



WHAT IS THE FUTURE OF THE CLUB PROFESSIONAL?

Bob Tingey, secretary of Bramshaw Golf Club (now retired) & Captain of the Association 1999, offers a discussion document on the changing role of the club professional.

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The title of this topic may suggest that I am about to propose a radical change to what has been the traditional role of the Professional in golf clubs. That may be the case, however, I do not have a perfect solution to what I perceive to be a dramatically changing market that is already effecting the Golf Professional's life. This paper sets out a number of ideas, thoughts and views, which the Golf Club may wish to consider or dismiss.

At the last count there were just over 1,840 golf clubs in England, a further 475 in Scotland and 157 in Wales. Of the major 22 European Countries there are now some 4,500 courses, as such the United Kingdom has over half the courses.

The number of courses in England alone has risen from 1200 ten years ago to 1840; over 90% of these new 640 clubs are proprietary.

The growth rate of clubs in Europe has slowed down from its 6% rate in the early 90s to below 3% in 1998, with the growth in England being less than 2%. The slow down in this rate shows that after a period of rapid growth, developers are taking a more considered approach. Less bankruptcies and take-overs are being seen, and some of the bigger players are building up their portfolio.

Where then does the Professional stand in this changing market particularly with more proprietary clubs?

From the research I have carried out, albeit fairly limited, the majority of Proprietary Clubs, either employs a professional on a salaried basis, or charges a franchise fee for the facility.

On the 'Member Owned' side many clubs, particularly in the South East, are now finding that the change in the golfing market, with membership vacancies and less society, green fee and membership income, is causing them to look at their finances and to see where realistic savings can be made. As part of this review several clubs are questioning the role of the Professional at their club and in particular the level of retainer and or percentage of green fees they pay to their professional. At the same time committees at many clubs are aware that their professional is also concerned about the High Street competition.

As a consequence clubs, both proprietary and members, must start asking themselves if there really is a need, in the current market, for the type of operation that the past and many existing club professionals provide? Just as the strong retailer re-negotiates or cancels his contracts, so are many golf clubs considering this aspect of their business.

Firstly we must ask ourselves how golf clubs, ever got themselves into a situation where they were paying for a golf professional's services, and just what service was indeed being provided.

To do this we have to go back in history.

Golf clubs in the UK were, some 100 years ago, almost exclusively member owned. They were very few and far between, and by and large a minority sport available mainly to the more wealthy individuals. Often these clubs had been formed by a group of wealthy individuals, who were prominent people within the locality. The clubs were in the main set up on public land or donated land and the quality of courses and play, compared to today, was not to a great standard. In the early days the equipment used was expensive, in relative terms, with not only clubs but also balls being hand made.

In these early days there were basically three types of people who earned a living out of golf at a reasonable sized golf club:

- ✎ The Keeper of the Green
- ✎ The Professional
- ✎ The Caddie

The **Keeper of the Green** was somewhat more than today's greenkeeper. He was responsible for the course, organised the Caddies, and had a workshop where he repaired or made clubs, and often had several apprentices. He also had what we might now refer to as greenstaff.

The **Professional** worked under the Keeper of the Green but not always under his control. They made their living by playing games with amateurs for which they were paid. Often they made additional income by caddying when not playing. They also made some money from teaching the rudiments of the game to those they played against, or caddied. Some were engaged as servants at the Master's house - paid at the whim of others and with little interests other than golf, which in the winter months was sparse, and as such their work was sporadic.

The **caddies** tended to be either young boys or old men, very poor and reported directly to the Keeper of the Green.

The days of the Professional becoming a more important club individual only started to come about when matches and tournaments began to be played more frequently. At the turn of the century prize money, challenge matches tournaments and exhibitions meant that a few professionals were able to make a living out of their playing ability. Rapidly he became just as an important man as the Keeper of the Greens, whose sole job became looking after the course, with

the professional having his own shop where he made and repaired clubs. Of course, it must be remembered that many of the Keepers of the Greens were also in fact very competent players and as such became well known as players and club makers: Old Tom Morris being a prime example. Others however, were not great players but still continued to make clubs often with large staff numbers. Clubs were very fragile implements and the better players and wealthy individuals would often have two sets, one of which was for special occasions. The idea of four hours down the practice ground would be out of the question, as the clubs deterioration would be significant. Similarly the wear on a feathery ball in frost and wet weather could be dramatic.

