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The Business of Golf in 2013

As we celebrate our 20th year in business at Golf Business Advisors, it is interesting to reflect on the highs and lows in the golf industry during that time. Most notable was the huge surge in the construction of courses (and real estate developments) in the late 1990's and early 2000's—and the economic recession beginning in 2008 that many clubs and courses are trying to recover from. So where does that leave us today and what lies ahead for the golf industry tomorrow?

Here are some positives from 2012:

- Housing starts increased 28% over 2011 and mortgage interest rates are at record lows
- Rounds of golf were up approximately 6% over 2011 in both Virginia and the US — up over 26 million to a total of 490,000 million
- Golf course closures totaled 154 (130 daily fee, 8 municipal and 15 private) with only 13 new courses opening—bad news for those that closed and good news for their competitors
- The economic impact of golf in the United States was over \$68 billion in 2011
- The **PGA of America's** initiatives of *Get Golf Ready*, *Golf 2.0*, *Play Golf America*, *Tee It Forward* and *Junior League Golf*, plus programs like **The First Tee** and the **Robins Junior Programs** have all achieved success in introducing people (especially Juniors) to golf

Anchored putters, global warming, bifurcation, Tiger and Rory, women admitted as Members at Augusta National, initiation fees dropping, sequestration, Lydia Ko...what lies ahead for 2013? We do not know for sure, but the factors seem to be aligning for continued improvement in the golf industry in 2013...time will tell!

Beverly and I enjoy the challenges of assisting clients with their objectives and lately that has primarily been attracting additional golfers and/or members. Despite the difficulties that many private clubs have experienced, we believe that there are new members out there, but each club needs to implement a comprehensive Membership Sales and Marketing Plan (with one person responsible for the Membership Sales and Marketing initiatives) and you can be successful in adding new members.

The game has certainly changed for daily fee courses with the introduction of social media but an integrated Sales and Marketing Plan inclusive of the new technologies available, along with closely managing the tee sheet can lead to financial improvement. If we can assist you in meeting your club or courses challenges moving forward, please call us and let's talk.

Best wishes for a successful 2013 season!



Jeff Fleishman
President



Golf Business Advisors Celebrates 20 Years!

With 17 years of sports management and marketing experience at Kingsmill Resort and a yearning for entrepreneurship, Jeff Fleishman opened the doors of Golf Business Advisors in late 1992.

In those 20 years, GBA has assisted over 250 clients in meeting their objectives and realizing success in the golf industry. Beverly Van Straten joined GBA in 1999 following 14 years in the resort and private club arena.

GBA has worked mainly in the Mid-Atlantic states but assisted clients throughout the US and internationally and is positioned for many more years of success.

Even in Tough Times, Membership Has It's Benefits

Membership at private and semi-private clubs has been struggling for the last few years. It has been speculated that 50% of all private clubs are in or near a financial crisis. To many, this is not news, just a re-iteration of your own experiences. Nor is it news that courses are being sold—many at rock bottom pricing because they could not weather the crisis.

Recent reports show that there is hope and that the golf industry is in a slow recovery. Golf Business Advisors has worked with a number of clubs and helped them experience success with membership sales and marketing during these dire times in both the private and semi-private arena. Two great success stories are outlined below:

Pine Needles Resort in Southern Pines, NC—a much acclaimed Donald Ross masterpiece which as hosted three Women's US Opens. Since its beginnings in the 1920's, Pine Needles has had tremendous success as a resort golf facility; however, after years of consideration, they jumped into the membership market. After in-depth analysis of the very competitive market in the Pinehurst area, we proposed a comprehensive membership plan (including a highly successful Non-Resident Membership) that provided members with unique benefits and value unlike others in the market. We then helped them develop and implement this comprehensive plan that achieved great success! **HOLE IN ONE!**

Green Valley Country Club in Greenville, South Carolina has a varied past inclusive of a celebrated private club, a move to semi-private status and then ultimate foreclosure. The new owners were committed to return the club to its heyday. With course and clubhouse enhancements, as well as a membership that was competitive in the marketplace, the club once again returned to its private status. GBA assisted Green Valley with developing a membership program specifically designed for the Greenville golf-scape and worked closely with the Green Valley staff on implementing the Membership Sales and Marketing Plan. Green Valley is now enjoying much success with its growing membership base.

Everyone Needs a Checkup Every Now and Then

When is the last time you looked closely at your operation? You might say every-day...but have you looked really closely...with a magnifying glass? As if you were the golfer, the marketer, the CPA? Are YOU doing all you can to attract and retain golfers while running an efficient and effective operation that your golfers enjoy?

GBA just completed an Operational Audit for a club in North Carolina. From the surface all was seemed fine although revenues in general and revenues per round were low and maintenance had been cut to the bare bones. Sound familiar?

