



Sherwood Park Golf Club

CASE STUDY:

**Outside Of Golf:
Innovative ways of creating revenue
outside the traditional golf club
operations.**

OVERVIEW

Two years ago the Sherwood Park Golf Club in Whangarei anticipated the need to find significant additional funds for capital expenditure that would sustain efforts to maintain and improve its golf course.

The Club was aware that there was substantial competition for funding from Charitable Trusts and traditional sources of income, and that such sources were unlikely to fund all the club's needs.

The club took the view that cost cutting was in itself not a means to this end but that increasing revenue was the only course towards on-going sustainability.

Having had some success in the past with sponsorship for major events, the club sought to explore this avenue as an additional source of income for the future.

Board member Michael Hurman set out on a mission to find the key to increased revenue from within the community and businesses surrounding the club.

"We recognised that it was imperative that we adopt professional business practices not just for our survival but to ensure we remain masters of our own destiny."

CHALLENGES



MANAGEMENT OF SPONSORSHIP

Management of sponsors was disjointed and mostly on a 'chums' basis rather than a professional approach.



APPROACH POTENTIAL SPONSORS

The need to find an approach to potential sponsors that would be a compelling incentive to support Sherwood Park GC with financial contributions.



PARTNERSHIP MANAGEMENT

The need to develop a Partnership Management approach that communicated regularly with sponsors and provided incentives to club members to prioritise the use of sponsors in their domestic purchasing.

SOLUTION

Sherwood Park Golf Club collaborated with existing sponsors and then developed a Sponsorship Management Structure which defined tangible benefits available to sponsors across a range of levels of contribution.

"This became a very effective tool in identifying options and benefits for sponsors by offering choices. We were surprised at the number of selections that were more generous than the club expected," said Hurman.

Sponsorship Management Structure (SMS):

Sherwood GC initially set out with three levels of support Gold, Silver and Bronze. This has developed further as the opportunity to harness support at a wide range of levels became apparent.

"We talked to a good number of people from the local business community, and realised it was crucial that we demonstrate how value will be returned to their business from their investment in the club," said Hurman.

The approach to potential sponsors needs to be highly

professional. Clubs compete with a plethora of traditional advertising alternatives continuously confronting businesses. Two things were key to a successful approach:

1. Finding a means of measuring the value of the financial return.
2. Comparing with other ways to spend advertising dollars and demonstrating the comparative value of the captive nature of a golf club for effective exposure to potential customers.

Northland is a community where small business owners predominantly run their own businesses. The sponsors have been traditionally members or people who have been members.

"In defining the levels of sponsorship we quickly came to the realisation that we needed more than three levels to do justice to our surrounding community. It is an ongoing process to tailor these levels to the interests of businesses big and small and we are now managing six defined levels of support to adequately reflect volunteered involvement from the sponsorship community around us."

RESULTS

20%
OF INCOME

At the start of the project the club's income from sponsorship was estimated to be around 4 percent of turnover. It is now almost 20 percent and the target for the next two years is to lift this to 30 percent.

AWARENESS

Increased awareness of the value on offer at the golf club for sponsors: "Having access to that audience every week is much more valuable than businesses may perceive."

CLUB MORALE

"Members are realising that the future of the club is more sustainable but also that every member has a responsibility to play their part by not only supporting sponsors but by making it known that they are doing so."

KEY LEARNING LESSONS

Compared to other channels, a golf club is a powerful medium for a business to communicate a commercial message to a captive audience.

"Clubs should be aware of what a valuable asset this is and be unafraid to exploit it," said Hurman.

"The key is NOT what sponsors can do for your club, it is what YOUR CLUB can do for your sponsors." Hurman said a major factor is the principal or flagship sponsor and the club is still refining this key role.

"We also identified that it made sense to pursue partnerships with the companies with whom we already spend the bulk of our money. The greatest expenditure for most clubs is likely to be the maintenance of the course which is a good starting place for finding key partners.

"We are working to replace the notion of a 'sponsor' with the creation of 'Win-Win Partnerships'. The word sponsor implies that the club may be looking for a hand out but both the club and businesses appreciate that a two way relationship is a far better and more sustainable approach."



CONCLUSION / SUMMARY

Sherwood Park Golf Club believes that this project has achieved significantly greater success than was originally anticipated. However, it perceived that it has merely uncovered the 'tip of the iceberg', and is confidently moving towards much further progress with its local 'Sponsorship Community'.

The club believes this continual improvement will sustain the club's growth and reputation well into the future. Hurman said that golf clubs need to think outside the square to become financially sustainable." It is inevitable that golf clubs will find it increasingly difficult to derive sufficient income from subscriptions alone to create financial stability in a dwindling market," he said. "As it becomes increasingly difficult to find the voluntary effort required to run a thriving golf club, the challenge is to raise the bar in management competency." Treating sponsorship, as a means of creating 'Win-Win Partnerships' within the local community is a key step in achieving that competency.

"We are excited about the potential of this Sponsorship Management Structure and feel that we are on the cusp of something special for the club. The key for us is to run this scheme in a professional manner as it progresses."



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