



Rethinking your Business Plan

- **Smart Business Plans for a Changing Industry**
- **Market Positioning: How to reposition to improve value**
- **How to implement a new marketing plan?**
- **How to understand the true potential of a golf facility?**



Tuesday, September 18, 2018
Omni La Costa Resort
Carlsbad, CA



Speakers:

- Laurence A. Hirsh, President, Golf Property Analysts (Moderator)
- Mark Mattingly, VP Business Development, Landscapes Unlimited
- John Brown, President, Brown Golf Management
- Phil Green, COO, OB Sports Golf Management



Smart Business Plans for a Changing Industry

- **Purpose**
- **Pre or Post Budget Process**
- **Driving the Market**
- **Elasticity**





What is the purpose of a Business Plan?

One has to believe in the purpose of this exercise before investing the necessary time and resources to produce this tool.

- **A narrative expression of one's vision...**
- **Your team's operational "playbook"**
- **Expression of plans to investors, partners, and lending institutions...**
- **Adds accountability through actions to a numeric budget...**





Does the business plan support the budget or the budget support the business plan?

...and which one do I work on first?

- **The influence of personality type...Dreamers and Doers**
- **Through the prism of a practical mindset**
 - ✓ Understanding your market
 - ✓ What capital resources are at your disposal?
 - ✓ Can you identify a market shifting strategy?
 - ✓ Understanding what your team can achieve with the existing amenities in place





DREAMERS

DOERS

POSSIBLE STRENGTHS:

vision
initiative
inspiration
ideation
see potential
fun

productivity
focus
fresh perspective
realistic
results
balanced life & priorities

POSSIBLE WEAKNESSES:

lack follow-through
lose focus
unfinished projects
over-promise but
under-deliver
constantly stressed

lack of vision
short-sighted
stuck in a rut
dependent on others for
identity or purpose
risk-averse

“No artist (or individual) is completely one or the other.”

Chris Oatley



Your business plan must drive the market

...in other words, drive your business don't let your business drive you

- **In the past our business plans may have been rather simplistic...**
- **Today, our plans must be designed to separate from our competition by identifying market behavior, preferences, and developing demographics.**
- **We must use these indicators to establish a plan for capturing a greater level of market share through:**
 - ✓ Social Media POS tools Dedicated sales staff
 - ✓ Capital improvements (amenities) Enhanced programming
 - ✓ Dynamic pricing Online booking engines
 - ✓ B2B partnerships Marketing/Communications
- **In an oversupplied marketplace, if you are standing still from a programming and strategic perspective, you are falling behind and putting your business at risk.**



Elasticity...bend but don't break

- **“Plan you work and work your plan”. What if it’s a bad plan?**
- **Be disciplined enough to review your plan at least quarterly**
 - ✓ Evaluate – Forecast – Recalibrate – Execute
- **Not every item in your business plan is going to be successful.**
- **As you adapt... do not break from your mission...**
- **If you must depart (bend) from the steps identified in your initial plan, again embrace the discipline of planning...and execute a short-term outline of actions for the balance of the season.**

Market Positioning – Reposition for VALUE



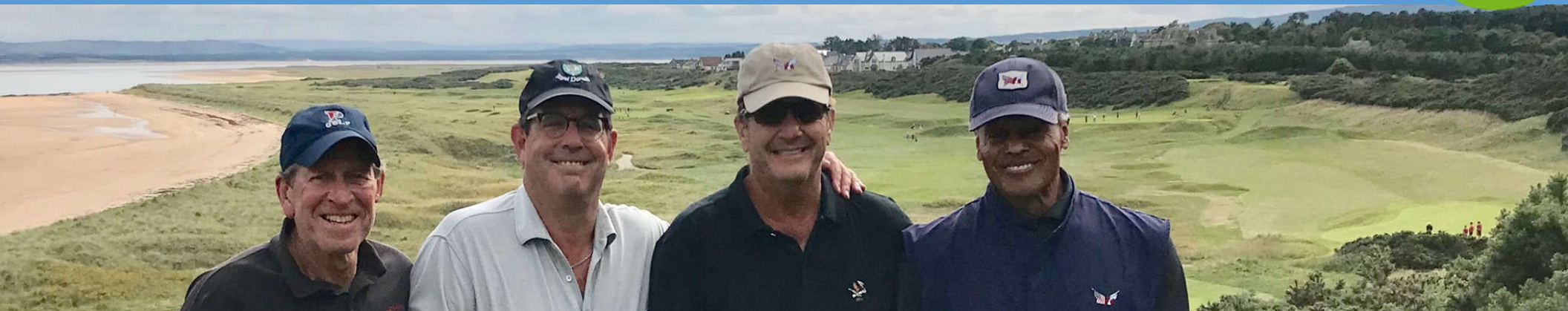
- Demographics Analysis
- Market Analysis
- The Property
 - Operational Review
 - S W O T
- Conclusions

