Carolina Golf Club
Strategic Plan

Adopted: January 18, 2011
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Introduction

In an effort to provide members with the best possible facilities and services and to attract the next generation of members, the Board of Governors and Long Range Planning Committee have developed this Strategic Plan for Carolina Golf Club. The plan identifies the long-term values, mission and vision for the future of the Club. Additionally, it lays out three strategic goals as well as potential solutions and recommended action items for each goal.

The Strategic Plan is intended to serve as a framework to guide current and future boards, committees and management as they carry out their governance and operational responsibilities. It is intended to be a living document, and will be updated in the future as conditions change within the Club or within the market in which we compete.

The planning process included:

• assembly of a Committee that reflects a solid cross-section of the Club’s membership;
• conducting a comprehensive assessment of the strengths and weaknesses of the Club and identification of the opportunities and threats it is confronting in our market;
• identification of areas of member satisfaction and disappointment with all aspects of the Club;
• review of current trends in the club industry and how similar and competing clubs are addressing these trends; and
• presentation of a preliminary draft of the plan to carefully selected focus groups to obtain and incorporate member feedback into the plan.

Through this process, the Committee and Board identified strategic issues we are facing or may face in the next several years. To address these issues, the Committee and Board focused on how we would utilize our strengths to capitalize on opportunities available to the Club, correct our weaknesses, and avoid threats facing us in the market. We believe that by accomplishing the goals we have established and by implementing the potential solutions and action items we can successfully fully realize the long-term Vision and Mission for Carolina Golf Club.
Background

Carolina Golf Club has been highly successful in recent years, due primarily to a well-thought out and executed master plan that resulted in:

- the purchase of a critical 42-acre tract of adjacent land;
- completion of a critically acclaimed restoration of the Club’s Donald Ross-designed golf course by Kris Spence;
- construction of a state-of-the-art practice facility;
- creation of a new seven-acre lake to fully address the irrigation requirements of the restored course and practice facility; and
- material improvements to the Club’s physical plant, including a new course maintenance facility, substantial investments in greens equipment, new cart barn, renovated pool, and updated club house.

Remarkably, these improvements were financed through a series of modest annual assessments totaling $3,600 per existing member, a $5.5 million long-term credit facility with very attractive terms and a robust membership recruitment program that resulted in a pre-recession waiting list despite steep increases in the entrance fee.

Carolina’s recent success is contrary to national trends for private golf and country clubs. The private club landscape has been changing nationally and on a local level, and it is expected to further change dramatically in the next ten to 15 years. The Board determined that the Club needs to prepare for these changes as well as reevaluate and assess its position relative to its competitors in light of recent improvements in the Club’s facilities and changes in membership. The most important reason for developing a strategic plan is increased competition for new members. As a modestly-priced club, Carolina’s membership turnover has been and continues to be relatively high. Thus, we are highly dependent on a stream of new members to replace those who elect to leave. Moreover, new members bring new ideas and fresh faces to the Club along with needed capital to continue to improve and maintain the Club in line with member expectations. We expect to be engaged in a battle for market share for prospective members for many years to come.

In order for the Club to succeed, it will need to make the recruitment of new members and retention of existing members top priorities. But tactical programs for proposing new members will not be enough. The only way we can retain existing members and expect new members to join is to offer the sort of value proposition and private club experience that is in demand in the Charlotte market. Looking at golf in particular, the total number of golf rounds across the U.S. has decreased significantly in the last ten years. The projected number of participants is expected to remain relatively constant, but the frequency with which they participate in the sport is expected to decline. Lack of time availability is the major controlling factor, and this is being negatively impacted by societal trends. This is consistent with our experience at Carolina, both before and after the restoration shutdown. It is very important for the leadership of the Club to be aware of these issues and plan accordingly. Decisions will need to be made to adjust to these trends and capitalize on our unique position in this market. The Strategic Plan will provide the leaders of today and tomorrow with the direction in which the Club needs to move based on the strengths that distinguish it in a very crowded marketplace.
Carolina Golf Club S.W.O.T. Analysis

The Committee identified the following strengths, weaknesses, opportunities and threats for the Club.

