

The Golf Industry

A Special Report

September 12, 2011

A Golf Ezine Story From
Peter Harrity



Dear Fellow Golfer:

As you may be aware, the golf industry is undergoing a seismic shift right now.

With fewer people playing, the number of courses now exceeds demand. Add a stagnant economy, less leisure time, and fewer disposable dollars... and you have a "perfect storm" of growing economic pressure on golf manufacturers, retailers, resort courses, private clubs and public facilities.

This pressure is so intense that it is compromising the ability of many golf clubs and courses to deliver a quality experience.

And this pressure is not limited to public facilities... or older clubs... or newer courses seeking to attract players. It applies across the board—to every type of golf club and course, in every part of the country.

The squeeze is universal. And in the months and years ahead, it will get worse.

In fact, leading golf industry analysts now predict that as many 2,000 courses in the U.S. will cease to operate within the next three to five years.

Some of these will be local, New England golf facilities.

As many struggle to survive, the quality of the golf experience they provide is slipping... in some cases, dramatically.

To explain the effects that cost-cutting is having on the golf industry and the playing experience of golfers... and to illustrate how we have taken a different approach here at Candia Woods and The Oaks... we have put together the Special Report that follows.

I encourage you to take the time to read this comprehensive summary (if not now, then soon). Because as an avid golfer, you will find the information it contains both enlightening and empowering. At a time when all of us are concerned with the negative effects of our current economic state, and seek ways to maintain quality in our lives and our activities, we offer a positive alternative for your golf experience.

The truth is in the details, as they say. And we are pleased to share the details with you here.

Thanks for reading. I look forward to your feedback.

Yours in Golf,
Peter Harrity

We Came To A Fork In The Road

Four years ago, like most golf course owners and operators (including resort courses, public facilities and private clubs), we came to a fork in the road.

With golf participation lagging and the economy sputtering, a decision had to be made.

We could cut rates and, at the same time, cut costs: trim maintenance budgets, reduce staff, and eliminate grillroom menu options and beverage choices...

...or we could maintain our rates and focus on creating an exceptional golf experience: invest in the best cultural practices, remain committed to providing the best playing conditions, keep staff levels high for quality service, and provide exceptional 19th hole food and beverage.

Many courses chose (or felt forced by their economic circumstances) to take the first fork in the road.

You may have experienced the results. Slow, uneven greens... weed infested fairways and rough... poorly maintained bunkers... a slow, aging cart fleet... a lack of attentive professional staff... and few, if any, 19th hole choices of quality.

Not the golf experience any of us want.

At CandiaOaks, we made a conscious decision to pursue the second path—the fork in the road that committed us to providing the very best golf value to our members and daily fee players, bar none.

The Difference Is Dramatic

There are four key areas that we and every other golf course operator or private club must focus on to deliver a quality golf experience:

- 1) **Grounds Maintenance and Course Condition:** the short and long term cultural practices that affect the quality of course playability
- 2) **General Experience:** the physical plant, the staff, the rate structure and products
- 3) **Golf Operations and Golf Experience:** the staff and capital investment to maintain the quality of carts, range balls and pro shop merchandise
- 4) **Food & Beverage, or The Grillroom Experience:** the management, staff, hours, menu choices, and food and beverage quality

Grounds Maintenance and Course Condition

First, let's examine how lower budgets for course management have forced changes in short and long term cultural practices—both of which impact course playability and result in a change to the golf experience—at those facilities who have adopted a cost-cutting approach.

Short term reductions in maintenance practices, although less harmful to the health of the turf, include:

- Mowing greens with triplex riders as opposed to lighter weight and closer cutting hand mowers.
- Higher cuts on greens... *results in less speed and smoothness.*
- Less, if any, rolling of greens...*results in less speed and smoothness.*
- Less frequent mowing of tee, fairway and rough areas.
- Less frequent raking of bunkers.
- Less frequent moving of pins and tee markers.

Long term reductions in maintenance practices take a longer period of time for the golfer to see—frequently several years. Correspondingly, the elimination (or reduction) of long term cultural practices requires *long term reversal procedures*, which are sometimes difficult to implement. Long term effects include:

- Reduction in the frequency of aeration and top dressing... *greens start losing speed and smoothness.*
- A reduction of fertilizer and herbicide applications... *evidenced by more weeds, mushrooms and crab grass, especially in rough areas.*
- Eliminating or reducing winter applications and procedures such as snow mold application.
- Reducing or eliminating winter monitoring, including a lack of staff, to avoid ice build-up on greens.
- Lack of winter staff to prepare equipment for the ensuing season... for example, grounds crews that are thin in the winter back lap their reels instead of grinding them to save time and money.
- Elimination of capital fund to replace aging equipment.
- Elimination or reduction of investment in beautification of club grounds, including no more landscaping or flowers.