The move towards gutter percher balls and steel shafts signalled another fundamental change in the industry. The wooden headed clubs continued to be of vital importance to the golfer and the manufacture of wooden heads, mainly of persimmon, was considered an essential part of the basic and indeed individual skill of the club professional. Even up until a few years ago the clubs made by McGregor (Key Hole), for example, were sought after and highly valued. However, the day of the large manufacturer was here and the club professional was required more for grip repairs, whipping replacement and clubhead repair and refurbishment rather than for making personal clubs.

It was not until the 1950s, that golf became more accessible to the general public and where the status of the professional went through a further change. At that time there were still vacancies at golf clubs, subscriptions were low, and the general philosophy was one of having the right type of person as a member, rather than getting additional income. Indeed as long as golf clubs managed their accounts to achieve a break even on the year they remained relatively happy.

It was in the late 50s and 60s that this all changed. The golfing boom started, albeit very slowly at first, with new clubs starting to be built or extended, and in many cases courses being improved at the behest of members, all as a direct result of golf's popularity on television.

The golfing professional as a career underwent a dramatic change and has continued to change perhaps as much as any other profession over such a short period of time.

Up until this time the golf professional was a fairly rare breed. He had almost exclusively been either an ex greenkeeper or a member, who played well and, following training, had become the club's professional, on a fairly low income (retainer) which he supplemented by giving lessons, and making and repairing clubs.

At this time, the only place a golfer usually purchased golf equipment, balls, clubs tees of any recognisable quality was from their pro's shop at his golf club. In many cases these were still not much better than sheds with a very limited range of equipment and few articles of clothing other than specific golfing wear. Members of the public who were not golfers were often unaware that one could purchase golf equipment from a Club's Professional's shop. At the same time the club professional was the only individual who was able to give lessons. The number of books around was limited and golfing monthly's were only just coming onto the bookshelves. Then there became a new young breed of professionals, who had been a junior club member, often doing a

caddies job at the club to help his pocket money, who wanted to become a top professional playing on the now popular professional circuits.

As golf became more popular and more affordable over the next 20 years, so the role of the professional once again changed with the demand on his teaching abilities, playing in Pro-AM's and local tournaments. Driving ranges became very popular. A whole range of golfing journals started to be published alongside the desire by the general public to play better golf, to have the right equipment and look the part.

At the top playing levels of the profession, earnings began to rise dramatically and have continued to do so ever since. Today they are providing a sporting profession, along with tennis and football, with exceptionally high rewards for a very few top performers.

The club members and visitors, either casual players or company guests regularly required the services of the club's professional in terms of demonstrations of his skill, provision of logo golf balls, equipment and prizes. All-in-all the Golf Professional became perceived as a very lucrative occupation by the talented youngster. However, the growth had been so quick and the training, particularly on the commercial selling and shop keeping side, fairly poor, that for clubs to find a good all round club professional was difficult. Good ones at their trade, who were also excellent shop keepers and well liked by the members, being the exception and in high demand.

At this time it was considered appropriate for a club to have its own professional who was sometimes the only full time employee at the club, although in practice he was self employed, and often the average club member was not aware that he was indeed paid a retainer. The other key member at the club being the Secretary, often being a retired honorary post or a part timer. As such it was inevitable that clubs started to look to the professional to receive and control the Club's lucrative green fees and in many cases the society income, he being the only member of staff on duty at key green fee times. At the same time manufacturers of golfing equipment and clothing saw a ready market for their goods and equipment and the club professional's shop was the perfect outlet.

The popularity of the game continued, membership vacancies disappeared, cost of membership went through the roof along with joining fees becoming expensive and in some cases almost prohibitive. Both society and green fee income was on the increase and the number of new courses and youngsters entering the profession reached unprecedented scales.

All of a sudden the golf club became big business and many part time and honorary secretaries were replaced with full time professional managers, appointed to run and control the business.

As we are all too well aware the bubble burst - too many new courses were built to too high a standard, and both the public's and company's disposable income became less. When one adds to this the large retailers not being happy to let the lucrative retailing of golfing equipment pass them by, it can be seen that a further change in the profession was about to take place.