Demographics



Households by Income (2017)						
	TravelTime of 5 minutes		TravelTime of 10 minutes		TravelTime of 20 minutes	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	26	1.10%	93	1.00%	1,281	2.70%
\$10,000-\$14,999	25	1.00%	93	1.00%	775	1.60%
\$15,000-\$19,999	28	1.10%	111	1.20%	949	2.00%
\$20,000-\$24,999	36	1.50%	149	1.60%	1,279	2.70%
\$25,000-\$29,999	44	1.80%	172	1.90%	1,465	3.10%
\$30,000-\$34,999	32	1.30%	162	1.80%	1,409	3.00%
\$35,000-\$39,999	50	2.00%	197	2.20%	1,195	2.50%
\$40,000-\$49,999	186	7.50%	667	7.30%	2,688	5.70%
\$50,000-\$59,999	105	4.20%	504	5.50%	2,764	5.80%
\$60,000-\$74,999	152	6.20%	633	7.00%	3,755	7.90%
\$75,000-\$99,999	351	14.20%	1,149	12.60%	6,149	13.00%
\$100,000-\$124,999	305	12.30%	1,159	12.70%	5,453	11.50%
\$125,000-\$149,999	272	11.00%	1,029	11.30%	4,493	9.50%
\$150,000-\$199,999	352	14.20%	1,248	13.70%	5,885	12.50%
\$200,000-\$249,999	196	7.90%	662	7.30%	2,944	6.20%
\$250,000-\$499,999	256	10.30%	870	9.60%	3,861	8.20%
\$500,000+	61	2.40%	204	2.20%	919	1.90%
Total	2,477	100.00%	9,102	100.00%	47,264	100.00%

