

# **A Business Situational Analysis of Tehidy Park Golf Club (March/April 2023)**

## **1. Introduction**

Understanding our club's business situation is an important part to help plan its future. Undertaking such an exercise helps the Board better understand where the Club is, and which direction it should go. It is an integral part of our strategic planning and I have used it to help produce Draft 1 of our 5-year strategic plan.

Although the below information does not provide everything we would want to know, it gives the Board a brief oversight of some key areas. As our work develops, we will obtain further information from our consultants, analysis of our finances, the data on the Club V1 App, focus groups, membership meetings, and surveys. This information will allow us to review and refine our thinking and decision making over the course of our pre- & post-business plan implementation work.

This report focuses on:

- 🕒 Potential Significant Financial Impacts.
- 🕒 A SWOT analysis.
- 🕒 High level financial trends.
- 🕒 Membership and year-end financial data.
- 🕒 What Members want and do not want.
- 🕒 Competitor analysis.

Based on the analysis, plan objectives are highlighted at the end of the report.

## **2. Potential Significant Financial Impacts**

Undertaking the following would have a significant impact on the Club's finances if they occurred over the next five or more years:

- 🕒 Fully replacing the course irrigation and lake management system. Professional advice has indicated the need for this is highly probable in 5 - 7 years. This would cost several hundred thousand pounds. The relatively recent cost to Perranporth was about £250,000 and West Cornwall about £400,000. There are no capital reserves or budget provision to pay for this at this time.
- 🕒 Maintaining and developing the course. It is strongly anticipated that associated costs for this will rise at a higher rate of interest than the general inflation rate.
- 🕒 Developing and refurbishing the clubhouse and wider estate needs to be undertaken to retain and attract members. A full report is awaited.
- 🕒 Selling the club's property at Portreath would generate a substantial one-off financial gain. A cost benefit analysis should be undertaken around this.

## **3. SWOT Analysis**

Our SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats) is designed to identify what we are good at, what we can do better, as well as the things which may have a positive or negative impact on our Club. It would be good to test this at any meeting with the Club's membership. It would be advantageous if other Board members added to/amended.

Strength	Weakness
<ul style="list-style-type: none"> <li>☐ Relatively large membership.</li> <li>☐ Well maintained &amp; presented course.</li> <li>☐ Good, hardworking and loyal employees.</li> <li>☐ Strong volunteer engagement</li> <li>☐ Good reputation.</li> <li>☐ All year-round playability.</li> <li>☐ Visitor friendly.</li> <li>☐ Sociable environment.</li> <li>☐ Good catering.</li> <li>☐ Profitable bar service.</li> <li>☐ Experiences and knowledgeable golf professional.</li> <li>☐ Good customer service.</li> </ul>	<ul style="list-style-type: none"> <li>☐ Lack of investment capital for the course, clubhouse facilities, members and visitors.</li> <li>☐ No club development plans for members, the course and estate &amp; facilities.</li> <li>☐ Little or no governance structure since incorporation.</li> <li>☐ No delegation protocols.</li> <li>☐ No budget planning or financial strategy.</li> <li>☐ Little or no policies in place.</li> <li>☐ No clear vision of what our club is and where we want to go.</li> <li>☐ No club values.</li> </ul>
Opportunity	Threat
<ul style="list-style-type: none"> <li>☐ Expanding the range of amenities and services offered</li> <li>☐ Leveraging technology to improve the membership experience.</li> <li>☐ Developing partnership opportunities</li> </ul>	<ul style="list-style-type: none"> <li>☐ Competition from other clubs</li> <li>☐ Cost of living crisis that could impact membership numbers.</li> <li>☐ Insufficient finances to take club forward.</li> <li>☐ Loss or reduction of service from our retained businesses.</li> <li>☐ Resistance to Change from some members.</li> </ul>

Not included in the above SWOT analysis are issues and discussions around the Club's tradition and heritage versus modern expectations of our members. These issues could be placed in any of the four categories but are probably best dealt with in defining our values within the Strategic Plan.