For the first time the club golfer had a much larger choice and the canny potential purchaser would often seek his club professional's advice or even test his equipment, prior to going down

the road to buy from a cheaper retailer or worse still a fellow professional. The club professional does not surprisingly frown upon this practice. In many ways this emphasises the lack of commercial experience of many of the golf club professionals, many of whom may well have failed had their retainer not supported them. This practice of using the club professional as a testing board has now become so regular that it is, in many cases, throttling the life out of the club professional's shop. This of course is no more than a replay of the battle between the corner shop and the supermarket, and the demise of the little man in this fight is nowadays usually a foregone conclusion.

Where then does this leave the modern day professional?

He started off in many cases a talented youngster determined to make his fortune winning professional tournaments. Having been a very successful golfer at his club as an amateur he tried and tested his skill as a professional, usually working in a qualified professional's shop, where he was lowly paid, but where all he wanted to do was play and practice. He then qualified at playing school with the PGA. but more often than not found the competition and costs too high, and so became a club assistant and eventually a club professional. By this time he was usually in his late twenties and had done nothing else than play golf or give lessons. He was a very polite and pleasant individual. He never intended to become a retailer, and many could not naturally become one. Never the less both he and his club accepted the situation and let him run his shop, provided by the club, where he took the green fees and ran club competitions, for which he was paid the traditional retainer which had been the practice over the years. It provided him with a sound financial income on which to run his shop, but did little to help him become commercially based.

The professional's shop has become a feature of most clubs, which he keeps open for the members seven days a week for most daylight hours, the large percentage of whom have no intention of buying from him or even having lessons from him. The 1995 PGA survey found that price was the major factor that drove the member to buy at outlets other than the pro's shop. It also found that many members just thought it would be cheaper in the High Street

With the reduction of trading income the professional has had to review his business. His biggest outlay, other than capital in stock, is the assistant's wages, although it would be fair to say that few Professionals have ever been generous in this area. It has always been in staff wages where the average Club Professional has been most likely to cut costs, keeping the shop open with assistants or unskilled staff whilst he is out teaching or playing. Naturally this lack of the club professional in the shop leads to member dissatisfaction, drop in sales and the question being asked by committee when members complain, of what are we paying him for?

Currently more than 1200 trainees are moving through the 3-year PGA training system at any one time. One wonders where they are all going to end up.

The astute Club Professional has seen his occupational changes and must fear that his very respectable income and in particular his guaranteed retainer, if not his future as a club professional in its current form, has only a limited life.

It is important at this stage to mention that Club Professional's are in general, extremely polite, courteous and willing to help. Many offer an excellent service and would really be missed by members if they were not around

Let us first of all analyse, as best we can, what status and services the club professional normally provides to a club, its members and visitors. Some of the items will of course be subjective and may not apply to all professionals -

1. The Club will have its own named and PGA qualified Professional.
2. The Professional will be able to provide lessons to members and visitors at the Club.
3. He will be able to take competition entries and issue scorecards.
4. He will be able to take green fees from visitors and monitor course control.
5. He will be able to provide members with a range of golfing equipment and clothing, particularly club logo items, 7 days a week at a club location.
6. He will act as a central point to the club where members gather and talk prior to and after a game. Knowing most members by name.
7. He will be able to provide members with a repair service, will have buggies and trolleys available for hire and will help out visitors with a club service.
8. He will act as a club representative to new members. Will attract new members to the club via lessons and also potentially attract new society business.
9. He will be advertising the club name when playing in professional tournaments.
10. He will have a close relationship with members providing a link between a committee or owners and the members.
11. He will provide a telephone contact and advice service to members and visitors.

In return for these services the club professional has generally been provided with:

1. A retainer, may be a lump sum, a % of green fees or a combination of both.
2. A shop - often furnished and usually free of charge.
3. Free Heating and lighting.
4. A practice ground, course and putting green for him to use both for himself, staff and lessons.
5. Member's competition prize money is normally spent in his shop.
6. The benefit of a club's captive membership of around 700 members per each 18 holes.
7. The benefit of all visitors going into his shop.
8. Exclusive rental income of buggies, caddies and clubs.
9. All income from the sale of goods.
10. All income from the teaching of lessons.
11. Usually some income from the provision of prizes for club events.

