

“Rainmaker” Reports:

A Winning Argument for the Value of Instruction

By Ian James, CEO, RetailTribe

Over recent months I’ve been running workshops with a cross-section of PGA professionals, including instructors. It’s been an educational experience. I went in thinking club management underestimates the value of golf instruction—its value to golfers and to club revenues alike. I came out with the view that *everyone* under-values golf instruction, including instructors themselves.

My meetings with GMs have made it clear that these folks have a limited view of teaching and coaching. At best they:

- consider it a service that needs to be available for people who request it
- see it as a means of ushering new golfers into the game
- appreciate events like clinics because they boost food-and-beverage sales

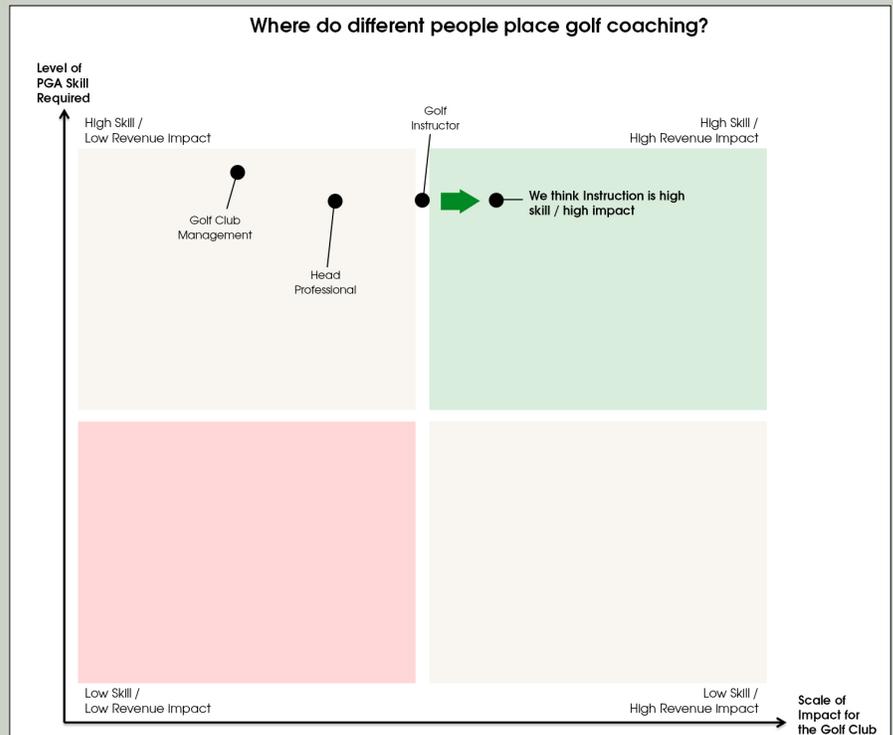
Too often though I’ve heard concerns about the amount of time professionals devote to teaching as they set about “lining their own pockets.” These inaccurate views of instruction don’t sit well with serious teachers of the game. That’s understandable, but we have to move beyond irritation and deal with the real issue.

Golf managers and boards are bumping along without a true revenue model addressing current club needs. They lack any clear set of plans to:

- provide additional value to core golfers and members so they will spend even more time at the club
- retain golfers in the game and members at the club
- increase the amount of play by occasional golfers
- bring back the lapsed players who have left the game

If they did have a marketing plan that embraced those needs, managers would see more clearly where priorities should lie. Let’s go through a little exercise, using a tool we call a Skills/Revenue Map. We’ll study how and where to position golf instruction on this map.

Instructors were given first crack at the exercise. I asked them to position their weekly activities on a chart with two vectors, each of which accords with one of two questions—how much professional skill is required to perform the activity and how great an impact does the activity have on a club’s revenue (see chart above).



I was astonished to see golf instructors placing coaching / instruction about halfway along the axis of revenue contribution. I then gave the head professional/director of golf the opportunity to weigh in. The head pros placed instruction in an even weaker position on the revenue-contribution axis than instructors had.

A persuasion or conversion challenge is staring us in the face. How are we going to influence golf course owners and golf club management to grasp the value of instruction, so that in subsequent charts of this type it ends up farther upward and farther right?

We’ll start by making certain that we, ourselves, appreciate how effectively an instructor generates revenue for the club, the shop and the grille. Take a look at these six questions:

1. In your estimation, how many golfers (other than raw beginners) who took part in instruction programs in 2013 have dropped out of the game already?
2. In general, are golfers who experience coaching more likely to stay in the game than those who don’t?
3. Is a golfer who participates in instruction likely to spend more on equipment than a golfer who doesn’t?

4. Is a golfer, down at the club for a lesson, likely to at least buy a drink at the club or even have a meal?
5. Is a golfer participating in instruction likely to increase their practice sessions at the club?
6. Is that same golfer likely to play more golf over the next few months than they did before entering an instruction program?

