



STOCKSFIELD GOLF CLUB LIMITED

5 YEAR BUSINESS PLAN

CONFIDENTIAL

Version 1 December 2018

Version 2 January 2021

EXECUTIVE SUMMARY OF FIVE YEAR PLAN

Stocksfield Golf Club was formed in 1913 and is therefore more than 100 years old. It is located in the beautifully scenic Tyne Valley and is often referred to as The Jewel in the Tyne.

Situated about 17 miles west of Newcastle it is a private member's golf club with 18 holes of beautifully maintained golf course having stunning views across the Tyne Valley. There is a well-stocked Golf Professional's shop and a recently refurbished clubhouse for bar and catering facilities providing refreshments, snacks and bar meals all day. We have a south facing sun deck where al fresco eating and drinking adds the perfect finish to the day.

A 5 year plan was created in order to identify objectives, strategies, marketing and financial forecasts in an increasingly competitive environment.

The business plan will help to clarify ideas and spot potential problems.

It is produced by the Management Committee and reviewed on a regular basis with progress on the plan communicated to members via newsletters, web site etc.

S.W.O.T. Analysis

Prior to production of the plan a SWOT (Strengths, Weaknesses, Opportunities and Threats) was carried out which would identify what we are good at, what we can do better, as well as the things that may have a positive or negative impact on the Club. The analysis included input from the members given via a comprehensive survey carried out by England Golf.

Strengths

Loyal Membership, Challenging but fair course design, wonderful views and scenery, visitor friendly, number of appropriate membership categories, welcoming and friendly environment, online tee booking system, buggy availability, comfortable recently refurbished clubhouse and first-class catering service

Weaknesses

Lack of available funding for clubhouse and course development, membership age profile, shortage of junior members, shortage of lady members, inadequate car parking facilities, more buggies required together with paths throughout the course to make usage of them safer, poor practice facilities, wet course that suffers in winter (especially front 9), car park golfers spending little time / revenue in clubhouse

Opportunities

Need to attract more ladies, juniors and younger members, school liaison, family golfing events, expansion of corporate membership, improve communication with members, improve IT systems and make better use of social media, promotion of Club's strengths, need to maximise income from visitors

Threats

Ageing membership, economic climate, work / life balance, nomadic golfers choosing which club can offer (temporary) best deal, other sports, Independent Golfers handicap system, number of golf courses and clubs in area, lack of ability to market the Club's strengths effectively.

Business Overview

Stocksfield Golf Club is a small business operating in a highly competitive, rapidly changing market. Nationally, the numbers of traditional golf club members have been diminishing and replaced by price sensitive consumers who are prepared to hunt out the best deal at any given time for golf and to satisfy a more social, non-competitive golfing need.

In 2020 the impact on sport caused by the COVID-19 pandemic and associated “lockdown” periods saw a considerable number of people who participated in team sports turn to golf as a sport they could play. The Club were able to offer short term and longer-term deals to attract possible members which would offset the losses caused by course closure, clubhouse closure and loss of interest from existing members unable to play golf as often as they could. The Management Committee have, therefore, done a complete review of the existing Business Plan which was based mainly on what is now a failed Land Development Project. The emphasis must be on putting the club on a firmer financial footing moving forward.

Issues which need to be addressed:

- How to retain and grow membership
- Unpredictable take up of casual tee times and falling (or static) green fee income
- Falling or static income generated from Bar takings and social events
- The need to increase revenue from other sources, fund raising, grant funding
- Monitor closely all expenditure - clubhouse running costs, course maintenance costs, staffing costs
- Reduce (and ultimately remove) dependence on bank overdraft
- Continue course maintenance and improvements including pathways which allows increased use of buggies
- Need for provision of additional Golf Buggies – ageing population and reliance on buggies to retain membership.