Competition



COMPETITIVE MARKET SUMMARY ABC GOLF CLUB APRIL 2018

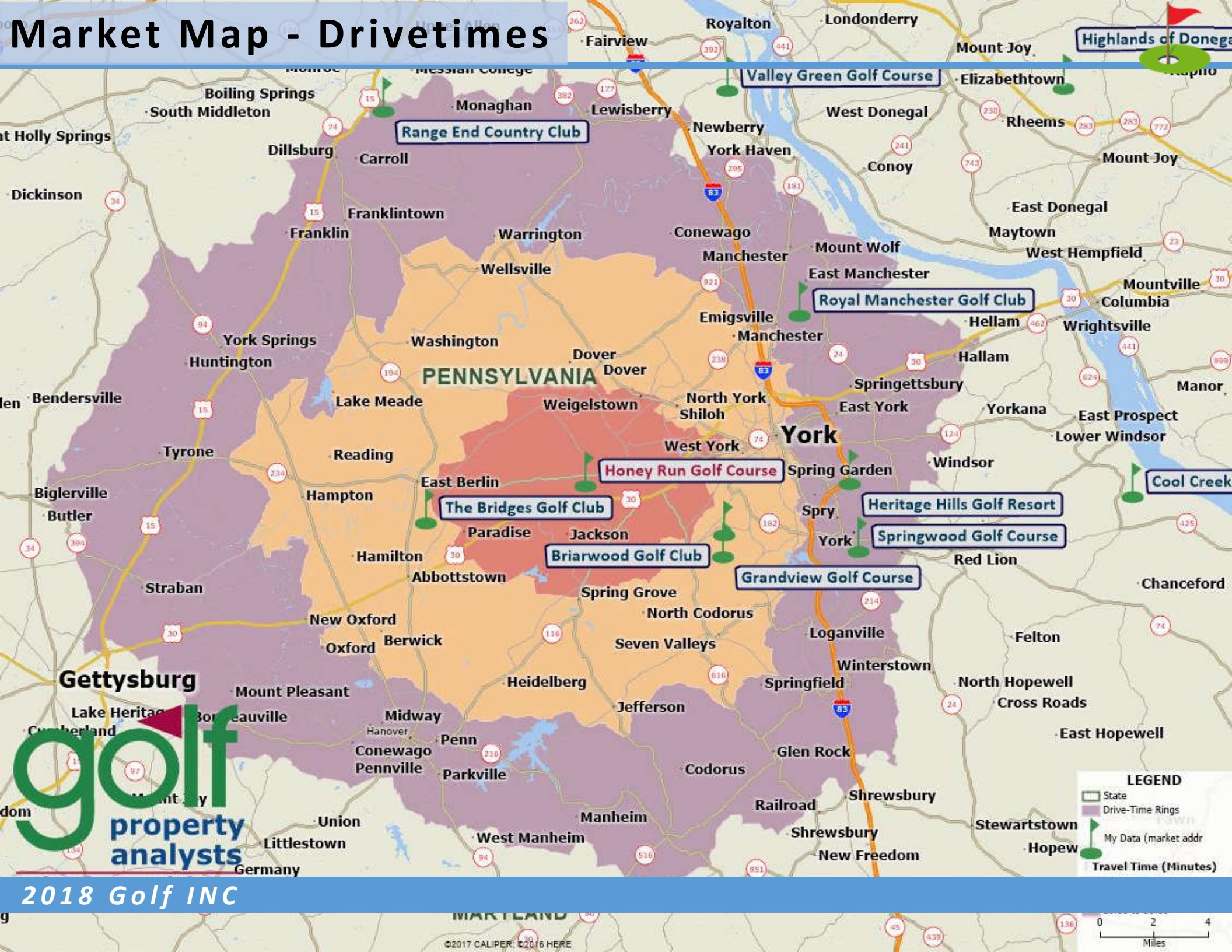


Name of Course	# Holes	2017 Rounds	Wkday GF 18	Wkend GF 18	Cart Fee/18	Cart Season Single	Cart Season Family	% Cart Rnds	Annual Pass Single	Annual Pass Family	# Golf Mbrs	Gross Revenue/Round
Golf Course # 1	18	19,957	\$59.00	\$59.00	\$20.00	\$600	\$800		\$2,899	\$3,899		\$170.37
Golf Course # 2	18	27,930	\$29.00	\$37.00	\$16.00	\$400		70%	\$1,050		70	\$66.24
Golf Course # 3	18	32,250	\$35.00	\$43.00	\$19.00			68%	\$1,200		25	\$44.19
Golf Course # 4	18	22,000	\$35.00	\$40.00	\$12/\$19	\$500	\$755	70%	\$1,500	\$2,500	69	\$150.00
Golf Course # 5	18	31,000	\$85.00	\$85.00	Included	\$100	\$100	68%			304	\$33.23
Golf Course # 6	18		\$35.00	\$40.00	\$35.00			75%	No annual passes available		0	
Golf Course # 7	18	45,000	\$33.00	\$36.00	\$17.00	\$850			\$1,500		100	\$35.67
Golf Course # 8	18	31,000	\$59.00	\$72.00	\$20.00			68%				\$64.52
Golf Course # 9	18		\$100.00	\$100.00	\$19.00	\$750	\$1,050		\$3,495	\$3,935	65	
Golf Course # 10	18	20,500	\$39.00	\$46.00	\$16.00	\$650			\$2,750	\$3,250		\$120.24
Subject Property	18	37,041	\$65.00	\$65.00	\$20.00	\$575		45%	\$3,000	\$4,600	570	\$98.20

2018 Golf INC



Market Map - Drivetimes



The Golf Course



- Location
- Site
- Resources
- Access
- Condition
- Quality
- Advantages/Disadvantages



- **Historical Performance**
- **Trends**
- **Satisfaction**
- **Staff**
- **Marketing**

Market Positioning - SWOT



SWOT Analysis - Golf Property Analysts

ABC GOLF CLUB

Criteria

Advantages of facilities?
Competitive advantages?
Resources, Assets, People?
Membership/Customer Base?
Financial reserves, likely returns?
Marketing - reach, distribution, awareness?
Innovative aspects?
Location and geographical?
Price, value, quality?
Awards/Recognitions?
Technology/Communications?
Cultural, attitudinal, behavioral?
Tools/Equipment?
Reputation/Market Perception?
Historical Performance?
Depth of Market & Competition?

Strengths

Weaknesses

Criteria

Disadvantages of facilities?
Competitive disadvantages?
Resources, Assets, People?
Membership/Customer Base?
Financial reserves, likely returns?
Marketing - reach, distribution, awareness?
Innovative aspects?
Location and geographical?
Price, value, quality?
Awards/Recognitions/Criticisms?
Technology/Communications?
Cultural, attitudinal, behavioral?
Tools/Equipment?
Reputation/Market Perception?
Historical Performance?
Depth of Market & Competition?

Criteria

Market developments?
Competitors' vulnerabilities?
Industry or lifestyle trends?
Technology development and innovation?
Global/Market influences?
New markets, vertical, horizontal?
Niche target markets?
Additions/Upgrades to Facilities/Programs?
Marketing?
Information and research?
Partnerships, agencies, distribution?

