



Boulcott's Farm Heritage Golf Club

CASE STUDY:

Amalgamation

**Innovative ways of retaining history whilst
securing the future**

Amalgamation

The Boulcott's Farm Heritage Golf Club is one of the newest golf clubs in New Zealand. It is also the first in the country to be created from the amalgamation of two independent and neighbouring clubs.

Freer, a member of the Amalgamation Committee, said that financial pressure, the need for long-term sustainability and necessary council flood protection development were the main reasons that the club merged.

"The on-going potential financial situation was a big thing."

Boulcotts GC was trading along nicely – they were static, there was no growth and weren't carrying any debt; The Hutt GC had \$1million debt. The Hutt GC also had a \$7million asset so the debt – asset ratio was quite acceptable but it was something the Hutt GC wished to remove.

The catalyst for the merger was the Flood Protection Plan which was being implemented

across the golf club's land by the Greater Wellington Regional Council.

The Flood Protection Project involved the construction of a stop bank which was 4.5m high, 50m base and it stretched for 2.5km.

With the Greater Wellington Regional Council wanting to undertake that work, rather than put it through residents property, the best option was to put this stop bank through the two golf courses.

This brought the clubs together and an Amalgamation Committee was formed. It had the very difficult task of bringing together two very different courses – 80 year-old nine hole Boulcotts course (with 500 members and annual fees of \$500) and the 120 year old, 18 hole, Hutt Golf Club (with 900 members and annual fees of \$1250).

CHALLENGES



RISING COSTS, DECLINING MEMBERSHIP

The Hutt GC recognised that golf, like a number of sports, was struggling to attract new members. It was difficult to meet the increasing costs to run a golf course particularly with the significant infrastructure that needs to be looked after. These were the factors which were concerns for the on-going capability of both golf clubs.



HISTORY

Despite the benefits, the merger also met some conflict from a minority. The patrons argued that:

1. The merger had ignored their previous club's history,
2. The new name of the Boulcott's Farm Heritage Golf Club was inappropriate as it favoured the Boulcott's Club rather than the Hutt GC,
3. The variance in fees was unfair as the former Boulcott's members would be paying less than the former Hutt Members over the next five years.

SOLUTION

Beginning of the Merger:

"We took the [merger] idea back to the governance committees at both clubs – the Board of the Hutt GC and the committee of the Boulcott's GC – and we got their endorsement to proceed with a Feasibility Study towards the merger. Once we had that mandate we then set about identifying the right people to go on the working group to test the feasibility of the merger.

"That was one of the critical parts – getting the right people. What constitutes the right people? People who are forward thinking, people who left their egos or personal opinions at the committee room door and people who could work with others. People who worked together to promote what was best for the golf community and long term survival of the clubs."

The merger committee from the two clubs were a group of people who were brought together to work on the project.

Hutt had 900 members and Boulcott had 500 so there was quite an imbalance. "We decided that there would be equal representation

from both clubs. So rather than having one third – two thirds we had four representatives from each club. It was all equal."

Once the feasibility group was selected they were given four weeks to cover all aspects of the merger. They came up with a comprehensive document entitled 'Playing to Win' that covered what was needed to manage the merger. They then looked at the Key Considerations, the Current Situation and tracked where the golf clubs were at. It was a long and deliberate process as they outlined the strategy.

This included everything from what is it going to cost to join the new club? What are the financial benefits / negatives of the merged club? One club had a nine-hole philosophy, the other had an 18-hole philosophy how do they bring that together? One club had an older aged membership, the other has a younger how do they bring them together? What do we do with the clubhouse? Do they bring poker machines across? Free tea and coffee? "All of those things were considered by the feasibility group."

"We wanted to show that we did mean business. We were playing with more than 200 years of history of the two golf clubs. We wanted to make sure that we did all of that justice."

Because of the significance of the decision the feasibility group required a two thirds majority in the vote to pass the decision. "We felt that the decision was too big to leave to a single majority."

RESULTS

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NEW CLUB

The Boulcott's Farm Heritage Golf Club was created. The merger has already proved successful in some areas;

Membership numbers went up to 1300 members, it has now come back to a manageable 1200. There are 180 children on the Junior Program, making a total of over 1300 members at the club.

1300

MEMBERS

The clubhouse activity in the first five months of the year, with only three months as a merged club, returned a profit of \$70,000.

\$70K

PROFIT

There was immediate benefit to having a greater number of people use the facility. The merger will also provide the opportunity to build new facilities and a chance to design a new course.

200

YEARS OF HISTORY

A new clubhouse will be built alongside new practice facilities and the rooms will incorporate the combined 200 years of history of their parenting clubs.

CONCLUSION / SUMMARY

Now that the merger is complete Freer feels they got it pretty right but there were some lessons learnt.

"I don't think we would have done a lot differently. One thing would be around the name."

The club hosted a Special GM where more than 400 members attended to discuss a name change and the resolution was lost.

The learning was that any time that there was a big change – e.g. Name of the club, Clubhouse, - and the Boulcott's Farm GC does need to make sure that we effectively communicate with the membership

The Boulcott's Farm GC did a great job of communicating at the start but the project gained momentum "Like a runaway steam train" and a couple of things could have been done better.

The amalgamation had plenty of peaks and troughs, Freer said: "There were days when I would be totally over it".

Freer said mitigating the areas of concern was important. "The key was good communication and listening to the concerns. There was a balance that needed to be met of listening to these issues and getting the job done."

"Membership has a stake in what you are doing so you always have to be prepared to listen to them. It is not just listen, but listen and evaluate what they are saying. You have also got to have the ability to cut out the nonsense and not get too side-tracked to what you are trying to do. That is a balancing act that anyone who is running a sports club has to face every day."

But the Boulcott's Farm GC had an exceptional group of people who supported one another and kept the club on track.



Future: "We have been in place three years and we still have some way to go. It is going to take five years for the clubs to knit in and become one club. I have been really impressed by the way members of both clubs have embraced it."

The first meeting between the two clubs saw all the Hutt members on one side of the room and all the Boulcott's members on the other. The next meeting both club representatives were all mixed up and that has been reflected in the golf – both members now play often mixed from both clubs and mix in the café.

Looking what has happened since the merger, the five year stop bank project was completed in half the estimated time. On the course 24 new holes are being built – 10 are already completed while a new car park, maintenance facility and clubhouse will be constructed over the next two years. This would never have happened if the two clubs had not come together.

"When all the work is done and we have a new clubhouse it is going to be great to look back at what we have achieved for the next 100 years of this golf club for golf in the Hutt City."

If other clubs are looking to amalgamate Freer recommended they do their research.

"They should talk to us. We have had a number of clubs approach us that wanted to talk to us about the merger both from NZ and Australia. The key is the clubs needs to be doing it for all the right reasons. They have a clear outcome and using the right people to make it happen. We have got a good model that a large number of sports could look at."



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www.golf.co.nz

nzgolf@nzgolf.org.nz

Tel +64 (0)9 485 3230 - Fax +64 (0)9 486 6745