In contrast, we have not asked our superintendents at Candia Woods or The Oaks to adjust either their short or their long term cultural practices.

Certainly, we have been cautious. But we have not compromised the care of our courses, including our practice tees, greens and bunkers, in the process.

We have continued to employ the following cultural practices at both facilities:

- Greens are mowed 6 days a week with lightweight hand mowers and one day a week with a triplex mower.
- The height of cut has been lowered and rolling frequency increased... *for faster and smoother greens.*
- No reduction in the schedule of tee, fairway and rough mowing.
- No reduction in the frequency of bunker raking.
- Pins & tee markers changed daily.
- Continued collar cuts around greens and intermediate cut around fairways.
- Aeration and top dressing done twice a year; needle tine done frequently between aeration.
- Fertilizer and herbicide applications continue on schedule in all greens, fairways, tees and rough areas.
- Continued winter applications, including snow mold prevention and covering of vulnerable greens.
- Key grounds crew work through the winter and monitor (and remove) ice build-up on greens.
- Winter staff prepares all equipment, including sharpening/grinding all mowers, for the ensuing season.
- An on-going equipment replacement schedule continues.

Steve Malloy, our superintendent at The Oaks, who also serves on a consulting basis at Candia Woods, is one of only four individuals in the state of New Hampshire to be named a Certified Golf Course Superintendent, a distinction he earned in 1996.

The quality of our greens condition is evidenced by the recent testimonial we received from a participant in The First Tee of NH event at The Oaks, held in late August of this year (who happens to be a golf course owner himself!):

"It was a real pleasure to play The Oaks. Your staff was great and the course was in IMPECCABLE condition. The Oaks greens are the fastest and truest greens, hands down, of any of the Seacoast courses I have played in recent years".

The General Experience

Now let's step off the course and take a look at the physical plant, the staff, the rate structure and products.

Golf facilities that have opted to cut costs and operate with lower budgets risk a downward spiral that affects their physical plants... the quality, attitude and number of their staff... and their rate structure and products.

Telltale signs of budget cuts include:

- Parking lots in need of paving, lining and lighting.
- Buildings in need of repair, wiring, painting, carpeting or lighting.
- Clubhouse furnishings in need of replacement.
- Little, if any, landscaping outside the clubhouse and on the grounds, including an absence of flowers.

With smaller budgets, staff levels have often been cut... new staffers labor to adjust to a club's culture... while existing staff struggle to adjust to increased workloads.

With more people spending less time and money playing golf, many private and semi-private clubs have continued to lower their rates by eliminating their initiation fees and/or by making further reductions in their dues structure—both of which place an even greater burden on their bottom lines.

Some private clubs have chosen (or been forced) to open their facility to public play just to stay afloat (a move which also slows the pace of play). Nearly all public facilities that chose to go the route of lowering rates and reducing expenses have found themselves in an endless downward spiral.

With their revenues continuing to drop, private clubs and public courses find it impossible to provide a quality golf experience.

The General Experience at CandiaOaks Is Different

Over the past four years, we have continued to make a capital investment in our physical plants *and* our staffs.

This year, we added new parking lot lighting at Candia Woods... re-lined the entire parking lot at The Oaks...and re-painted and re-carpeted The Oaks's grillroom.

We also added new patio furnishings at Candia Woods last year.

We have increased our investment in the beautification of our grounds with improved landscaping and fresh flowers.

Our pro shop staff and grillroom team have been with us for an extended period of time. They all undergo extensive training to foster a warm, friendly, highly attentive attitude—what we call *The Cheers* mentality, where everybody knows your name.

All players are treated with respect and welcomed each and every time they visit one of our courses.

As for our rate structure and products, we have never had any initiation for CandiaOaks members... and do not miss a loss of income we've never received.

We have also maintained our traditional membership dues structure, while not increasing traditional membership rates for 2012.

In the past two years, when most clubs and courses have seen their outside rounds increase and their membership decline, **we have added over 600 new golfing members...** the result being more play, fewer outside rounds, and improved pace of play, since members move along.