Opportunities

Threats

Criteria

Political effects?
Legislative effects?
Environmental effects?
IT developments?
Competitor intentions - various?
Market demand?
New technologies, services, ideas?
Vital contracts and partners?
Sustaining internal capabilities?
Obstacles faced?
Insurmountable weaknesses?
Property Constraints?
Loss of key staff?
Sustainable financial backing?
Economy - home, abroad?
Seasonality, weather effects?
Capital Needs?

Market Positioning- Conclusion



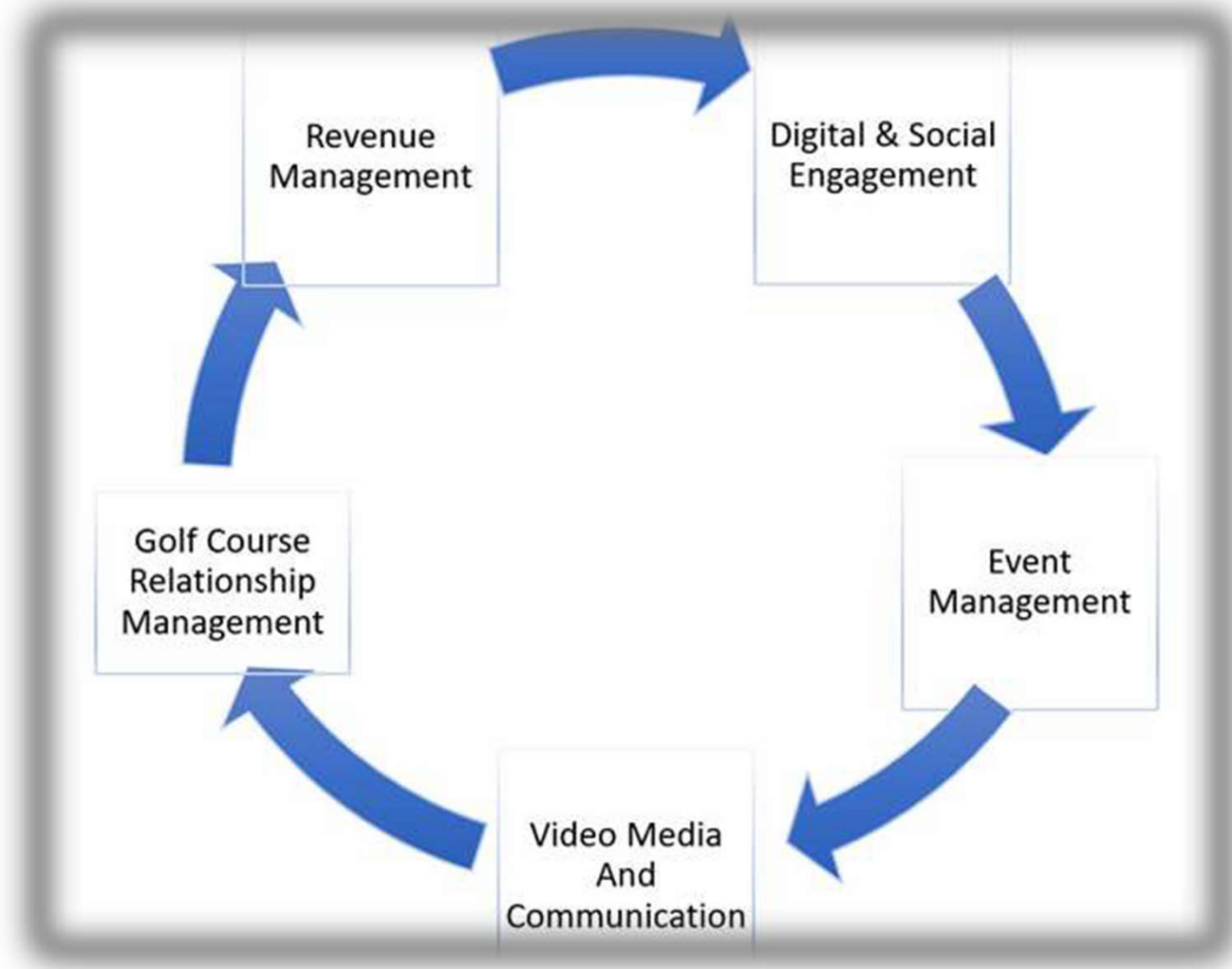
- Culture
- PR to SP
- SP to DF
- DF to PR
- Renovate/Upgrade
- Pricing
- Add Facilities
- Expand Marketing
- Alternative Use
- Sell



MARKETING ESSENTIALS FOR TODAY'S GOLF INDUSTRY

- REVENUE MANAGEMENT
- DIGITAL & SOCIAL MEDIA
- LOYALTY-DIRECT TO CONSUMER PLATFORMS
- TECHNOLOGY SOLUTIONS
- CUSTOMER FEEDBACK
- NON-TRADITIONAL REVENUE STREAMS