#### 4. High-level Financial Trends

A high-level review of the Club's accounts over the last five years has identified the following major increases in income and expenditure:

**Income:** Memberships, Green Fees, Utilities, Competitions & Bar Sales.

**Expenditure:** Legal & Professional fees, Irrecoverable VAT, Depreciation, Salaries & Cleaning & Refuse.

#### 5. Membership and Financial Year-End Data.

The following table provides additional information about membership numbers and fees (on renewal) and cash in hand and profit & loss at year end over the last five years:

	2018	2019	2020	2021	2022	2023 (Forecast)
Membership Numbers	505 (Estimation)	496 (Estimation)	616 (Estimation)	673	675	660

(Golfing Members Only)						
Membership Fees	£607	£607	£619	£619	£659	£720
Cash in hand (in the bank) at year end	£168,123	£203,156	£205,698	£245,371	£195,425	£189,106
Profit and Loss at year end	-£5,742	-£8,788	-£21,893	£9,785	£20,369	£19,695

## 6. What members want and do not want.

National research has identified what members want and what they do not want in their clubs. These will be tested in upcoming membership surveys at our Club:

Want	Do not want
<ul style="list-style-type: none"> <li>☉ Well maintained course, available all year round.</li> <li>☉ Administratively well run.</li> <li>☉ Comfortable club house and a range of facilities (locker rooms, pro-shop, dining and practice).</li> <li>☉ Good customer service and friendly staff.</li> <li>☉ A variety of different social activities.</li> <li>☉ Value for money.</li> <li>☉ Opportunities to play competitive golf.</li> </ul>	<ul style="list-style-type: none"> <li>☉ Poor course conditions.</li> <li>☉ Too many course closures.</li> <li>☉ Restricted tee times</li> <li>☉ High fees</li> <li>☉ Limited use of the clubhouse and amenities.</li> <li>☉ Cliques or exclusionary behaviour.</li> </ul>

## 7. Competitor Analysis

We have to be aware of what our market competition is in relation to other 'local' golf clubs. However, it must always be remembered that our 'competitors' also include other local sporting and social venues and clubs.

Many of these are more commercially than membership driven and therefore focus more on attracting customers. Their branding, PR, messaging, influencing and advertising are far better than ours and most other member golf clubs. Geographically speaking (based on a presumption of how far people within our catchment area are prepared to travel), our main golf club competitors are:

- ☉ Truro.
- ☉ Perranporth.
- ☉ West Cornwall.
- ☉ Falmouth.
- ☉ Newquay.

There are also nine-hole courses at Radnor and Hayle with driving ranges and professional golf services.

On the face of it, there is very little evidence that there is any significant movement of members between clubs based on fees. However, we are now in a cost-of-living crisis, and this could become a greater issue. Most members of all these clubs seem to remain loyal and probably live in close proximity to their club of choice. It is difficult to make any financial or administrative comparisons as all these clubs have different facilities, operating models and revenue streams.

Anecdotally however, it appears that a large number of our members use the facilities, driving ranges and golf services (particularly lessons) at these venues. This is an area that we should explore further in our upcoming membership survey.

### Competitor Green Fees

Club	Weekday	Weekend
<b>Tehidy</b>	<b>£45</b>	<b>£55</b>
Bowood	£50	£45
Bude	£45	£50
Carlyon Bay	£60	£60
China Fleet	£40	£50
Falmouth	£45	£45
Lanhydrock	£42	£48
Launceston	£40	£45
Looe	£40	£40
Merlin	£39	£36
Mullion	£75	£75
Newquay	£50	£50
Perranporth	£65	£55
The Point	£50	£47.50
St Austell	£40	£45
St Enodoc	£135	£145
St Mellion	£30-90	£50
Trethorne	£45	£45
Trevose	£100-125	£125
Truro	£37.50	£42.50
West Cornwall	£50	£60
Whitsand Bay	£35	£35

## 8. Conclusions

This brief business situational analysis needs to be repeated when we have more data available to us and then on a regular basis. It is not a document that should be relied on wholly to develop our strategic plan as we should focus on what our members want and what we can deliver. It is, however, a good starting point and assisted in highlighting the following areas that we should be considering for inclusion in the strategic plan:

- 🕒 Having a simple but impactful vision of what the club is all about.
- 🕒 Values that include focusing on members, trust and respect.
- 🕒 Clear governance framework with clear lines of accountability and delegation.
- 🕒 Sound financial planning and management with a clear risk management structure.
- 🕒 Consider opportunities for more revenue streams.
- 🕒 Creating a databank of membership and financial information.
- 🕒 Numerous policies across all aspects of our business.
- 🕒 Developing and maintaining the course based on professional advice.
- 🕒 Focusing on our membership experience.
- 🕒 Maximising the use of the course with different types of membership categories and green fees. (Memberships are currently riding the crest of a wave and while this continues, we should do everything we can to maximise the financial potential of FULL memberships. This situation can change, and we need to be ready to adapt if it does).
- 🕒 Developing and upgrading the clubhouse and facilities to improve the membership experience and protect our assets.
- 🕒 Freeing up the General Manager to deliver day to day operations and the strategic plan.

- ◉ Working closely with the club professional and caterers to maximise mutually beneficial goals.
- ◉ Undertake a cost benefit analysis of our residential property at Portreath and reviewing our wider estate.

Steve Harrison

March 2023.