COMP SURVEY: SOLID GAINS IN 2016

By Lorin Anderson, President

On the first few pages of this issue of *COLLABORATE,* we gave you the nuts-and-bolts results of our 2017 Proponent Group Operations and Compensation Survey. In this column, I'm going to add my personal take on what the survey says about our members, the golf economy and where we may be heading as an industry.

First, and most importantly, the banner headline for 2016 for Proponent members is "We Had a Very Good Year." Over the past year our members saw an **18 percent** increase in teaching revenues! That was the largest increase we've witnessed over the 10 years we've been tracking member compensation. To me, the even better news was that our members were investing more in their businesses while revenues rose and saw a very solid return on their additional investment.

Last year our typical member spent an additional **$5,600** on technology, training aids, continuing education and marketing and saw an average revenue gain of about **$20,000** – more than a **350%** return on the additional investment.

I'm very pleased to see our members growing their businesses in an efficient manner and pleased to see that the flood of new technology options, marketing supports and business opportunities are paying off handsomely for many of our teachers. In 2017, may Proponent members continue making reasonable, strategic investments to further elevate your operations above your competition. These investments in strengthening your brand will continue to pay off in a golf market that is generally stagnant in most local markets.

The downside of a significant growth in your teaching business, at a time when most facilities are struggling to stay in the black, is that you have become a bigger financial target to help shore up facility revenues. In 2016 we saw big increases in rent and lease payments for our members (up 40 percent on average) and increases in revenue sharing – especially at private clubs – for those who don't rent or lease.

As Ian James of Retailtribe and I have been saying for years now, it becomes more important every day to track all of your students' spending at your facility. You have to continue to clarify your value to your facility especially as your businesses continue to grow. Most facilities really don't understand the sway you have in golf-related purchasing decisions by your students. Where they practice, where they play, what clubs they buy, what clothes they wear, where they eat…the list goes on. Your influence cannot be underestimated, so continually look for ways to document student spending where you teach. Without this data it is very difficult to negotiate with your facility when they want more of your hard-earned dollars. And they are definitely eying you as an easy piggy bank to shake.

For those who are finding it hard to work with their local golf courses, the survey is showing a continuing growth of members teaching at "non-traditional" locations such as strip malls and converted warehouses. I expect to see this continue based on the early successes we're seeing from most of our members who have already gone this route. It can be a great Plan B if your course owner asks for too much.

So, the goal for 2017 is to keep the momentum going on the revenue side while managing expenses as best you can. As a group you're doing very well and we're here to help you continue to navigate a tricky golf market and continue to thrive. Keep up the good work! PG