Sustainability

The Club has taken a critical review of its business with the objective of making the Golf Club financially sustainable via:

- a) Looking after and retain our core loyal member base
- b) Continuing to attract “traditional” members.
- c) Attracting nomadic golfers i.e. those who do not see the benefits of full golf membership
- d) Optimising Visitor and Society Revenue through a variety of pricing points
- e) Seeking incremental revenue from non-golf activity utilising the Clubhouse
- f) Managing operating costs to ensure they are controlled and give value to the Club via a robust budgeting process
- g) Maximising the Fixed Assets of the club including The Course, Land and Clubhouse
- h) Instigating regular marketing activity that is consistent with the aims of the plan

The Market for Golf

As with the majority of Golf Clubs around the country the Club has experienced a decline in full fee-paying members due to a variety of socio economic and lifestyle reasons. Currently we have 354 playing members across all categories and 70 social members

We recognise the need to know more about our customers, current and future and to ensure we are able to respond to the challenges created.

To that end we will:

- 1 Maximise the information gained in the 2019 survey of members.
- 2 Continue to offer a membership fee structure that encourages a wider mix of categories e.g., As a recognised signatory to the Women in Golf Charter use initiatives to attract women into golf.
- 3 Offer New Membership deals at appropriate times that also recognises loyalty of existing membership.
- 4 Continue to increase membership fees appropriately
- 5 Continue to utilise and develop our Online Tee Booking system to manage and attract our market share of Casual Green Fee income
- 6 Place emphasis on growing Society and Casual Green Fee income
- 7 Continue to develop reciprocal playing partnerships with several other golf clubs offering free/reduced membership at other Clubs to members
- 8 Participate in national initiatives to recruit new golfers (such as R & A Women in Golf Charter)
- 9 Make relevant applications for grant funding whenever possible: e.g., Sport England, England Golf and Northumberland CC
- 10 Carry out effective and timely advertising using the increasingly popular social media
Increase social use of clubhouse for events etc (CASC)

Appendix 2 gives examples of marketing Initiatives that are considered necessary

Competitor Analysis

In order to understand our competition, we will:

- 1 Continue to analyse the local competition in terms of pricing, golfing and clubhouse (non-golfing) facilities
- 2 Monitor the above including their financial status and viability in order to be ready to take advantage of any opportunities
- 3 Recognise whether they pose an immediate threat or opportunity to SGC and understand how their courses and facilities compare to our own facilities.

Financial Factors

In the previous Business Plan a great deal of emphasis was placed on achieving a successful outcome in developing the land on which the Clubhouse is built and to make use of the considerable amount of cash that would have been injected, connected to its sale, into the Golf Club
Regrettably the project failed at the planning application stage despite a considerable amount of time and energy used over a 4-year period.

Crucially, the aims outlined in the Business Plan, had the sale of land gone ahead, of improving our financial position and carrying out vital investment in the golf course as well as upgrading the existing clubhouse **have not changed**.

The Club still had outstanding debt and a dependence on bank overdraft facilities as the annual accounts continued to show a deficit of income to expenditure.

Deficits already experienced of £26,917 (in year 2014/15), £4180 (in year 2015/16) and £8712 (in year 2017/18) were helped by a surplus in 2016/17 of £21,040 (following green fee VAT refund). The Management Committee, in 2019, undertook a review of the Green's Staff remuneration and staffing levels and put into place a spending strategy consisting of "if it isn't mandatory it isn't spent". This resulted in a very small deficit in 2018/19 of £1,600 and a surplus in 2019/20 of just over £15,000 and in the year 2020/21 after a very difficult period of time there is estimated to be a small surplus.

During the 2020 lockdown period a considerable amount of work was done upgrading the Clubhouse which had received some criticism in the survey of members. Grants have also been obtained to upgrade another item for criticism in the survey with work planned for the practice area.

Planning for Change

A reasonably comprehensive survey was completed for Stocksfield Golf Club by England Golf with a final results analysis presented to the Management Committee in April 2020.

Many of the points raised by members in the survey have already been addressed – distance markers, competitions diary, new member integration by "WhatsApp" group", tee boxes, clubhouse refurbishment, – whilst other items such as improved practice facilities, extended car parking and buggy paths are currently being worked on. The survey and subsequent results from it have given the Committee much needed information towards the required plan for change.

The Management Committee structure from April 2020 is shown in Appendix 1 and shows that we have a vacancy for Director of Marketing, Recruitment and Retention but also shows that we recognise the very important need for good communication with the co-opting of Martyn Henderson who provides a lead on Communication and IT with considerable input into the Golf Club web site as well as social media.