Nearly all our new members have joined through our unique EvergreenPLUS Card membership, a proprietary product we developed at Candia Woods and The Oaks. A parallel to traditional club membership, it provides golfers with full membership privileges while allowing them to pay only for the rounds they play. For the first time, the control lies in the members' hands. Little wonder this unique form of membership has become so popular.

Finally, our rate structure, unlike that at other public facilities, has gone up. All promotional rates are extended exclusively to CandiaOaks Preferred Players.

Overall, our membership trend and daily fee rate structure support and bolster our bottom line, which reinforces our ability to invest in our facilities.

Golf Operations and Golf Experience

Have you ever wondered why so many courses are understaffed... or provide you with an aging, ailing cart?

Lower budgets have resulted in the reduction of both golf staff and capital investment.

Golfers recognize staff reductions right away. They include:

- Reducing or eliminating PGA professionals.
- Reducing the number pro shop attendants.
- Reducing the number of starters and rangers... *resulting in a slower pace of play.*
- Reducing the number of cart attendants... *frequently resulting in golf carts that have not even been cleaned.*

Reduced capital investment sometimes takes longer to be noticed and includes:

- Stretching the horizon of a golf cart fleet. *Golf carts housed in a protected cart barn can be maintained in top condition for four to five years. When that timeframe is stretched, and/or the fleet is not housed in a protected cart barn, the condition of the carts will rapidly deteriorate.*
- Smaller cart fleet.
- Using lesser expensive and less appealing carts... *gas powered.*
- Range balls that have not been replaced or sub-standard balls... *good range balls have about a one season life.*
- Reduced pro shop inventory and quality, including the replacement of popular pro shop brand names with unfamiliar brands/labels.
- No pro shop special orders (or longer waits for them); the elimination of any products for women; no left handed gloves and/or clubs; and pro shop inventory that is not replenished in the mid/latter parts of the season.
- Reduction or elimination of on site club manufacturer Demo Days

In Contrast, CandiaOaks Continues To Invest In Golf Operations and The Golf Experience

We have not reduced our golf staff, nor have we reduced our capital investment in golf operations.

In fact, we have done just the opposite.

First, we have increased the number of PGA professionals at Candia Woods to three, and at The Oaks to two. What's more, the last four PGA members added to our staffs have all been PGM graduates.

The PGM program is offered by a select group of colleges and universities. The curriculum was developed by the PGA of America; it is a four year commitment, and upon completion the student receives a bachelor level degree with a concentration in Professional Golf Management.

While completing their college or university course requirements, all PGM graduates also complete four internships. The first three of these internships are three months in duration, each at a different type golf venue—private, public and resort. The fourth internship is a six month stint at a course in the venue type that the student thinks he/she would like to pursue.

Upon graduation, these students have completed more than 90% of the requirements to become Class A PGA Professionals.

Our young PGM pros Craig McLaughlin, Shaun Bishop, Patrick Thornell and Peter Egazarian have joined us with a level of experience and training that is unmatched.

Over the past four years we have also:

- Maintained the number of pro shop attendants.
- Maintained the number and increased the training of rangers and starters...*improving the pace of play at both courses.*
- Maintained the number of cart attendants and implemented new policies...*to assure each cart is always clean and has a fresh scorecard.*
- Maintained our golf cart rotation schedule... *in 2011 we brought in a brand-new fleet of 75 Precedent model Club Car carts at both Candia Woods and The Oaks.*
- Provided state-of-the-art electric powered cart fleets... housed in cart barns.
- Added a unique opportunity for members and Preferred Players to have access to a game through our unique eProGameMaker system.
- Replaced our entire range ball inventory every season... *always with the best available product from Titleist.*
- Employed a full time merchandiser for our Pro Shops.
- Always maintained a large selection of the most current and popular pro shop merchandise of recognized quality brands...for men and women, righties and lefties.
- Offered clubs at the same price as any golf store, while allowing our members to pay for their pro shop purchases with CandiaOaks Awards credits they have earned/received.
- Offered a large selection of golf shoes and extensive choice of golf gloves.
- Taken special pro shop orders and filled them promptly.
- Continued to offer a number of club manufacturer Demo Days on our natural grass ranges throughout the golf season.

We also specialize in hosting Golf Outings, and continue to invest in the tools and resources required to improve the golf outing experience for coordinators, participants and sponsors.