**Strengths:** *Assets, practices, or situations that create a competitive advantage for the Club.*

**Key:**
- Fully restored Ross-designed course and outstanding practice facility
- Strong value proposition reflected in a monthly cost of membership that is well-balanced with superior golf infrastructure and other amenities
- Proximity to central business district and affluent neighborhoods
- Casual, friendly atmosphere and collegial membership

**Others:**
- A golf-oriented membership that enables a narrow focus on providing a superior golf experience
- Good governance (assessments require member approval; competitive board elections at well-attended annual meetings; and term limits for board members)
- Outstanding management and highly efficient staff
- Walkability and playability of course, speed of play
- Member-owned and governed

**Weaknesses:** *Deficiencies of the Club that create a potential competitive disadvantage.*

- Landlocked – no more room for expansion
- Clubhouse (aesthetics not great, but vastly improved; maintenance challenges will continue)
- Lean staffing leads to some periodic gaps in service and amenities

**Opportunities:** *Areas where the Club has the opportunity to improve satisfaction or its competitive position.*

- Charlotte growth will continue
- The only true private *golf* club in Charlotte
- Growing residential district downtown
- Surrounding area improving (Wilkinson Blvd. corridor redevelopment)

**Threats:** *Situations where a failure to respond leads to a diminishment in performance or loss of competitive presence.*

- Exposure to economic cycles
- Crime/immediate neighborhoods
- Upscale clubs - CGC is still a stepping stone club for some
- Management vulnerable to other opportunities; difficult and costly to replace
Carolina Golf Club Values

The Committee and Board have adhered to the following values in developing the Strategic Plan, since we believe they reflect the culture of the Club which is highly regarded by its members. They have been instrumental in developing our Mission and Vision.

- Focus on golf
- History, traditions and a classic Ross course
- Friendship and camaraderie
- Casual atmosphere
- Family-friendly

Carolina Golf Club Mission

The Mission Statement is intended to identify the Club’s main purpose, and define the features of the membership experience at Carolina Golf Club currently.

“Carolina Golf Club is a private golf club dedicated to providing its members, their families and guests with a classic, carefully restored and maintained golf course and superior golf-oriented programs, services and facilities while maintaining the legacy of our history and traditions.”

Carolina Golf Club Vision

The Vision Statement was created to identify what the club should strive to become in the future. It serves as the basis for the evaluation of the existing situation and the development of the strategies and action items.

“Carolina Golf Club is an outstanding private golf club, which provides a carefully restored Donald Ross-designed golf course, excellent programs and other facilities to serve the golf and social desires of its members and their families. The Club is recognized for its classic golf course and proximity to the central business district of Charlotte, and its exceptional conditioning and casual, friendly atmosphere provide an inviting setting to enjoy golf-oriented social interaction among its members and guests. The Club is fiscally sound and offers an attractive value proposition. Membership is maintained at a carefully considered authorized maximum number, and qualified candidates are waiting to join. The friendly, well-trained and capable staff is a highly-valued asset. The members take great pride in the Club’s rich history and current well-being, contributing their time, talents, and financial resources as needed to support and improve the Club.”
Strategic Goals

The Board and Committee have identified three strategic goals:

1. Preserve the Donald Ross design of the Club’s golf course in a manner consistent with the 2008 restoration and commit the financial resources necessary to maintain the course and the Club’s practice facility at an exceptional level.

2. Maintain conservative management of finances and preserve the Club’s value proposition.

3. Maintain and enhance the casual, friendly, and golf-oriented culture of the Club.
Goal One:

*Preserve the Donald Ross design of the Club’s golf course in a manner consistent with the 2008 restoration and commit the financial resources necessary to maintain the course and the Club’s practice facility at an exceptional level.*

Potential Solutions and Recommended Action Items:

- Continue processes and procedures to preserve and protect the Donald Ross design and architectural features of the golf course.
  - Maintain relationships with a golf course architect with a preeminent reputation in Donald Ross course restorations to provide on-going consulting/advisory services;
  - Continue periodic reviews with and exposure to other recognized experts on Donald Ross design principles, such as the Donald Ross Society;
  - Utilize the knowledge and expertise within the membership to ensure vigorous review as well as require Board approval for any material changes to the design of the course or practice facility;
  - Continue the process by which changes to the course or practice facility are documented and preserved for future reference (including but not limited to: as-built documentation, master plans and original drawings).

- Attract, educate and retain qualified greens superintendent and staff.
  - Provide competitive compensation and benefits;
  - Encourage and budget for continuing education of salaried employees; and
  - Periodically survey the local and regional marketplace regularly to understand competitive landscape and market rates.
• Establish a “strong” level of maintenance as a minimum standard of quality (See Course Maintenance Matrix below).

  o Prioritize adequate budget for materials and supplies above other non-golf related items;
  o Provide high quality tools and equipment with which to maintain the golf facilities;
  o Lease high-use/high-impact equipment (i.e. mowers, utility vehicles) and replace at regular intervals; and
  o Outfit the turf care facility with the resources required to properly maintain the tools and equipment.