In December 2020 a Terms of Reference for the Captain's Committee was agreed and although that Committee had existed for a number of years this has provided a more formal approach and reporting link to the Management Committee.

It is recognised that in order to carry the business forward some changes to current procedures and practices must be made. The following are considered essential for the long-term sustainability of the Club:

Committee:

- 1 Ensure Committee structure and responsibilities are appropriate to support the Clubs Business Plans.
- 2 Committee to always seek ways to co-opt volunteers as and when necessary with relevant skills required.

Employment:

Advice is always sought from external bodies including National Golf Clubs Advisory Association regarding employment matters.

Community Amateur Sporting Club (CASC):

- 1 Advice sought from external bodies including National Golf Clubs Advisory Association
- 2 Consideration has already been given to the merits of being a CASC organisation and is constantly reviewed.

Future Sustainability

Action Plan

a). Short Term

Year end Mar 2021

We look to be ending the year with an estimated small surplus of approximately £3,000. This is mainly due to the receipt of the various grants that were applied for and which have helped cover the loss of bar income and reduction in green fee income received from visitors.

During the year we secured an additional 63 new members and plans and initiatives are in place to help retain the current membership with additional offers being made to attract new members.

A winter programme of planned work, although greatly affected by poor weather, is being carried out to make improvements to the golf course making it even more attractive for visitors to come and play. The Clubhouse is currently closed due to the restrictions imposed by the affect of COVID-19 although refurbishing has continued with the installation of new doors and plans to erect a marquee attached to the Clubhouse on the veranda.

By year end Mar 2022: Current goals

The moderate success achieved to date on the financial side must not change the strategy of keeping a tight hold on the finances of the Club. We need to keep the membership on board with the actions taken by the Management Committee which include the following

- 1 Continue with a full financial review in order to achieve savings wherever possible across all aspects of the club and identify areas for income growth.
- 2 Have a committed management team in place, with relevant skills, to drive business performance. Movements already made internally within the committee ensures that the current Directors are carrying out the necessary work associated with their own particular skills.
- 3 Ensure that any surpluses made are available to the Director of Course Services to continue with the planned improvements to the course such as drainage (on front 9 in particular), increased pathways to assist with the use of buggies for longer periods and carry out necessary work on the greens to alleviate thatch and other problems.
- 4 Formulate a strategy in conjunction with a marketing plan to retain and grow membership
- 5 During the year it is important to fully assess all machinery leasing arrangements.
- 6 With the eventual opening up of the Clubhouse every effort to be made to increase the use of the enhanced facilities now available including social events to provide that much needed additional income.

b). Medium Term

By Year end Mar 2023:

- 1 Continue with financial strategy to put Club on a sound footing.
- 2 Maintain a continual course improvement programme
- 3 Consideration of purchasing additional golf buggy/buggies to cope with high weekend demand and generate further income.

- 4 Continue to assess the benefits of being a CASC organisation or consider splitting the business into 2 parts to release part from CASC restrictions on membership, with an action plan based on findings put in place.
- 5 Increased use of the Clubhouse facilities to continue

c). Long Term

By year end 2025

Continued sustainability based on:

- 1 known and anticipated membership numbers
- 2 green fee income in relation to market forces.
- 3 Annual surpluses and membership at sustainable figures

Appendix 3 gives a forecast of income and expenditure over the next 4 years

6. Management Control and Review

The Business Plan as well as Marketing, Recruitment and Retention will continue to form Agenda items on the regular meetings of the Management Committee with a view to keeping progress made on track

- 1 Robust cost control and plans to remain in place
- 2 Staff and Self Employed Contract arrangements to be reviewed at regular intervals and no less than annually.

Appendix 1 – Current Committee Structure

President – Sonia Kennedy

Past Lady Captain of the Club with many years' experience involvement with the Ladies Section and currently president of the County Lady Veterans.

Chairman – Steven Pearson

Past Captain and President of the Golf Club

Secretary – Jim Relph

In order to utilise the experience and relevant skills that Jim has he undertakes the duties of the Director of Clubhouse Services.