After closer examination, we discovered the real issues and provided cost effective recommendations on how to maximize their unique selling propositions, better utilize the point of sale to analyze play, target new golfers, determine their pricing niche in the market, generate more food and beverage revenue, and implement impactful course maintenance strategies—all of which will assist the club to move into an unfulfilled pricing niche in the area.

If your club had a check up, will it get a clean bill of health?

For the Good of the Game

Golf volunteerism is a way of life for Jeff. Jeff's involvement includes:

- USGA Regional Affairs Committee
- VSGA Foundation President
- VSGA Past President
- Middle Atlantic Golf Association Past President
- Maccabi USA Golf Committee

The Right People Make All the Difference

We recently were retained by a private equity country club to conduct an executive search for a new Director of Golf. For years the club had an outstanding PGA pro who knew what all the members needed and wanted. But after much transition, the Club needed a Director of Golf that would help take the club to the proverbial "next level". Much had been spent on course renovations and the Board had a great vision for this aging Club to revitalize it and make it a viable and energetic club—a mirror of its past.

Golf Business Advisors met with the Board to better understand their vision and had discussions on the best type of individual for the Club. An eager Assistant Pro or Head Pro from a top-tier club that would invigorate the club, improve Member service anticipate members needs, attract younger members and especially develop a junior program that would be the envy of other clubs.

After GBA completed a comprehensive search, we helped the Club's Selection Committee identify and interview the top candidates and ultimately select the best PGA golf professional. GBA is proud to say that the Club's new Director of Golf has been a perfect fit and is guiding their way to the "next level".

GO USA!



Jeff will once again represent the USA at the 2013 Maccabiah Games in Israel this Summer!

What's an HOA to Do???

As we all know, in the "glory days" of golf (and the nation's economy for that fact), many courses were built for the primary purpose of selling homes. And for the past few years, those courses are struggling with declining numbers of golfers, members, and community residents while competing with other courses with the same struggles.

In 2012, we assisted a community HOA who had been given the golf course by the developer in the mid-1990's when lot sales were nearing completion and they were ready to exit. Not having the expertise to manage this entity, they chose to lease the course to a management company. Over the years, the management company has not invested in improvements to the course and operational issues were evident—which reflected poorly on the community.

GBA was retained to assist the HOA in understanding their options of self management, lease or a management company. Then GBA developed an RFP to lease the facility and assisted the HOA in analyzing the RFP responses, conducting the interviews and ultimately a new lease partner.

Recent Clients

Hershey Country Club	Hershey, Pennsylvania
Two Rivers Country Club	Williamsburg, Virginia
Green Valley Country Club	Greenville, South Carolina
King Fisher Society	Laurinburg, North Carolina
Crescent Golf Club	Salisbury, North Carolina
Worldstrides	Charlottesville, Virginia
Cedar Point Golf Club	Suffolk, Virginia
FOM Golf Society	Bethesda, Maryland
Sensilize	Ceasarea, Israel
Independence Golf Club	Richmond, Virginia

Golf Business Advisors

has a clear mission:

To assist our clients with determining and meeting their objectives in the golf industry

Remembering Some Great Golf Friends

Over the past 12 months it has been difficult to say good bye to three dear friends on and off the golf course.

John Hagee was a great friend for 35 years. We started as young pups at Kingsmill together and were neighbors for quite some time. As we rose through the ranks and moved on in different directions, we would always meet on the golf course. In retirement, he was our resident broker and real estate expert at GBA and helped us with all of our course brokerage work and some development projects. Besides his family and golf (especially at Farmington), his other great love, was the ponies! I am certain Heaven holds the perfect trifecta and perfect chips for my friend John Hagee.

Bill "Hammer" Hamilton was a great friend, great PGA pro, and great southern gentleman. Bill and I knew each other back in our college days when he played for the N.C. State Wolfpack - a character flaw I never held against him. But we grew close when he was the Director of Golf at Kiskiack here in town and then when he moved to the Delaware Beach to work for our long time clients Freeman Golf. He exemplified what it meant to be a caring leader while providing an outstanding golf experience. He will be missed on our annual "Vegas" trip but we will remember him while cheering for the Wolfpack and as those "Hammer" Pro V1's go sailing off the first tee!

Del Snyder was the true "Ambassador of Golf" at the Golden Horseshoe here in Williamsburg. He was indeed a legend and my PGA Pro golf instructor for over 30 years when my game needed a tune up. "Quiet legs", "Turn and go", "Arms by your side", were but a few of the tips I will never forget. In addition, the Golden Horseshoe was a client of ours for many years and it was a pleasure working with him. His warm smile and Virginia mountains charm were magic - golf in Williamsburg will never be the same.