If we attempt to value the services a certain amount of subjectivity arises. As such all we can do is to see what other occupations are asked to run in a similar manner.

Lets us first of all consider those often provided at the golf club itself. For example, Golf Club catering on a franchise basis.

Frequently the club caterer will be a franchise operation. Providing a service to members and visitors by providing food and drink to them from first thing in the morning to last thing at night, usually seven days a week and like the professional 363 days a year. Unlike the professional, the caterer often has restrictions placed on his pricing; particularly club matches meals and bar snacks.

Let us then compare the services the club pro provides that the caterer, in his or her own field does not.

With the exception of the first three items listed, the club caterer provides, in his/her own field, the same services, one could even argue that he or she does provide item 1 in being a named caterer which visitors would respect and talk about as they do. For this operation, far from paying the caterer a retainer they are frequently charged a franchise fee, cost of fuels, and expected to contribute to replacement of damaged equipment.

Why one asks are the two most similar occupations treated so differently? Would we be happy to employ the caterer if the members went and had cooking lessons from her, for which they paid the caterer, using our equipment, in our time at the detriment of being there to serve our customers? Would we allow our franchise caterer to run a separate catering service to outsiders out of our kitchens?

Are there other professions where a similar situation of paying a retainer arises?

It is not easy to find any other profession where a comparable type of retainer is paid. Indeed in many cases the reverse is applicable. In most other instances a retainer is paid to a person whom one is retaining, such as a servant in a large household or a fee for services engaged. In general retainers of any type are now rare, other than those regarded as annual salaries to board members of large companies or sleeping partners of small family companies, for the use of their name, their contacts and particular experience. It is difficult to see where the Club Professional fits into this scenario; other than if he were being paid to provide a facility that otherwise could not be provided. Is it then an uneconomic operation that could not stand on its own feet? Is it considered an essential requirement for the business to operate as a success?

What then does a Golf Club get for its money? Let us just run through the list of services provided and see just what the average professional is being paid and by whom.

The Professional brings his PGA name to the Club

- ⌘ This can only be done by a PGA qualified professional. Naturally the value of a professional's name is subjective. Whereas Nick Faldo's name has a distinct value, one may question if some of the local Pro's names do.

The Professional provides lessons to members and visitors

- ⌘ The professional does provide lessons for which he charges around £24/£26 an hour, using the club's practice ground and facilities for which he usually pays nothing. The club does not receive any part of this income, even though it usually pays a retainer to the pro to provide this service. The more lessons the Pro gives the less time he is in the shop and available for members.

He takes members' competition entry fees and issues scorecards

- ⌘ Whilst he takes competition fees he often runs his own two's competition and ball sweep at the same time. And all income from the competition frequently goes back into the pro's shop in member's accounts, and indeed must be spent in his shop. This is often a contentious point with those members who either do not like their professional or who would prefer to purchase elsewhere. Competition fees at weekends, at clubs can account for some £400 excluding two's and ball sweep, which are often a further £200.

He takes green fees and monitors course control

- ⌘ Green fees are frequently taken in the shop and recorded in a green fee book. Whilst a chore it is one that almost certainly the pro would not like to see located elsewhere, as it means all visitors having to go into his shop. Course control is seldom controlled by the pro's shop with any degree of success.

He provides a range of golfing equipment to members and visitors

- ⌘ Again all profits from this activity are retained by the professional, even on logo items. No consultation with members, owners or committee takes place regarding what is sold, with frequently items of a direct competitive nature with other aspects of the business, ie food and drinks being sold. No form of special discount is usually offered to members.

He acts as a central meeting point and communicates with members

- ⌘ There is no doubt that the Pro's Shop is a central point within the club, however, this can produce both positive and negative reactions depending upon his attendance in the shop. The lack of the Professional in his shop spreads negativity like wild fire.

He provides a repair service and also hires out buggies and trolleys

- ✎ Just as with the clothing and equipment all income from these items is retained by the professional, and are all run on a commercial basis. Trolleys are hired out at around £2 per round or £3 per day. Buggies are hired out at around £18 per round with normally no discount for members.

