

# PROVING YOUR WORTH TO YOUR FACILITY



By **Lorin Anderson**, President

As you saw on page one of this newsletter we are redoubling our efforts to help you protect your position and maximize your earnings. We know that facility ownership and management and/or other golf staff will tend to downplay the value of a high-quality instruction program. To overcome this elephant-in-the-room issue we've been working on

our own research, piggybacking on industry research such as the great work being done by Ian James at RetailTribe, and building tools for you to use to more clearly show your true value to all of your constituencies.

Ian and I both speak to a lot of course owners and when you talk to them about the value great instruction programming brings to their bottom line, they generally shrug their shoulders and make a comment that they really don't think it moves the needle. That is simply wrong. I'll use my wife as an example. When she was at a private club in New York, every year she would typically have at least one of her non-member students decide to join the club after spending time there with her. When each of these students joined, they paid a \$75,000 initiation fee (non-refundable), \$12,000 annual dues, \$3,000 annual minimum and an additional spend of around \$3,000 a year. Typically members stay at the club for about seven years so the lifetime value of each of her students who joined the club was somewhere around \$200,000. That didn't include the 30 or more sets of clubs she sold each year (more than the rest of the golf staff combined), the increased play by her students who were getting better and enjoying the game more, and the new golfers she created with her very effective beginner

programming. In her years at that particular club she contributed literally millions of dollars in revenues from her teaching and her engagement with the membership.

Her thank-you from the club was to be told by the GM and a new head professional that they didn't think they needed a director of instruction anymore and that they would like her to work in the golf shop answering the phone 20 hours a week when the next season started. Beyond clueless.

This incident is one of the main reasons I started Proponent Group. I was tired of watching teachers do their jobs very well and hone their craft to a high level, only to be kicked to the curb because of a lack of understanding on the part of ownership. And, no, her case is not some isolated incident. I've had similar situations reported to me through the years by dozens of Proponent members.

While there is no guarantee that you can avert a similar situation, at least arm yourself with as much credible and accurate data as possible by tracking the lifetime value (and current spending) of every student in your stable (see **Economic Impact Calculator** sidebar on page 16.)

Also, if you haven't already done so, go to the members' website and download the **Monthly Reporting** and **Annual Reporting** forms from the Business Templates section.

Then download **The Business Value of Golf Instruction Report** to brush up on the data on the increased spending and play of golfers who are engaged in improving their games.

While we have a long way to go in documenting a teacher's value, we're beginning to see progress when facility management has the opportunity to review the data. Given that nearly half of all golf courses and clubs lost money last year, managers desperately want to know where they can build revenue and out-perform their competition. Quality instruction programs are a no-brainer. **PG**

## PROONENT GROUP PARTNERS