Director of Clubhouse Services – Sue Brown

In order to make more appropriate use of Sue's accountancy background she will undertake the duties of the Director of Financial Services

Director of Financial Services – Bill Martin

As Bill is able to provide assistance to the Admin Manager he will undertake the duties of Secretary for the Golf Club

Director of Course Services – Mick Byerley

Mick is a retired farmer with considerable experience in managing land. The Club have also engaged the services of Steve Cram (well renowned Greenkeeper with many years' experience) as a Consultant who provides regular advice to Mick regarding golf course matters

Director of Marketing, Recruitment and Retention - Vacant

In addition, the Management Committee created sub groups who will meet regularly to consider and discuss matters appropriate to them. They are

Bar and Catering – Jim Relph, Sue Brown, Sonia Kennedy, Bill Martin and Russell Wilson (Catering Manager)

Recruitment and Retention – Bill Martin, Steven Pearson, Sonia Kennedy, Norma Ferguson (Admin Manager), Nicky Maddison (Golf Professional) and Ben Squire

Entertainment and Social – Sue Brown, Sonia Kennedy and Steven Pearson plus the Catering Manager

Also co-opted to the Management Committee are

Harry Corbett – With considerable accounting experience Harry is able to informally act as Treasurer and provide day to day operation of the Club's financial details leading to monthly management information and final year accounts.

Martyn Henderson – Martyn is the Administrator for the Golf Club web site and is the "go to" person for many of the IT programmes in operation at the Golf Club and also acts as Handicap Secretary.

Appendix 2 – Marketing Plan and Initiatives - Stocksfield Golf Club

Objective	How Achieved	Resources Required	Timelines for Delivery	Measure of Success
Increase Adult Golf Membership	Ongoing marketing of introductory offers for new members. Use of “Get into Golf” programme R & A Women in Golf Charter	Full use of Golf Club web site and Social Media Marketing budget of £2,000	Ongoing	To see net increase in full membership
Increase number of Women playing golf	As above	Social Media	Ongoing	Increase in Lady Members
Increase the numbers of Junior Members	At least 2 days each year of “Family Days” Creation of Junior Academy Constant coaching programmes each year Promote information in local schools	PGA Professional with positive approach. Junior Liaison Officer to coordinate with Professional Posters, communication through local schools	From May 2021 and repeated each year	Increase in Junior membership
Retain existing loyal membership	Regular communication with members recognising their loyalty Recognise their views	Arrange reciprocal deals with other Golf Clubs that benefit our members	Ongoing	Members stay with the Golf Club
Develop Business / Corporate Golf Membership	Contact local businesses to use Golf Club facilities Offer corporate packages	Director of Marketing and Catering Manager	Ongoing	New Corporate Members
Non-Golf Related use of Clubhouse	Possibility of splitting Golf Club into 2 separate companies Golf Club retains CASC status Bar & Catering becomes independent	Split gives more opportunity to develop the use of the Clubhouse	From 2022 onwards	Increase in Clubhouse usage and increase to bar & catering income

Appendix 3 5-year Financial Forecast

Stocksfield Golf Club Forecast					
	2020/21	2021/22	2022/23	2023/24	2024/25
Income	£	£	£	£	£
Members Subscriptions	162,000	178,000	175,000	178,000	178,000
Green Fees	34,000	39,000	40,000	42,000	42,000
Gross Bar Profit	-£5,000	25,000	30,000	32,000	32,000
Tee Sign	1,500	1,500	1,500	1,500	1,500
Competitions	5,500	5,500	5,500	5,500	5,500
Other Income	41,500	5,000	5,000	5,000	5,000
Total Income	239,500	254,000	257,000	264,000	264,000
Expenditure					
Professional retainer	14,000	15,000	15,000	16,000	16,000
Course Expenditure	135,000	140,000	143,000	145,000	150,000
Clubhouse	30,000	30,000	30,000	30,000	30,000
Admin Expenses	57,000	57,000	58,000	58,000	58,000
Total Expenditure	236,000	242,000	246,000	249,000	254,000
Surplus	3,500	12,000	11,000	15,000	10,000