• Recognize the contribution which a well designed and maintained practice facility makes to the overall value of our club.

  o Maintain the practice facility at a level equivalent to that of the golf course;
  o Periodically evaluate and identify opportunities to improve the practice facility and its ability to replicate conditions (i.e., turf, lies, etc.) found on the course; and
  o Monitor surrounding area for opportunities to acquire land adjacent to the Club property for future needs such as increased perimeter buffer area, practice facility development and expansion.
## Course Maintenance Matrix

### 2011 Strategic Plan

<table>
<thead>
<tr>
<th>Level</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<tbody>
<tr>
<td>Description</td>
<td>Intense</td>
<td>Intense “light”</td>
<td>Strong</td>
<td>Strong “light”</td>
<td>Moderate</td>
<td>Bare Bones</td>
<td>Minimum</td>
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<td>Hourly Employees</td>
<td>17</td>
<td>15</td>
<td>13</td>
<td>11</td>
<td>9</td>
<td>7</td>
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<td>Change in Labor Costs</td>
<td>+30%</td>
<td>+15%</td>
<td>Current</td>
<td>(-15%)</td>
<td>(-30%)</td>
<td>(-45%)</td>
<td>(-60%)</td>
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<td>Greens Mowing Equipment</td>
<td>Walk Mow</td>
<td>Walk Mow</td>
<td>Walk Mow</td>
<td>Walk Mow</td>
<td>Walk Mow</td>
<td>Walk Mow</td>
<td>Triplex</td>
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<tr>
<td>Greens Mowing per Week</td>
<td>Daily</td>
<td>Daily</td>
<td>Daily</td>
<td>Daily</td>
<td>Daily</td>
<td>Daily</td>
<td>Daily</td>
</tr>
<tr>
<td>Collar Mowing Equipment</td>
<td>Walk Mow</td>
<td>Walk Mow</td>
<td>Walk Mow</td>
<td>Walk Mow</td>
<td>Walk Mow</td>
<td>Triplex</td>
<td>Triplex</td>
</tr>
<tr>
<td>Collar Mowing per Week</td>
<td>Daily</td>
<td>Five</td>
<td>Three</td>
<td>Three</td>
<td>Two</td>
<td>Two</td>
<td>Two</td>
</tr>
<tr>
<td>Tee Mowing Equipment</td>
<td>Walk Mow</td>
<td>Walk Mow</td>
<td>Triplex</td>
<td>Triplex</td>
<td>Triplex</td>
<td>Triplex</td>
<td>Triplex</td>
</tr>
<tr>
<td>Tee Mowing per Week</td>
<td>Daily</td>
<td>Five</td>
<td>Four</td>
<td>Three</td>
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<td>Two</td>
<td>Two</td>
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<td>Fairway Mowing per Week</td>
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<td>Four</td>
<td>Three</td>
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<tr>
<td>Approach Mowing per Week</td>
<td>Five</td>
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<td>Four</td>
<td>Three</td>
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<td>Bunker Raking Equipment</td>
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<td>Hand Rake</td>
<td>Sandpro</td>
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<tr>
<td>Bunker Raking per Week</td>
<td>Daily</td>
<td>Five</td>
<td>Three</td>
<td>Two</td>
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<td>When Possible</td>
<td>When Possible</td>
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<tr>
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<td>Twice</td>
<td>Once</td>
<td>Bi Weekly</td>
<td>Every 3 Wks</td>
<td>Every 4 Wks</td>
<td>When Possible</td>
<td>When Possible</td>
</tr>
<tr>
<td>Bunker Edging per Week</td>
<td>Once</td>
<td>Every 2 Wks</td>
<td>Every 2 Wks</td>
<td>Every 3 Wks</td>
<td>When Possible</td>
<td>When Possible</td>
<td>When Possible</td>
</tr>
<tr>
<td>String Trimmer per Week</td>
<td>Continuous</td>
<td>Continuous</td>
<td>As Needed</td>
<td>As Needed</td>
<td>When Possible</td>
<td>When Possible</td>
<td>When Possible</td>
</tr>
<tr>
<td>Edge Cart Path per Week</td>
<td>Continuous</td>
<td>Continuous</td>
<td>As Needed</td>
<td>As Needed</td>
<td>When Possible</td>
<td>When Possible</td>
<td>When Possible</td>
</tr>
<tr>
<td>Mulch Beds per Week</td>
<td>Continuous</td>
<td>Continuous</td>
<td>As Needed</td>
<td>As Needed</td>
<td>When Possible</td>
<td>When Possible</td>
<td>When Possible</td>
</tr>
<tr>
<td>Divot Filling per Week</td>
<td>Daily</td>
<td>Three</td>
<td>As Needed</td>
<td>When Possible</td>
<td>When Possible</td>
<td>When Possible</td>
<td>When Possible</td>
</tr>
<tr>
<td>Aeration per Week</td>
<td>Continuous</td>
<td>Continuous</td>
<td>As Needed</td>
<td>When Possible</td>
<td>When Possible</td>
<td>When Possible</td>
<td>When Possible</td>
</tr>
<tr>
<td>Top Dress per Week</td>
<td>Continuous</td>
<td>Continuous</td>
<td>As Needed</td>
<td>When Possible</td>
<td>When Possible</td>
<td>When Possible</td>
<td>When Possible</td>
</tr>
</tbody>
</table>

