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## **Golf Business Magazine: On Course**

### **When the Weather Outside is Frightful**

*By Peter Blais*

#### **Finding ways to generate incremental revenue during winter can help bolster business prospects for spring**

Anyone who has experienced a New Hampshire winter knows about the bone-chilling cold, freezing rain and occasional snow drifts that can blanket the Granite State's golf courses. Understandably, most facility operators put their practice ranges to bed along with the rest of the property come late fall. Not so at World Cup Golf Center in Hudson.

For the past 15 years, Friel Golf Management has kept World Cup's 18 heated hitting bays open through the worst that the gray New England skies can throw at them, from late fall through what passes for early spring (November through March). With parkas shrouding their torsos, a number of regulars come with friends after work and on weekends to hit balls into the snow blanketing the range.

"We still get calls from people who are incredulous that we're open," says General Manager Liz Friel, whose family also operates The Overlook Golf Club in New Hampshire and Cape Cod (Massachusetts) Country Club. "[But] the hitting bays have been very effective in generating revenue. We take in a considerable amount of money to keep us afloat during winter."

According to Friel, the number of wintertime customers has grown each year. A core group of approximately 25 golfers shows up regularly (some almost every day throughout the winter), and many players stop by to practice in advance of winter golf vacations. High school and collegiate players also frequently visit the facility before heading south for winter tournaments. And this past spring, nearly 500 customers stopped by one weekend to get a jump on the season before most courses in the area opened.

"We view the wintertime operation as a service to our summer clients," says Friel, who charges the same rate for a bucket in the winter as in the regular season: \$9 for 70 balls. "It is by no means our main source of income for the year, but we think that our customers have become more loyal because of our ability to be a golf center that's open year-round."

Surprisingly, keeping this particular profit center operational for five months in the winter isn't as difficult as it might seem. The major expenses are electricity for the heaters, which runs approximately \$30,000 for the season, and replacement costs for the one or two heating units (\$400 each) that typically have to be replaced each winter.

According to Friel, other expenditures are minimal, due in large part to the automated nature of the business. Customers can use cash or credit/debit cards to buy tokens and balls from a dispenser, and timing dials control the length of time heaters are on in each bay. Friel says the only labor expense is having the superintendent come in to turn on the master electric switch in the mornings and then shut off the electricity at the end of the day.

There is, however, one additional cost that could prove to be a barrier to entry for anyone considering a similar winter strategy: range balls. The staff at World Cup switches out the facility's 35,000 new balls it puts into play in the spring with 300,000 older balls come fall.

"That would be a large start-up cost," admits Friel, pointing out that many of the balls used in the winter were stockpiled from other courses her family had operated around New England before opening World Cup. "We lose so many balls in the mud during the winter that it just makes sense to use the old balls."

What's more, snow cover limits the number of times the range can be picked during the winter. By the time the course opens, Friel estimates 100,000 balls are on the ground.

Even so, keeping the range open at World Cup during the winter pays dividends, both long- and short-term. Friel promotes the business through newspaper ads and the facility's Web site, and since it's the only facility in the area that remains open through the winter, World Cup has received considerable publicity.

"There are indoor facilities and outdoor ones that let players hit into a net," Friel says. "But that's not the same. It gives us a marketing advantage and helps develop customer loyalty."

World Cup Golf Center isn't the only Northern course where the owners have discovered creative ways to generate incremental revenue from their golf facilities during the winter. Each year, in late October to early November, Crystal Mountain Resort and Spa in Thompsonville, Michigan, converts its pro shop into a ski shop offering a wide range of ski apparel and accessories. The shop also serves as the ticket center for outdoor enthusiasts who want to ski the cross-country trails that largely follow the cart paths along the resort's two golf courses.

On average, club officials sell 75 to 100 four-hour trail passes for \$15 apiece (\$12 for juniors) each day during the winter season. A set of rental equipment fetches another \$15 for four hours (\$12 for juniors), while ski equipment tune-ups, waxing and other services provide significant revenue. (Note: Officials would not divulge specific service, equipment and apparel revenue figures.)

In addition to generating extra income, the cross-country ski trails and center, which have been part of the overall operation since the first downhill trails were cut at Crystal Mountain in 1955, enable the resort to retain some of its key staff members throughout

the winter. Director of Instruction Scott Wilson serves as the cross-country director, while Assistant Professional Ed Laprade offers cross-country skiing lessons. Head Professional Mike Cote oversees ticket sales and equipment rentals.

