



**GOLF
INDUSTRY
GURU**



WHITE PAPER

A Rising Tide Lifts All Boats

Slade King, C.O.O.

Play Golf Calgary

slade@playgolfcalgary.com

Slade King is the COO of Play Golf Calgary, which owns and operates premium golf facilities in Calgary, AB, Canada. Their properties include The Links of GlenEagles, Blue Devil Golf Club, Lil Devil, HeatherGlen Golf Course, and their new 36 hole facility, Serenity Golf Club which opened in 2017.

In this White Paper, Slade discusses how eliminating no-shows with online pre-payment and implementing the requirement for pre-payment in response to the COVID-19 pandemic has positively affected the bottom line at each of their clubs in a massive way. Slade also shares the process he carried out to implement online pre-payment, and guides you step-by-step through that process so that you too can make positive changes for your business and your guests and improve your bottom line at the same time!

Intro

We have had a wild ride so far; the 2020 golf season will be one to remember. With the closure of most golf courses at the beginning of the season, we have had the need to write and rewrite COVID policies and procedures. Along with this, we have had to source masks, rubber gloves, sanitizer, ball lifters, and training of staff and golfers. We all have had a lot on our plate. I thought I would take some time to write about something that has had an incredible impact on our bottom line so far this season.

The Protocol That Changed It All

One of the many protocols Alberta Health has outlined is the “Strong Suggestion” to require prepayment from golfers to lessen the amount of interaction between golfers and staff members. This protocol was written at a time in Alberta when golf courses were considered “current phase” and were allowed to open before phase 1. This came with great responsibility as the microscope was directly on our industry for a period of time. At Play Golf Calgary we were watching protocols in the U.S. and other provinces since the shutdown and were anticipating what the protocols might be. We researched prepayment and were able to get it implemented with our software providers (Club Prophet, and Moneris) prior to opening. We are following the Alberta Health Protocols exactly whether it was a strong suggestion or a requirement. The result of this single strong suggestion has had a profound impact on the bottom line for Play Golf Calgary. I am sure anyone in the golf industry is interested in what we found with prepayment, but public and semi-private courses will want to pay especially close attention. A rising tide lifts all boats.

What We Observed

With the incredible demand for golf so far this season, we have all been watching our tee sheets closely. Whether it is trying to get all of our members on the course or maximizing the sheet to increase public golfers while managing appropriate physical distancing. We found that we had a substantial increase of 4-somes coming out daily, much more on average than in previous years. Talking with many golfers coming through the door the feedback came back regularly as “I had the tee time prepaid, so when someone dropped out, I had to get on the phone and make sure the 4-some was filled.” Now the question is did golfers put in this amount of effort in the past and were just unsuccessful? Or did the person booking the tee time make just that little extra effort with a few more calls resulting in filling a 4-some. Along with this observation, we also found that we were having zero no-shows. Our entire sheet was paid for from start to finish, and every group showed up for their tee time, WITH A 4-SOME! What an incredible concept, something we have never seen before even though we have been requiring a credit card to hold a tee time for over 10 years.

What's In It For Me?

Now for the good stuff! I went back into our tee sheets for May and June 2018 and 2019 and calculated the percentage of golfers who showed up for their tee time for each day during those 2 months (dividing the number of rounds booked, by the number of rounds paid). I then compared that number to May and June 2020 with the same calculation. I averaged it out over the month and BAM what did we find? We found that we had an average increase in golfer showing up for their tee time over all 5 Play Golf Calgary courses of 9%!!! We had 9% more golfers show up for a tee time that they booked vs previous years. The lowest increase in any of our courses was 5% with the highest increase at 13%. That's 5%-13% more golfers each and every day simply because they prepaid for their tee time so they felt obligated to bring a full 4-some and show up for their tee time booked. In 2018 and 2019 our average percentage of golfers showing up for a tee time booked was 88%, in 2020 it went to 97%. I would be curious to know if golf courses that did not require pre-payment this season have seen the same increase? Or if we can solely contribute this to prepayment. Grab a few numbers of your own and compare for yourself and reach out with your findings. I would love to compare notes.