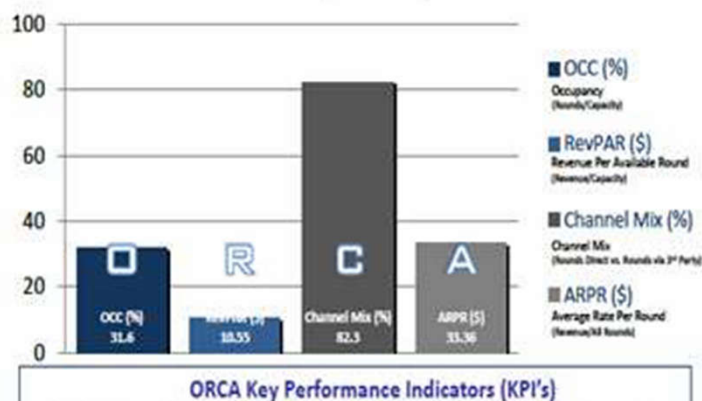


ROM DIVISION

THE ORCA REPORT

Rounds and revenue performance data supplied by 38 golf courses in the Phoenix, Arizona market as of June 2016. Do you know your KPI's? Do you know where you stack-up amongst your competitors? Subscribe to The ORCA Report and know.

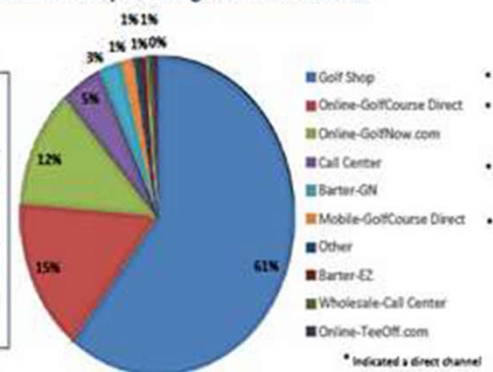
Results for Phoenix (Prescott) DMA – June 2016



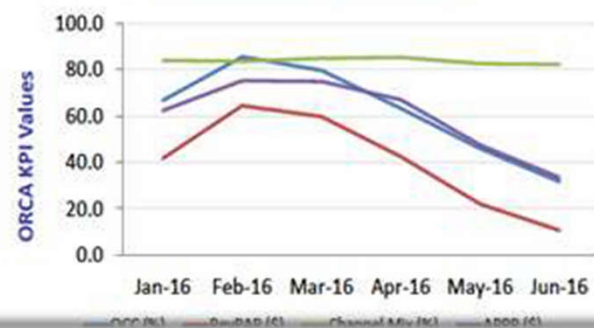
A Key Performance Indicator is a business metric used to evaluate factors that are crucial to the success of an organization. In our case occupancy, revenue per available round, channel mix and average rate per round.

What channels are producing the most rounds?

What are you doing to drive more rounds to your website and your mobile app? Rounds booked via the telephone are still the largest (and most expensive) channel. How do you compare?

