

YOUR NEW TASK, AT ANY GOLF FACILITY

# MANAGING “COMMUNITIES” IS THE JOB AT HAND

By Ian James,  
RetailTribe CEO

Over the last 12 weeks I've run Revenue Workshops for 100-plus decision-making teams at golf facilities. We have gathered the general manager, the director of golf (or head professional) and—at clubs that have one—the director of instruction. If there is no director of instruction we bring the golf instruction staff into the Workshop. Of the 105 clubs where we have done this, 51 were overseen by management groups. The rest were standalone—either resorts, semi-privates or public courses.

While you may consider this a subtle point, the massive epiphany for me was in seeing that the managers (PGA professionals included) all believed they were “running a club.” In fact what they're doing is *managing a community of individuals*. It is 100 percent clear to me that the outdated concept in the minds of these managers—that they are “running a club”—is the reason golf coaching and teaching is so profoundly under-valued.

It's a very ingrained mindset, and it should concern all Proponent Group members. It creates a blindness of sorts, the result of which—for teaching professionals—is that you are only able to demonstrate your value if you can uncover a superstar player or you get to coach star players on a regular basis.

## AVERAGE ROUND RATE



## OPERATING COSTS



*The impact of our approach to demand generation over the last decade has been a couple of trends we can't afford to have together.*

The running-a-club mentality has led to a steady decline in average round revenue without any significant increase in rounds played or participants in the game. It is this outlook that has seen the number of participants (per NGF figures) decline over the last seven years from 28 million to 23.8 million. At the same time, the cost of operations has increased—a painful profit squeeze being the net result.

But those two trends are the inevitable outcome of a perception that management's job is all about a product rather than all about customers. If it's in your head that you are managing a facility, maintaining a course and running various events, then your approach to demand-generation can go one of two ways—either you improve the “product” (the facility and/or the course, usually) or you discount your price.

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The fundamentals of “community management” create a different priority. Let me explain: If you decide that you’re managing a community, *your focus will be personal value for each member of the community and social value for the community as a whole.* Note: That second benefit, social value, is what exerts the greatest positive impact on activation and retention. Discussions about customers, rather than about operations and service, should dominate your management meetings and staff meetings.

If we understood we were managing a community of golfers, the first point of our quarterly operating management meeting would be “customer review.”

Specifically, someone at the meeting would be reporting on:

- a) The number of golfers in each of the following categories: Committed (our golf nuts), Engaged (or regular) and Recreational (a.k.a. occasional). Beyond that numerical snapshot, there would also be trend data on how these categories have gone up or down over the previous four business quarters;
- b) The number of golfers we had managed to graduate from our introductory programs into the Recreational category (this is a cause for celebration);
- c) A list of the golfers whom we consider to be at risk of leaving (those playing less than once a month, and those who haven’t been on-property in the last quarter), highlighting those at-risk people who have not yet received a personal contact from the club;
- d) The number of golfers now in Introductory programs (probably by different age / gender categories);
- e) The number (and its trend) of golfers being coached who are not either

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*Too many Operating Meetings have an agenda that has no item for Customer.*

Introductory or Committed;

- f) The number of golfers who haven’t participated in a single club event in the last quarter and the trend line on that data point.

There would be other key customer metrics to review that would be more directly linked to leads and sales. Again, looking at such numbers drives a different conversation from the one club

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managers currently engage in. The current belief system drives a discussion around budgets and service. That is not enough for this industry, and it isn't a discussion that sheds light on the potentially huge impact a golf coach can make at the facility.

Changing the way we think changes the actions we consider important. So, if we're running a golf facility as a community, then most of our attention would be focused on the question of why at least 50 percent of that community consists of individuals who are only visiting occasionally.

We would be invested in discovering how we're falling short of the personal value goal. We would see that the great majority of golfers feels they are not receiving personal value. We would likewise begin to see how much social-value opportunity exists. This is not just theoretical rubbish. RetailTribe has been working with an ownership group for just a few months, but it's clear already that we are going to make a significant impact on their financial position—just by examining the golfer, rather than the facility/course.

By examining the golfers who were leaving or those at risk, it became obvious that the major "loss group" consisted of golfers *who had been at their clubs under three years and are playing once a month or less*. Setting up accompanied play with these golfers has enabled the ownership group to discover that it is the social value that has not been established for these golfers. They don't know enough other members. They're not part of a group. They don't know the management or the professionals.

One of the primary fixes has been to get those golfers into "practice clubs," or a 9-hole "Dawn Patrol" program or "Better than Gym" groups—all formats that the clubs we're working with have recently created.

It is amazing how many of these at-risk golfers have been very willing to sign up for coaching programs. In all cases, the hands-on engagement of the professional is critical both to uncovering the personal value the golfer is looking for, and in resolving the challenge of delivery of both personal value and social value to their club experience.

There are two other areas of community management, both of them critical to ensuring that the facility maximizes its financial potential. Customer knowledge is one of them. There is much more a club must learn beyond facts like age, weight, height, handicap, rounds played and so forth. Actually, if you knew none of those, but you knew:

- a) The personal value the golfer wanted and their future aspiration;
- b) The social connections the golfer had, and what additional social connections would be valuable to them

... *and the customer knew that you knew this information*, there would no reason for them to consider leaving or moving to another community. They would have the basis for a trusting relationship with you. They would know that you cared about them, and knew enough about them to make them happy in your community.

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*There is a well defined methodology for managing  
'commercially viable communities'.*

*There is so much opportunity for us to exploit in this methodology.*

With trust established, you can offer each customer whatever it is that will make a difference in their life. Rather than displaying a shelf of products and offers they'll need to sort through in order to find what might interest them, you can talk to them about what it is that will specifically deliver on their wishes.

The golf club, the course, the range and the golf academy—along with events and programs—are just tools we use to help deliver personal and social value to the customer. Our job is to care about every golfer in our community and to work on how we deliver the value they're looking for.

Unfortunately, at the moment, too many management teams define lack of participation as a sign that the customer isn't interested in what's being offered. At best, they try to polish the product, at worst they drop the price. Going forward, make a decision to be part of the movement to change that thinking. It's not only good for your business to help make that change happen, it is fundamental to the health of the industry. **PG**



*The Customer wants you to know enough about them, to deliver them the result they want from belonging to your community. It's a huge part of trust.*

## It Works! (Value of the Teacher—Proven)

At the most recent Proponent Summit I highlighted the need for coaches to understand the financial impact on your facility's business. I asked if you knew how much a golfer was worth to your facility and if you knew how many you'd acquired or retained for your facility. I emphasized that this was critical to your future.

Etienne Olivier isn't a member of Proponent or a customer of RetailTribe but he has attended one of our Revenue Workshops, wherein we explore the same questions. Etienne runs an academy at a prestigious golf club in a gated community.

Last week he called me to describe a recent experience. He had received notice from the "community management board" that his rent was being doubled, effective May 1. He asked for a meeting with the board and at that meeting:



Etienne Olivier  
EOGA's Managing Director

a) With a flip-chart he asked them to calculate the average value of a new member to their club, using the calculation I had shared in my presentation;

b) Having established the value of a single golfer (a much bigger number than they had ever appreciated) he then listed each golfer he had introduced to the club through his academy in the previous 12 months;

c) He then multiplied that number of golfers by the value per-golfer, to showcase the value his academy, at a minimum, had delivered to the golf club.

**The result:** *Rental increase withdrawn, and the general manager instructed to work more closely with Etienne on new-golfer acquisition and current-golfer retention. I wish you a fine start to your new season, and every success.*