According to Wilson, Crystal Mountain's major ski-related expenses are a tic-tac groomer (approximately \$5,000) that's pulled by a snowmobile to maintain its trails, as well as one full-time employee who's needed to operate the groomer and another staffer to man the ski shop desk. The 30 rental sets cost Crystal Mountain about \$140 each, but only need to be replaced every three years or so. Meanwhile, the club's marketing department handles promotional efforts for the entire downhill and cross-country operation.

"The cross-country trails are a good use of golf course land over the winter," Laprade says. "It's a nice way for skiers to see the terrain we have here. Those skiers who may not have considered playing golf here before are sometimes convinced to give it a try after skiing the land."

Farther west, Hilly Haven Golf Course in De Pere, Wisconsin, will be entering uncharted waters later this month, when the club extends its highly successful Friday fish fry into the winter season. Clubhouse Manager Kristin Stelzer says the decision was driven by the population growth within the surrounding community and a desire to generate additional revenue during the off-season.

"It might be better on the freezer units to keep them running through the winter, anyway," adds Stelzer, noting that during the summer, Hilly Haven's fish fries typically attract 100 to 150 customers each Friday who spend, on average, between \$20 to \$30 each. "Keeping the restaurant open Fridays and holding occasional parties should [also] allow us to keep some of our key staff employed part-time through the winter."

Stelzer expects most diners will be existing, in-season patrons, but she plans to advertise the fish fries in the local newspaper to attract what she believes will be a "sprinkling" of first-time customers. To generate additional buzz, managers have also been providing existing customers with coupons for free drinks that are redeemable during winter hours and placing posters throughout the property announcing the extended restaurant hours. The benchmark for success: approximately 50 to 60 meals each Friday from November through March.

Because this is the first time Hilly Haven has offered the fish fries in the winter, Stelzer isn't certain what expenses will be incurred. However, she plans to employ two additional staff members during the slower afternoon hours and four employees during the evening. Based on a \$10-per-hour pay rate, that translates to roughly \$320 for 32 staffed hours. Other costs will include additional electricity to power the walk-in freezers, decorations, food and paying to keep the parking lot plowed.

With only seven months that General Manager Cindy Cole classifies as "good golf weather" and the tendency of locals to discard their clubs in favor of bowling balls come

September, the management of Bunker Hill Golf Club in Medina, Ohio, has turned to technology to supplement the facility's off-season income. Specifically, they've turned to indoor simulators.

Of course, using golf simulators to stoke business during inclement weather isn't a novel concept—at least in theory. What has proven extraordinary, however, is the success Cole has enjoyed with the machines at Bunker Hill. While many operators struggle to recoup their investment in a simulator (each unit costs approximately \$40,000), Bunker Hill's seven indoor units generate between \$100,000 and \$150,000 in revenue annually. Each week during the winter, approximately 200 golfers show up at Bunker Hill for a round on one of the 52 courses programmed into the simulators. What's more, the machines—which, at a rental rate of \$36 per hour, paid for themselves in two years—help retain many of the summer leagues and regular foursomes who frequent the facility during the golf season.

In addition to the men and juniors you might expect, a growing number of women are discovering the simulators, particularly as Bunker Hill creates additional programs that pair an hour of golf instruction and an hour of open play with a free glass of wine. “The program takes advantage of the tendency of women to prefer learning and playing the game with other women,” Cole says. “The indoor sessions help novice female players overcome their fear of venturing onto the course come spring.”

Cole estimates that, since beginning this promotion two winters ago, more than 100 women have enrolled in the club's instructional program for women and become valuable customers who spread news to friends and acquaintances.

To promote Bunker Hill's simulator business, the club conducts open houses in the summer and fall, allowing players to use the machines for free with the hope they'll return as paying customers during the winter. Staff members also collect customer information for marketing efforts by trading one-hour free-play coupons for e-mail addresses, a strategy that grows the club's database while exposing more potential players to the units. To date, the effort has helped grow Bunker Hill's e-mail list to more than 20,000 addresses.

“The e-mail addresses and other information we collect are worth a lot because we use that information to advertise our programs, services and products to them,” Cole says. “Overall, the free indoor golf program gets our club a lot more exposure.”

As these and other operators can attest, winter doesn't necessarily have to signal the end of business each year. Savvy owners who put forth the time and effort to create programs that squeeze a few dollars from their operations when the white stuff begins to fall may very well be singing, “Let it snow, let it snow, let it snow,” all the way to the bank.

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