As I consider these questions objectively (and add my personal experience) I can say with some certainty that the answers to all of them fall squarely on the side of more revenue. Feedback from four clubs that were willing to share actual revenue information backs up that view. The composite data from the sample of four says the following:

- A golfer who starts instruction will play, on average, just over 20 percent more golf in the ensuing 12 months than they did in the prior 12 months.
- The annual expenditure on shop merchandise and bar/food of a golfer who is in a coaching program will almost triple the spending of a golfer who isn't. At the four clubs providing data, there were no membership resignations for 2014 by a golfer who was in a coaching program during 2013.

As you likely know, Proponent Group has begun to gather a much larger body of statistical evidence of this type from a far wider sampling of golf facilities. When this information is gathered and tabulated, I will be amazed if it tells a different story from what we already know. I'm firmly in the camp that places golf instruction in the top right quadrant of the chart on the previous page.

The next set of questions I have is for people in charge at golf clubs:

1. Are you measuring how many of your golfers are participating in instruction programs or are touched by instruction at your club through the year?
2. Are you setting your instructors any targets relating to rounds of golf played and retail dollars spent by their

students? Are you using the coach-golfer engagement to lift sales of equipment, footwear, golf balls and other retail categories?

3. Are you setting improvement targets to measure the effectiveness of teaching and coaching?

In posing this last question, we are well aware that the improvement and progress a golfer makes can be measured in many different ways and truly *should* be measured in many different ways.

In the workshops we held, one of the goals introduced was coaching an adult female golfer to the point where she is "confident" enough to participate in events at the club. That's a great goal, though perhaps tricky to express and measure. Is "confidence" and comfort level being measured in some manner? Is it being reported? Is the club connecting coaching to any sort of metric or data point that benefits their club?

If you're an instructor, don't wait for the club to take the initiative to set you revenue targets. Set them yourself. Find ways to deliver on those targets and create a monthly, or at least quarterly, report for your management on the numbers you can measure. (See sidebar article on page 5.)

You have to make sure your conversation with your facility is built around their business goals. Even if you're treated as such, you are not an isolated staff member out on the range. You are linked to the club's success.

At workshops with Proponent Group instructors we reviewed anecdotal evidence on the number of golfers in coaching programs. The consensus was that, if you take out all the "new golfers" who are being coached by their Instructors, then between 8 and 10 percent of a golf club's membership will take one or more lessons in a year.

So in a club with a membership of 600 they would expect to see 48-60 of the golfers in a coaching program. The bulk of their instructor's lesson revenue is made up of children and adult women beginners, along with golfers

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who are not actually members of the club.

That strikes me as a very low number. What percentage of your membership will invest in coaching at your golf club this year? My sense is that this is a big opportunity for everyone: PGA instructors, head professional and the golf club. Do you have a target?

What's needed going forward is for country club management to see the teaching professional as a bona fide "rainmaker." Each instructor needs to embrace their role in helping re-educate the industry. We can't sit back and wait for a big-brother organization to create change. We need our own movement. If 300 Proponent Group members are all creating a standard monthly "rainmaker report" for their management then that is a large leap forward.

It is 300 conversations that are going to happen every month, all of them spotlighting the fact that the teaching pro is focused on the facility's revenue or membership objectives.

I would also recommend that you keep the phrase "revenue model" in your communications to club management and elected leaders. It will take a while to educate them on the many ways that your teaching and coaching skills positively affect club income, along with attraction and retention of members. They need to hear more about the power of instruction to:

- retain paying customers as golfers on the tee sheet and members at the club
- increase the golf played by occasional golfers
- bring back lapsed golfers
- provide additional value to the core golfers and members so that they will spend even more time at the club; and of course,
- continue to introduce new golfers to the game

Your position isn't under-valued because of anything personal. Your role is under-valued because facility management doesn't understand the revenue model in golf.

Questions for Instructors

- What percentage of your members do you want to engage in coaching programs in 2014?
- Do you have a monthly target for the season of coaching revenue per member?
- Do you have a target for average equipment sales per pupil?
- Do you record club competition winners and whether they have had recent coaching with you?

A golfer in instruction will increase their rounds played by 20%

A golfer in instruction will spend 300% more on average than other golfers

100% of golfers in coaching programs in 2013 renewed their membership for 2014

The Tools at Hand: Proponent Group Reporting Templates

The well-stated views and recommendations we see in this article by Ian James include a strong call-to-action. You can respond to that call by deploying the 12-page "Instruction Program Annual Report" and the quick, one-page "Golf Instruction Program Management Report."

These easily customizable documents deliver the persuasive data points the article strongly supports and encourages. You can find them on the Proponent Group member-only website by clicking on Business Templates, then scrolling down to the sections titled "Monthly Golf Chairman Instructor Report" and "Annual Report Template."

Take a moment right now and print out one copy of each—to give you a sense of what data points are called for in each and how you can gather and record that data in the most efficient way possible.

Name of Facility

Instruction Program
Annual Report

Prepared For:
Name of Facility Golf Committee

Prepared By:
Name of Professional, Director of Instruction

Name of Facility
Street Address, City, State Zip
Telephone

Check all boxes that apply