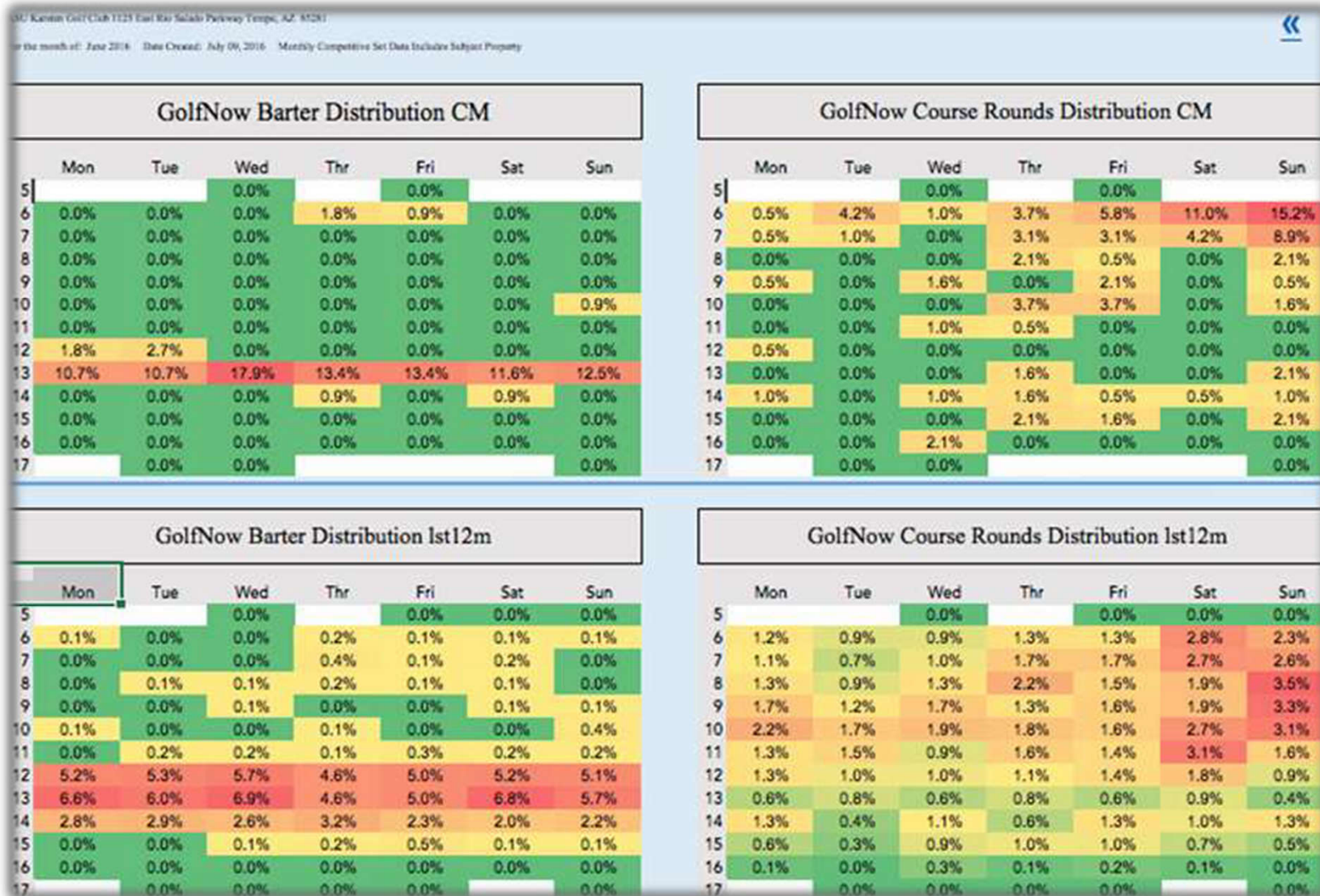


ORCA KPI Trend Year to Date 2016





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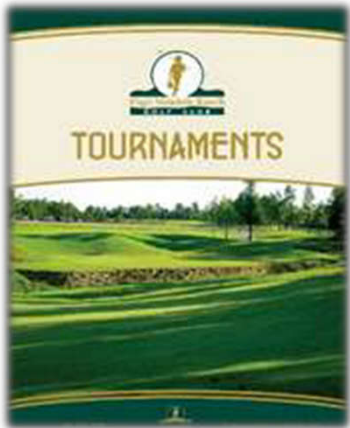


DIGITAL & SOCIAL MEDIA



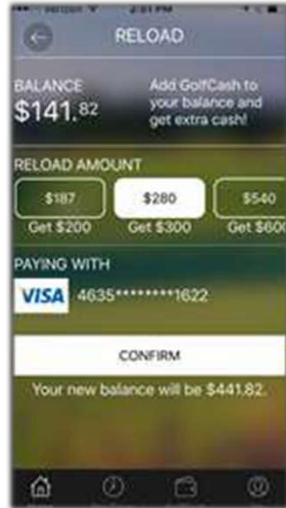
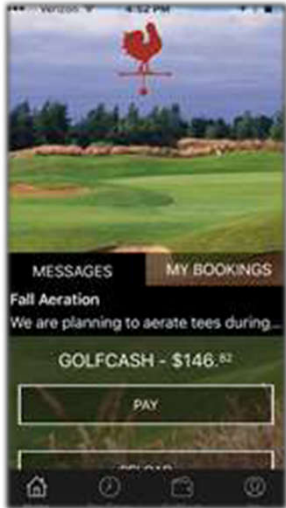


