

Evaluating Your Community's Golf Course

By Larry Hirsh

There are two poles when it comes to describing the manner in which municipal golf facilities are operated: They are either run like businesses or like toys. Of course, these are the extremes, and most community-owned golf assets fall somewhere between the poles. But how do cities and towns determine where their facilities fall in this spectrum? And once they find out, what's to be done about it?

Municipal golf-course facilities have become politically hot potatoes in recent times, as many communities struggle with declining property values and lower tax revenues. With the built-in advantage of typically being exempt from real estate taxes, scrutiny of these facilities is that much greater and community leaders bear the burden of subsidizing a facility that serves a limited portion of the community. Thus, it's more important than ever for municipal golf courses to be self-sufficient, which requires them to be run like businesses.

To be honest, the scrutiny is warranted. Many of the municipally owned golf courses we see are undermanaged and undermarketed. In some cases, these facilities are conceived and operated as either recreational amenities for the community, or have become the domain of some politician or municipal employee, as in the toy scenario. Worse yet is the scenario where it seems nobody is paying attention and the golf course becomes forgotten and/or neglected — a toy lost under a bed for years. The toy route, while all too common, is not a path that tends to encourage operational efficiencies. When a municipality indicates its golf course is a business, and should be run like a business, that's a great first step.

Evaluating Municipal Golf As a Business

It's good practice to begin by conducting an independent review of the operation to understand not only the raw numbers and whether the golf course is making money, but also to measure its performance relative to the competitive market and the facility's potential.

Operational reviews are something most everyone understands, but they don't mean very much without a thorough market analysis. This is not something many cities and towns consider when they are examining their golf operations. But without market context — understanding the

competitive universe for the property in question — no reliable conclusion regarding operations can be reached. Business operations cannot be assessed in a vacuum. When area golfers are deciding where to play, what factors are they considering? The market pool can include other nearby municipal courses, privately owned daily-fee facilities and even some private clubs. A thorough review will entail visits to competitors, because we need to know if the course being evaluated is getting its fair share of the market rounds and whether the green fee rate is both competitive and consistent with its market position and facilities.

Determining a facility's share and market penetration can be done with a simple analysis. If the market penetration is less than 100 percent, there's work to do. If it's more than 100 percent, it's good to know why



and how to maintain that competitive advantage. Either way, this fair rounds assessment gives everyone a realistic picture of what optimum operational performance looks like.

Optimizing Performance

With a projected but reliable fair share of rounds, we can finally dive into the various factors contributing to operational performance. While every course operation is unique, there is a pretty typical checklist of factors that either help or hinder in achieving that fair share of rounds:

- Location
- Quality of facilities
- Condition of facilities
- Pricing
- Overall environment

- Level of service/friendliness
- Amenities
- Programming
- Staff
- Website
- Availability of tee times
- Marketing
- Quality of food and beverage

It's important to thoroughly assess each of these categories independently, because even a golf course that is hemorrhaging cash might be doing a great job in terms of customer service or programming. What's more, by breaking down the operation into so many component parts, we can more reliably peg performance, good or bad, to individual workers or managers.


In some ways, these detailed operational reviews might appear straight-

forward. But each of these criterion has underlying reasons contributing to underperformance, and those reasons can be quite specific. For example, poor course conditions might be the result of staff incompetence; or the staff might be fabulous, but they're obliged to use old and/or limited equipment. We have worked with several municipal facilities where course conditions and service issues were both adversely affected by underpricing, which caused overcrowding during peak times.

Now What?

I'm a golf course appraiser, consultant and broker, but I'm also a pilot, and no pilot takes off into the wild blue yonder without a flight plan. That flight plan is the careful consideration of all the factors and variables that are unique to that flight. Golf facilities are no different, except that there are typically more variables, ranging from location and quality/condition of the facilities to the age and other demographics of golfers in the community.

Every course needs a plan — one that's specific to your club's characteristics and challenges. There are no prototypes, because every facility is different, as is every public golf market. Thus, the final step in operational review is mapping out a facilities flight plan. The formula for success varies — some facilities may require upgrades or enhancements while others need better marketing or management.

There is no "blueprint" formula that is right for every facility. But by conducting a thorough, nuanced operational review, you are gathering enough reliable data to creating your own customized plan. 

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Fore! Look Out for Golf at NRPA Congress



At the 2014 NRPA Congress, held October 14–16 in Charlotte, North Carolina, we've included a number of offerings that will be of interest to park professionals running a golf course, or those who simply enjoy the sport. Read on to find out a few events you can look forward to this fall!

Monday, October 13

Noon–5:30 p.m., Golf Tournament, The Tradition Golf Course

Tee off with friends and colleagues at one of Mecklenburg County's top courses. The entry fee of \$100 includes transportation, green and cart fees, range balls, a box lunch, awards and a goodie bag. Check-in, lunch and warm-ups begin at noon, with a shotgun start to the tournament scheduled for 1 p.m.

Thursday, October 16

- **Beyond the Tee Box: Promoting Municipal Golf in Today's Marketplace**, with speakers Greg Weitzel and Tim Reinke — 10:15–11:30 a.m., Room 213BC, Charlotte Convention Center
- **The Financial Potential of Your Golf Course Unveiled**, with speaker James Keegan — 1–2:15 p.m., Room 213BC, Charlotte Convention Center
- **Improving the Profitability of Municipal Golf: Tips, Ideas, and Discussion**, with speaker Richard Singer — 2:45–4 p.m., Room 213BC, Charlotte Convention Center