What Does This Mean For The Bottom Line?

For Play Golf Calgary with The Links of GlenEagles, Blue Devil, Lil Devil, HeatherGlen, and Serenity, our green fees range from \$22-\$99. Our average increase to our bottom line for the additional 9% of rounds multiplied by our average dollar per golfer is... wait for it... \$38,000 PER MONTH PER COURSE! Who couldn't use an extra \$38,000 per month? This goes directly to the bottom line. It will help with capital improvements, increased service levels, fair compensation for team members, and better training. The result is a better experience for the golfer and ultimately golfers wanting to play more golf. A rising tide lifts all boats (that's the last time, I promise).

The Hard Part

Setting up prepayment is not easy. You need to have your software provider integrated with your credit card processor, in our case Club Prophet and Moneris. From there you need to be able to determine your different types of golfers, the more rates you have the more complicated this gets. Determine if you have members, men's night, seniors, discount times, cardholders, etc. In Club Prophet, this is handled through classes with each class being attached to a different rate. Now comes the difficult part, if someone is booking a tee time, let's call him John, then what is John's rate? Is he a senior or a cardholder, and if he is, do the others get the same rate, or are they all regular price? The answer is you have to really simplify your rates. John will have to pay for the 4-some up front and John will get the special price that his class is attached to, but the others will be at the regular rate. You will encounter endless scenarios like this but do not give up remember its \$38,000 per month!!! What could be more important in your business to spend time on than something that can produce \$38k directly to the bottom line? Once you have everything set be prepared to deal with some of the scenarios over the phone. John always gets a free cart on Tuesdays, Sally wants the couples deal she saw in the newspaper, etc. John and Sally will also not be happy to pay for the 4-some and collect from their friends, but they will do it. Just deal with them one at a time and keep the big picture in mind. In our case there is some hope with the Gallus Golf App and Gallus PreCheck. They have worked with Club Prophet for someone to book a time and just pay for themselves. They then send a reservation code to the others in their group to open your Gallus course app and then pay for each of their own green fee's separately. This is the next part of the technology we are going to tackle. I know other courses working with Gallus and Prophet now very successfully. Once you work through everything you will be getting your tee times paid for in advance. You are more protected if the forecast turns or a storm rolls in, you will have more 4-somes and fewer no-shows and short shows.

What's In it For Our Customers

It is always difficult to balance the needs of the business with the needs of our customers. People do encounter prepayment in a number of other industries. Airlines, hotels, sports tickets, concerts, etc. Imagine if you could book 4 seats at a Calgary Flames game by just holding them with a credit card. You then only show with 2 people and pay for the 2 people. The 2 seats beside you go unused in a full arena. This would be unheard of in many scenarios. We cannot expect our customers to understand the impact as they are more long term than a direct benefit. But golfers will benefit from more availability of tee times, imagine how many tee times are no showed or short showed at every course in Calgary on a given day. These times would become available if golfers were more responsible for their bookings. Golf courses would have more profit to reinvest in capital improvements, equipment, technology, and more training for their staff. Golfers would also benefit from less green fee increases year over year. If more times were sold, and courses more profitable they would be less inclined to increase rates to keep up with expense increases.

Let's Work Together

We are sharing these numbers as we feel so strongly that this can change the industry. It can help each and every operator who accepts public tee times. BUT we have to work together. We have the opportunity to make changes now while things are on an uptick and customers are more understanding of policy changes. If prepayment were to go away and golfers go back to being unaccountable for their tee times booked, then we have squandered what can potentially be the biggest benefit the industry has seen in many years. Selfishly we are getting pretty used to the extra \$38,000 per month from each golf course we own. Compare a few numbers to ours above and see what you find. Start the ball rolling with your software company and credit card provider. Hopefully, some factual information will motivate everyone to seriously consider tee time prepayment.