He will attract new members to the club

- ✎ It is certain that beginners having lessons with the professional often become club members, similarly some corporate business is generated through the professional. At the same time it could be said that business is often generated for the pro by the office or members who encourage new starters to have lessons with the professional in order to be considered as a future member. Similarly societies are encouraged to use the pros shop to purchase their prizes from him for their day.

He will be advertising the club when playing in professional tournaments

- ✎ Few club professionals are able to achieve this form of recognition. Who was the top professional in your County last year and what club does he come from? Indeed what clubs do most of the top Professional's play out of?

Link between members, owners and committee

- ✎ Sometimes this can be the case; however, often the reverse is true.

Telephone contact with members and visitors

- ✎ Without a doubt most members or visitors phone the pros shop for daily advice about the course.

It can be seen that the services provided by the Club Professional are not, in today's market, the same as they may have been some years ago and the day of the paid retainer has long since had its day. It may take the private club some time to move away from its traditional way of employing a Professional, as they tend to be less financially motivated than the proprietary club is. Similarly some clubs where the professional's activities cannot make a realistic profit, will have to be reviewed, with either a subsidy or reduction in services.

Most of the newer clubs, which in the main are proprietary in nature, have either dispensed with the concept of a professional as a retainer-based individual. They now either pay a salary to a professional, based on working and running their shop, with either some profit from sales, or allowing him some time to give lessons for which he retains or partially retains the income. An alternative is to charge the professional for letting him use their club shop and facilities to run his business, similar to the club catering franchise. Naturally the amount being charged is related to the activity at the club, with municipal courses and clubs with hotels or multiple courses running

at a premium. A further option of just having a club teaching professional could be suitable at certain locations, with the teaching professional using the club shop as his base.

What then are the consequences of not renewing the professional's contract, or starting to charge him a rent instead of paying him a retainer?

Will such an action be a false economy in the long run? Will the professional, as indicated above, just resort to his past practice of cutting down on the quality of staff, reduce his shop opening hours or spend all of his time on the practice ground, on the basis that his retailing activity cannot manage without some form of subsidy?

Surely, if the current professional at a club is not a natural retailer, then there can be no sound reason for keeping him in the shop, selling non specialised equipment or clothing, what ever the long term arrangements will be. His lack of expertise in this area will only result in him not surviving or possibly incurring loss of goodwill with both members and suppliers.

An alternative may be to employ the professional as a salaried employee running the shop and giving professional advice and lessons. However, if he is not a retailer for himself, then he will hardly ever be a retailer for an employer. What then to employing a retailer to run the shop, suitably supported by staff and to have a teaching professional attached to the club, with perhaps provision for club repair and club sales?

In order to look at these alternatives we must ask ourselves some basic questions.

1. Do we require a club shop, and if so what do we need to sell?
2. Do we require a professional's presence, and if so to provide what?

If we accept that after having paid staff salaries, a retail activity of this size and potential should not have to run at a loss. The question of whether we need to stock such a wide a range of golfing equipment is debatable, but does, however, depend upon whether we see a shop being run by a golf professional or by a competent retailer working for the club.

The consequences of these decisions brings me naturally to the conclusion that, if such an operation should not run at a loss, and we assume it does not, then the current payment of a retainer is questionable.

This leads to the next question of do we need a professional, and if so in what capacity?

If we accept that we need a professional retailer to run the shop to maximise sales and profits, then realistically the chance of our finding a great retail salesperson that is also golf professional is low. Why then do we need a professional other than to provide lessons or advice on types of golf clubs?

If we accept this premise then, it would seem that the ideal type of operation would be to run a shop/green fee reception in which a range of golfing equipment and clothing is available, with an emphasis on club logos. The range of such equipment will depend upon member and visitor demand, and if very low would be restricted to essentials. A Professional could be attached to the club to provide lessons and if he, so required, professional advice on a range of golf clubs which he would be able to sell through our shop.

The above suggestion is only one of several permutations that could be adopted but makes the fundamental assumption that one is prepared to go into the retailing business, albeit that this may not be a club's natural inclination.

If on the other hand it is decided that the club is not prepared to go into retailing, then maybe its best bet would be to offer up the business, with clearly defined constraints and requirements, as a franchise operation to the most suitable highest bidder.

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