This analysis assumes salaried staff of 4 to include a superintendent, two assistants, and a mechanic.

Potential harmful and important tasks (spraying, hand-watering, cup changing) are performed by the salaried staff.
Goal Two:

*Maintain conservative management of finances and preserve the Club’s value proposition.*

**Potential Solutions and Recommended Action Items:**

- Continue to employ financial and management controls to ensure that the Club is operating in an efficient and effective manner and members are receiving superior value for their monthly dues.
  
  - Provide a periodic financial updates to the membership;
  - Utilize zero-based budgeting concepts in the preparation of the annual budget;
  - Continue to support the “general manager” model of club governance to enhance efficiency; and
  - Retain full debt service obligation as a component of dues structure.

- Allocate entrance fees to fund capital expenditures and pre-payment of long-term debt and not to subsidize operations.

- Establish a formula to restrict discretionary capital expenditures to a designated percentage of entrance fee collections in the prior fiscal year.

- Develop annually and maintain three-year rolling projections for:
  
  - operational performance and expected dues level; and
  - anticipated capital expenditures for repairs, maintenance and discretionary items.

- Maintain the entrance fee amount at a level to meet the Club’s long-term capital requirements while maintaining the Club’s competitive position in the market place.

- Continue a program of well-planned, incremental improvements to the club house as maintenance issues are addressed and discretionary capital funds are available.

- Attract, educate and retain a qualified general manager and staff.
  
  - Provide competitive compensation and benefits;
  - Preserve lean staffing model by attracting and retaining salaried employees with broad experience, talent and ability to serve multiple management roles;
  - Encourage and budget for continuing education of salaried employees; and
  - Periodically survey the local and regional marketplace regularly to understand competitive landscape for talent and market rates.

- Continue membership recruitment programs that provide financial incentives to existing members to encourage the recruitment of new members.
Goal Three:

*Maintain and enhance the casual, friendly, and golf-oriented culture of the Club.*

Potential Solutions and Recommended Action Items:

- Encourage the head golf professional and his staff to facilitate informal member play and interaction so we continue to be “a club where a member can always find a game.”

- Continue to develop and prioritize an active tournaments program with:
  
  - Competitive gross and handicapped events such as the member-member and club championships; and
  - Fun events such as the weekly dogfights, “shoot-outs” tied to major championships and the Donald Ross Challenge.

- Expand commitment to junior golf through:
  
  - Summer clinics;
  - Informal play days organized and supervised by the golf professional and staff;
  - Maintenance of junior tees; and
  - Mentoring programs that facilitate interaction between adult and junior golfers.

- Continue to schedule informal social events that encourage member interaction that are coordinated with golf events such as guest days and tournaments.

- Maintain a food and beverage service that provides adult and other beverages and high quality casual dining items following most any round of golf.

- Empower management and staff to enforce rules on an appropriate, understated and discretionary manner.

- Maintain an adult- and family-friendly pool with an appropriate selection of food and beverage items.
The Board of Governors would like to thank members of the Long Range Planning Committee and management team for the considerable time and effort they invested in the development of the Strategic Plan. Additionally, we would like to thank the members who gave their time and participated in our focus group sessions.

Long Range Planning Committee:

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Will Hadley
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Jack Kirby
John Linker
Keith Sykes
B.T. Atkinson and Will Barr, Co-Chairmen
Roger Wolfe, General Manager

Photographs Courtesy of Ed Oden