



## TASK FORCE SUB-COMMITTEE MEETING – GENERAL MANAGERS

21 APRIL 2020

### 1. THE SUBCOMMITTEE:

Chairperson:

Derick Reinke: Umhlali Country Club

Committee:

Jeff Clause: St. Francis Links Golf Club

Ryan Reid: Fancourt Golf Estate and Resort

Chris Bentley: Royal Johannesburg and Kensington Golf Club

David Riddle: Koro Creek Golf Estate

Cassie Viljoen: Royal Cape Golf Club

Wayne Krambeck: Zimbali Lakes

Invited Guest:

Monique Landman Chief Empathy Officer – Unchain Power

### 2. CONCERNS AND THOUGHTS:

- The responsibility lies with the General Manager for the Safety and health of customers and staff. To ensure they understand the current regulations and safety measures.
- Pricing concerns:
  - Membership reprieves for lockdown period (Queries and questions).
  - Discounting on green fees and membership packages.
  - Estate levies:
    - Will this be affected?
    - How do you manage non-payment of levies?



- Cost cutting and cashflows:
  - Course Maintenance. Is a 5-star rating still relevant?
  - Staff.
- Possible travel restrictions:
  - International trade for Western/Southern/Eastern Cape, Durban and out of province trade for outlining clubs.
    - Concerns on how long this will take to return to normal.
    - Large portion of destination Clubs revenue is from travel.
- Corporate business:
  - Immediate future not looking positive.
    - Conferencing;
    - Golf days;
    - Events.
- Opportunity to show the value of your leadership during this period.
- Mergers and acquisitions of Club could be on the cards.

Short Term: (Within the first month of post lock down)

- Focus is on how to keep jobs;
  - Staff and caddy assistance
- Majority of opinions are that staff jobs will be safe but one opinion is that retrenchments are already being investigated.
- Golf will be in high demand early on but as soon as reality sets in this will drop off as people become aware of personal situations.
- How will access control onto the golf facility/estate be managed in this period?
  - Staff screened;
  - Caddies screened;
  - Golfers and visitors screened;
  - Partner with signage companies to provide assistance to industry.
- Golf to be the only activity available in the short term.
- No restaurant/catering activity to happen in the short term:
  - With F&B not available other ideas will have to be found;
    - Pre packed meals available before tee off on tee;
    - Frozen pre-made meals available to members for taking home post golf;
    - Stations on golf course for soft drinks;

- Health and safety procedures will be of high priority during this period;
  - GM will have to ensure all is in place during this time as the responsible person;
    - Screening people before entering;
    - Masks for all staff and possibly customers as well;
    - Screens in pro shop;
    - No locker rooms available;
    - 1 tee starts at a decent time interval.
- Constant communication to members, staff and visitors to ensure they are comfortable in the surroundings and feel safe to utilise facilities.
- Business will not be the same and there will need to be creative thinking surrounding the new normal.
- People will be focused on personal finances and getting lives/businesses back on track.
- Big focus will need to be on cost cutting and adding value to the offering.
- Creative ways of playing golf within the social distancing protocols;
  - Shorter versions of golf, 12, 9 or 6 holes.
- Focus will need to be on “BACK TO BASICS”;
  - Service;
  - Golf course maintenance;
    - What is really necessary for playability?
    - Opinions are that Golf course maintenance will change to doing only the necessary but communication will be key to members and visitors.
- Some Clubs will be fortunate to have resources available to look after staff and their families while other Clubs will have to show solidarity to their staff and caddies by way of fundraisers to assist the staff and their community.
  - Ideally these Clubs are working on operational plans to not utilise funds available.
- Budgets will be done with the view that no outside revenue will be generated in the short term.
- Post lock down greenfees;
  - Most opinions are to not reduce greenfees as this will not assist the business;
  - A re-alignment of greenfees needs to be looked at for the international market as the international market has been discriminated against in the past and this will possibly happen in the short to medium term.

#### Mid-term: (2 to 6 months after removal of lock down)

- Retrenchments / salary cuts a possibility.
- Clubs based in tight communities will have to scrutinise how they approach the staff and caddies as they have a social responsibility in this regard as the heart of their community. Retrenchments will negatively impact the entire staff community.
- Industry will be rightsized in the short to medium term.
  - Clubs with multiple courses will relook at machinery compliment and the tee off time structures to cut costs but not affect the expected product.
- No capex and projects in the mid-long term. All will be put on hold.
- The creative creation of events and reasons to visit the Club will become key.
  - Contacting your current corporate events and suggest small, niche events within the social distancing protocols allowed. Be proactive in this regard.
- Corporate business in the medium to long term will be affected and is a big concern.
- Continued cost cutting:
  - Current reduced staff on course has highlighted some difficult decisions that need to be made as the course condition has not changed, bearing in mind that no golfers are on course to affect productivity/playability.
  - Short shifts going forward may be an option.
  - Looking at facility and closing on possible days that are quiet to reduce costs.
  - Possible forced closure of certain facilities during a period of the year to reduce costs.
- Adding value to golf groups.
- Engage with tour operators and be creative with packages. Work with your fellow facilities to create options.
- Estates will not look at any property developments and will have to be factored into the budgets.
- Foreign business will be a big concern medium to long term for the destination Clubs.
  - How do you fill this void?
  - Work with smaller groups will be an option?
- Local travel will possibly resume during the medium term.
  - Clubs need to work together to play and promote each other in the destination sphere.