DIGITAL & SOCIAL MEDIA



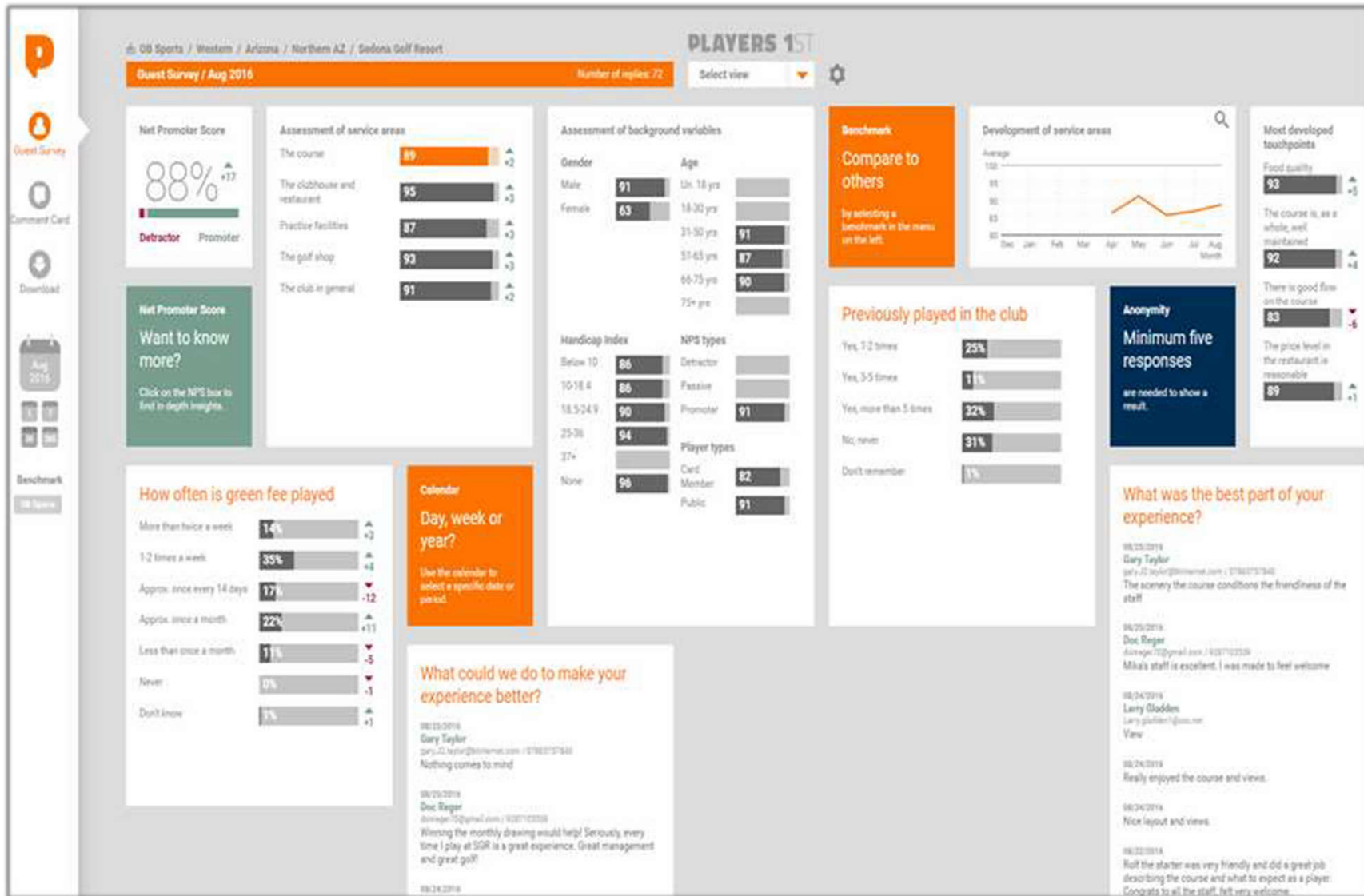


TECHNOLOGY SOLUTIONS





SURVEY TOOL





NON-TRADITIONAL REVENUE





How to understand the true potential of a golf facility?

- Market Impact
- Instant Margin
- Operational Margin
- Your upside





Instant Margin - Low hanging fruit

- RE Taxes
- Insurance
 - Heath
 - General Liability
- Leases
 - Capital
 - Operating
- Utility Bills
- Carts
- Management Fees
- Procurement Relationships





Operational Margin - Key Matrix

- Total Labor to Total Revenues
 - 35% to 40%
- Total Departmental Expenses to Total Revenues
 - 30% to 35%
- COG% (Cost of Goods)
 - Merchandise
 - 60% to 66%
 - Food & Beverage
 - 31% to 37%
- Inventory
 - Merchandise, F&B, and Agronomy





Your upside

- Instant Margin Savings
- Operational Margin Savings
- Tee Sheet Management
 - Golf Groups
 - Effective Reach
 - 100% Margin
- Membership Growth
- Database Collection





Tee Sheet Management Strategy:

INVENTORY ANALYSIS

- Tee Sheet Capacity

PRICING ANALYSIS

- The Market

RATE CHANNEL ANALYSIS

- The Margin

**Inventory
Analysis
BENEFITS**



TEE SHEET STRATEGY OVERVIEW

- The questions (BG6) every golf operator should ask themselves every week.



