quoted instances of where in the early to mid 2000's Clubs' member rosters had been full, or nearly so and many had had extensive waiting lists for memberships.

By 2011 many of the same Clubs had lost up to 40% of their full members and had, rather belatedly one Pro felt, reacted by trying a raft of new ideas from twilight memberships in the Summer months, to pay and play packages inc F&B and drinks offers and on to the outright discounting of rounds. Most people I spoke to were unanimous in feeling that discounting of rounds was the most dangerous route to take as it would eventually lead to a price war amongst the Clubs in the same area and have a very negative impact on green fee values which are a core revenue generator for all Clubs everywhere.

Many factors are blamed for these changes, from increased maintenance costs through to the financial crisis and to somewhat more tenuous arguments like the influence of virtual Clubs. Most admitted that they

were struggling to find ways to deal with the problem and felt ill equipped to come up with real solutions.

One of the key issues in steering any business (and this is just what golf is) through a crisis is having the appropriate skill sets and experience to recognise and address the problems and put in place the appropriate solutions. When you have a fire you call the fire-brigade – not a firm of accountants surely!? If a business needs marketing and promoting you find a marketer or an advertising agency and not a new bookkeeper.

This is not an attempt to denigrate either the accountancy or bookkeeping professions, but rather to make the point that to solve any business issue you generally need 'horses for courses'. This is an area where many incumbent management structures come to grief because they are custodial by nature (if they were not they would not be working for a salary) and their training and experience means that they are often not instinctively entrepreneurial and innovative.

Using an accountancy firm to tighten up the accounting and financial processes is an essential element, but you can't just save your way out of a financial crisis and when there is no income who needs an accountant (I have never met an accountant who works on commission) and your business might be better served by calling in a mortician.

The UK's David Cameron believes that he can 'not spend' his way to an economic recovery, so I might be wrong and the solution to making money is just to not spend any – only time will tell. However I do have the sneaking suspicion that if Cameron took over England football his team selection would

include 11 goalkeepers. Of course some of you who have followed the travails of the English national soccer team might think this is what they are doing already!

Using consultancy services, whatever their type, is a not a sign of weakness in a management's capability, but rather a sign of a mature intelligent business process that acknowledges that it does not have the skills to deal with a particular problem or problems and sets about finding someone who does.

If we look at the Fire Brigade analogy; if the Clubhouse was going up in smoke would your first call be to your green-keeper to put the fire out? Not all management companies or consultancies will have all the answers that a Club or golf business might need. It is this reason many management companies and consultants will recommend and or refer each other into particular projects, so it may be that a Club will need to consult with multiple firms to resolve its business issues.

Through this series we shall be exploring some solutions firsthand with professionals in the business of golf in South Africa and those who work in other parts of the World.

I hope that this will achieve two things; confirm the universality of the challenges we face and shed some light on possible solutions from hearing how golf in other regions has faced up to many of the same problems which we face here in South Africa.

The next column will feature a discussion about how to set about improving profitability and generating sustainable new revenues. The discussion will be with Michael Braidwood who is the head of operations at Braemar Golf Management, which is one of Europe's most respected golf management companies. ■