#### Long term: (6 months and onwards post lock down)

- Most views are that the long term is not at the front of the mind currently.
- Clubs will be under pressure to maintain leisure facilities.
- No capex and project will happen in the long term.



- Opinion is to work back from September 2021 as this is expected to be see a possible return to normal.
- Opinion is that it'll take 2 years before international travel will return to normal.
- Golf courses with onsite accommodation/hotels will relook at models as the models are built on international / foreign trade.
- Building relationships with tour operators.
- Possibility of some Clubs looking at merging some operational services.

### 3. ACTIONS/RECOMMENDATIONS/SOLUTIONS:

Identifying options/recommendations/solutions to inspire fellow PGA Members.

- Health and Safety implementation and communication will be vital.
- Business Restructuring in the short/mid-term.
  - Golf Course maintenance:
    - Reduce frequency of cutting;
    - Reduce frequency of cultural practises;
    - Provide good greens and tees;
    - Making all bunkers waste bunkers for a period to reduce maintenance costs;
    - Less attention to detail may be required;
    - Current situation has highlighted that quantity of staff can be looked at;
    - Look at machinery compliment and tee sheet management.
  - Staffing:
    - Saving jobs are top priority but long-term closures will give way to difficult decisions such as:
      - Reducing working hours rather than cutting jobs;
      - Look at giving leave now. Possibly even offering upfront sick leave;
      - Early retirement packages?
      - Look at entire operation and productivity of the staff;
      - Last option to be retrenchments in the long term;
      - When above is investigated the best staff needs to be retained?
- Levies:
  - Estate levies not to be reduced as this impact on security, infrastructure, maintenance and property values;
  - Special subscription levies should not be an option in the long term;

- Member Subscription Reprieves:
  - Potential of no annual increases in some areas of the subscriptions.
  - The course was still maintained during lock down and club related cost of sales were still incurred.
  - If the course is closed for an extended period then some sort of reprieve may have to be considered or additional value offered.
  - The club's constitution may dictate the response.
- GolfRSA Affiliations Fees:
  - Maintain payment of fees within the guidelines provided.
  - Clubs are only the collecting agent on behalf of the unions and therefore the money must be paid.
- PGA Teaching Professionals:
  - Rental is currently a % of turnover.
  - Potential rental holiday for a period of 3/6 months as an option.
  - No payment of rental during the lock down period and promote resumption of services to the membership on end of lock down.
  - Clubs should use their teaching professionals to actively engage with their members post lockdown and work on a retainer basis.
  - Actively promote utilising the club's social media platforms and booking systems.
- Value add:
  - Adding value to a person should not come with an expectation of a return. Therefore, we should add value to all golfers even if it does not correlate into an increase in participation/spend.
  - Offer all medical staff, doctors, nurses, police and all related services complimentary golf as a thank you.
  - Survey the Members. Make members feel good, valued and included (cared for in a safe environment) while driving FUN!
- Team Sports will not be played, what opportunities are available:
  - 9-hole sundowner event once a week where a golfer must bring a non-golfer with the selling point as the healthy choice.
  - Potential for team events at the course that remain within the social distancing requirements.
  - Outdoor gym facilities?
  - Running tracks/relays?
  - Introduction to golf clinics on weekends in smaller groups/families.

- Convert people who play team ball sports into the game of golf. They need to be made to feel that they belong from the first introduction.
- Morning yoga classes on the fairway?
- Grow golf as a safe social distancing outdoor sport.
- People who enjoy the outdoors may have the golf course as their only option for a period.
- Communication
  - Managing the experience and expectations of members and guests
  - This is key for people to feel safe at the facility
  - Build relationships with travel operators and suppliers

#### 4. Meeting close.

Key thought for growing long term.

Derick: Health and safety of the staff and customers is of high priority. This needs to be communicated correctly that people feel safe at your facility.

Chris: The rightsizing of golf clubs will occur and needs to be look at within each Club and this will have to be managed with the members and guests in what their expectations are. The travel, eventing, corporate business will be under huge pressure.

Jeff: Adding value will be more important than ever.

Ryan: Team sports will not be played for a while. Golf is one of the only sports where social distancing protocols can be managed appropriately. This needs to be exploited as a positive for the sport.

David: The adding of value is important within the COVID-19 limits. The experience now is more important than ever.

Cassie: Marketing of golf post COVID-19 will be an important factor

Monique: Survey your members to find out from them what will make them feel safe when returning to play golf at the Club.

How can you help them feel safe?

People are craving human interaction.

Technology going forward will be key for future business operation.

You either enhance your customers time by creating a memorable round and save their time with digital convenience.

How do you sell more rounds? By making sure that every round is a memorable one.