The BG6:

- Weather Forecast
- Current Market
- Competition Pricing
- Seasonality
- Utilization Rates (% sold)
- Reach
 - What platforms will we reach our customers?
 - How do we effectively utilize?
 - What is our messaging?
 - Are we actively collecting?
 - Emails
 - Cell Phones
 - Facebook Followers
 - Control the customer data





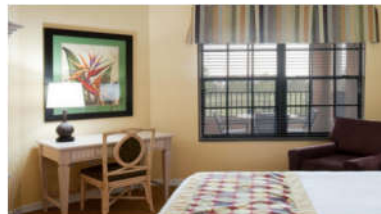
STAY & PLAY at ORANGE LAKE RESORT **browngolf**

Staying at Orange Lake Resort and teeing off on any of our four unique golf courses has never been easier. Play our sought-after Arnold Palmer Signature course, The Legends, or tune your shot making skills at The Reserve. Then head over to Cranes Bend, an executive 9-hole par 3 course featuring three, par 4's and wrap up at the Legends Walk at night and enjoy the only lighted 9-hole par 3 walking course designed by Arnold Palmer in the area. With 54 Holes of golf located on property, we offer the areas best golf vacation packages.

Our resort offers you the best in Orlando vacation lodging ranging from studios to spacious 3-bedroom villas. Orange Lake Resort villas offer amenities such as fully equipped kitchens, a dining room/living room area with a sleeper sofa, a furnished patio or balcony and more.

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- Studio & 1-3 Bedroom Villas
- Fully Equipped Kitchens
- Dining Rooms
- Living Rooms with Sleeper Sofas
- Furnished Patio or Balcony
- Full-Sized Washer and Dryer
- Spa Tubs Available
- High Speed Internet Access



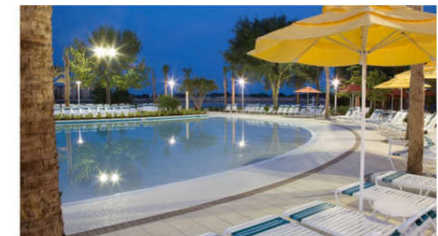
Standard Stay and Play packages include two rounds of golf per night booked and can be redeemed at any of the four golf courses located on property. Additional rounds are available at discounted rates.



- 54 Golf Holes Located on Property
- Two 18 Holes Championship Courses
- Arnold Palmer Signature Course
- Two 9 Hole Executive Courses
- Night Golf at Legends Walk
- Three Retail Golf Shops
- Titleist Rental Clubs Available
- Two Full Length Driving Ranges

Located near Disney, Orange Lake Resort offers more than just great golf. You'll love our 9 different restaurants/dining options, 7 pools- including water slides and a lazy river, four golf courses, three arcades, three fitness centers, two mini golf courses, daily activities in the kid's center and more.

- 9 Restaurants
- Billiards
- Raquetball
- 7 Outdoor Pools
- Lazy River
- Outdoor Whirlpools
- River Island Fun Zone
- 3 Fitness Centers



The best Orlando theme parks and attractions are an easy drive away. Enjoy Disney Springs shopping and dining options including Planet Hollywood and House of Blues. Plus, Epcot, Disney's Animal Kingdom and more, Universal Studios Florida, Universal's Islands of Adventure, plus the new Universal's Volcano Bay water theme park are also guest favorites. Add SeaWorld Orlando, Aquatica, and LEGOLAND and you've got an incredible vacation getaway



- Walt Disney World Resort
- Aquatica Water Park
- Discovery Cove
- Gatorland
- Orlando Prime Factory Outlet
- SeaWorld Orlando
- Universal Orlando Theme Parks
- ESPN Wide World of Sports

STAY AND PLAY GOLF

TEE OFF ON FOUR UNIQUE GOLF COURSES. PLAY THE ARNOLD PALMER SIGNATURE COURSE. THE LEGENDS OR TUNE YOUR SHOT MAKING SKILLS AT THE RESERVE LIGHTED COURSE FOR NIGHTIME PLAY. TWO ROUNDS OF GOLF PER NIGHT BOOKED PLUS GREENS AND CART FEES. EXTRA PERSON ROUNDS AVAILABLE FOR PURCHASE THROUGH THE PRO SHOP.

Average Nightly Rate **\$249.00** (USD)

Show Available





121
Marketing

THIRD PARTY DATABASES



GOLFNOW



INTERNAL DATABASES



SOCIAL MEDIA FOLLOWERS



NONE OF THIS WORKS WITHOUT “REACH”