We succeed in helping golf outings raise more money, thanks to:

- Our proprietary “Golf Outing Workbook” developed at Candia Woods and The Oaks, which provides a complete, step-by-step guide to golf outing success.
- Investing in the latest golf outing software.
- This software provides easy communications between an outing coordinator and CandiaOaks staff.
- It also develops participant alpha lists and pairing lists for easy “day of the event” coordination.
- In addition, this state-of-the-art software provides extraordinary opportunities to give sponsors exposure by:
 - Building custom logo scorecards
 - Building custom logo cart signage
 - Building custom logo proximity markers
 - Offering electronic scoring with sponsor scrolls
- Investing in equipment to create high quality hole-sponsor signs.
- Providing quality food and beverage menu options and pricing
- Holding an annual “Golf Outing Workshop” to explain all the steps crucial to making an outing more successful... *free to our outing coordinators.*

UNH Alumni have held their event at The Oaks for four consecutive years.

“The Oaks is a premier venue for golf outings and tournaments. They go above and beyond anyone else, starting with their preplanning, including a winter fundraiser seminar, and ending with a full appreciation golf tournament. They help you every step of the way, and their customer service is outstanding! I highly recommend using The Oaks for any type of outing.”

—Lynn Smith, UNH Alumni Tournament

JAZFS has held its fundraising golf outing at Candia Woods for 10 straight years.

“Once again, as in the past 10 years, you and your staff have provided nothing short of the highest quality of support and assistance to me, my family and guests. The course is in exceptional condition, a tip of the cap to your grounds crew. Again Doug and his staff provided a great meal and excellent service at its highest quality. Craig was exceptional in every phase of his responsibilities, and I cannot thank him enough. I have enjoyed working with you and look forward to working with you again for next year's event. Thank you.”

—Bruce & Debby Zawacki

Food & Beverage: The Grillroom Experience

While golf is about the quality of the course, the playing conditions, and the overall level of infrastructure and service, it is also about the fellowship between you and your fellow golfers—both during *and* after your round.

Relaxing together at the 19th hole is something we all savor.

Unfortunately, lower budgets have resulted in changes in the quality of many golf facilities' food and beverage operations. These changes include:

- Management... *evidenced by frequent changes.*
- Kitchen manager or chef's position going from year-round to seasonal...*prompting more turnover, lack of consistency and quality issues.*
- Reduced hours of operation.
- Reduced wait staff.
- Menu changes... *usually a reduction in offerings.*

At both Candia Woods and The Oaks, **we have continued to expand and enhance the food and beverage operations in both our grillrooms**, as evidenced by:

- Stability of management and making changes only when an improvement can be made... *to improve the food & beverage operation at The Oaks in 2009, we brought in a new clubhouse manager, Neil MacLeod, who is American Culinary Federation (ACF) certified and extensively experienced.*
- The kitchen manager/chef's positions at both Candia Woods and The Oaks are full time, year-round positions.
- We maintain our operational hours... *never closing when golfers are still on the course.*
- The wait staffs at both facilities have not been reduced.
- Our menus are constantly reviewed and changes reflect the demands of our patrons... *as an example, unlike virtually any golf facility we know, the Candia Woods grill offers 8 select beers on draft and The Oaks grill offers 10 select beers on draft.*
- We provide multiple state-of-the-art flat screen televisions and quality sound systems in both our grillrooms.

A Different Fork in the Road

At a time of great uncertainty in the golf industry, with courses teetering on collapse and private clubs wondering how they can continue to operate, we offer a welcome, high-quality alternative.

Thanks to taking a different fork in the road.

In the past two years alone, when most clubs and courses have seen their membership decline, we have added over 600 new golf members.

What have they discovered?

A quality alternative, with numerous membership options to suit every amount of play and every budget, and a host of benefits:

- Excellent playing conditions
- Lush fairways and tee boxes
- Smooth, fast greens of the highest caliber
- A very reasonable pace of play
- Brand new Club Car Precedent electric golf carts
- A wide and deep, highly trained, quality PGA Professional staff
- First-class natural grass practice facilities
- Clean, well lit, well maintained parking lots, buildings and grounds
- Excellent quality 19th hole grillroom food, beverage and service

We look forward to providing you with the highest quality golf experience, bar none.

If you have any questions or comments, please drop me a note at my email address below... or give me a call on my cell phone at 603-396-4599.

Thanks very much,

Peter Harrity

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P.S. To learn about our Traditional Membership options, EvergreenPLUS Card membership choices, our Golf Outing & Corporate Event services, our Wedding Facilities & Packages - call us or come in to either of our facilities for a visit... *we are open 52 weeks a year.*

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