

BUSINESS SUCCESS YOU CAN COUNT ON



By Andy Hilts, *Director*

The consultant and author Peter Drucker said it best: “If you can’t measure it, you can’t improve it.” Any veteran teacher will have a general feel for when things are going well, but the Drucker approach tells us we need to manage by the numbers. We don’t truly know if we’re

succeeding unless we can define where we are through metrics—and stay on track by checking our numbers over time.

Often I’ll hear a Proponent member say, “My business is great.” That’s nice, but it doesn’t mean much without answers to specific questions. Best place to start: What is my gross revenue year-to-date? Next question: How am I trending compared to my 2018 goals? Always good to ask: How many lessons did I teach last month?

I think we perceive that our business is good because we can make the house payment or because we felt busy all day. But imagine if you could use goal-setting, long-term strategy and ongoing measurement to make your business 15 percent—or 25 or even 50 percent—more profitable than it is now. Wouldn’t you want to give that a try?

If you agree with the premise, next step is selecting the stats and metrics to load onto your spreadsheet. Total lessons taught, type of lesson taught, total revenue, revenue by category, total fittings, merchandise sales, merchandise margin, average order value (AOV), close percentage, renewal percentage, number of referrals, lifetime value of a student, range revenue by student, rounds played, food and beverage sales, and the list goes on.

In choosing what numbers to track, you’ll want to consider what your club or facility cares most about. Which metrics will help you illustrate the monetary value you bring to the table? What coaching-related activity most drives the overall success of the club?

What’s most important to their bottom line? And, of course, what’s most important to your own bottom line?

Managing by measuring is always a three-phase exercise—historical, current and future business. Suppose you got word that your lesson book was accidentally damaged, and the only part left intact was the future bookings. You’d be relieved, because that’s the part that really matters, right? That being the case, wouldn’t it make sense to evaluate your coaching business by carefully analyzing future activity?

Start simple: How many lessons do you have scheduled in the next month? Next three months? Next 6 months? Next 12? I’m serious when I say let’s take this out a full year! Your lessons-booked may be your most important indicator of success. The more lessons you have scheduled, the more you’re going to teach. The more you teach, the more people improve. The more people improve, the more they buy, and the more they tell their friends about your services.

When you’re the busiest game in town you can also charge more for your services. Funny how charging more *should* reduce the number of students you have but often has the opposite effect—there’s a real perception out there that more expensive means better coaching. A high volume of lessons on the books is important for your business but it’s even more important for your students’ improvement. How many times have we had a long span between lessons with a student only to have them come back looking the same as they did before their previous lesson? The more time you have with your students the more likely they are to get better.

And all that time spent with students will strengthen the relationship and deepen the trust. That additional trust will open up more opportunities for clubfitting and therefore merchandise sales—as well as golf trips and other potential revenue streams. Again, none of this is as important as your students playing better golf. The additional time spent with them will take you beyond just being a pro they come to for tips. It will allow you to become their trusted golf advisor, their friend and—most important—their coach. **PG**

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