

# THE CCL BAROMETER

A FINANCIAL ANALYSIS OF YOUR CLUB



CONTEMPORARY  
CLUB LEADERSHIP

**Anytown Golf Club**

accounts year-ending July 2019



# Contents of Your Barometer Report

## **Page 3 – Why is benchmarking important ?**

A short summary highlighting the need for a dashboard of key performance indicators, so that we may all take a much needed business-like approach within our industry.

## **Page 4 – Your accounts**

No two sets of club accounts look alike, so the CCL Barometer applies an “apples to apples” process to ensure that our comparisons are truly meaningful to you. No need for you to enter any data. We do all the work for you, including regular checks to ensure that we are interpreting your final year end accounts appropriately.

## **Page 5 – Your accounts benchmarked – traffic light style**

A single page with clear indicators that show you how your club is performing against clubs of equivalent size. The familiar red, amber, green traffic light system is used so that anyone can see at a glance how the club is performing. We have even created 2 shades of amber, so that you can tell if you are above or below the average for that performance measure.

## **Pages 6 & 7 – Insight emerging from the analysis of your accounts**

Two pages of insightful observations that emerge from our discussions with you the club manager, highlighting the stories behind the numbers. CCL has access to over 100 KPIs benchmarked against clubs nationally & clubs of equivalent size, from which we can further analyse any area of operations that help you and your Committee arrive at the right decisions for your club.





## **Two Golf Club Captains walk in to a golf club bar....**

It sounds like the start of a joke doesn't it, but think for a minute about that scenario. Those two Club Captains would compare experiences, and inevitably this would turn to comparing performance at their respective clubs.

But what exactly would they compare?

The price of their open days, the cost of fish and chips, free coffee refills, a member's guest rate or perhaps the number of greenkeepers they employ? They may return to their respective clubs with a new vision of what good looks like, and how they may want to be more like the club down the road.

In reality, none of these topics discussed truly evaluate the financial performance at their clubs, and until now our industry has not helped Office Bearers to evaluate performance in a business-like manner. This has often led to much wasted time around the board table and I am sure much frustration amongst volunteers and managers who strive to run their clubs in a more business-like fashion.

CCL Ltd has now created a common set of metrics, financial indicators and critical industry ratios that are specific to golf that we can introduce you to. We have worked with your Club Manager to benchmark your accounts against more than 100 other UK based private members golf clubs, and we look forward to exploring these insights with you.

For the purpose of this analysis, a club's size is determined by the price it charges for a standard midweek summer green fee.

LOW	Green Fee up to £35	(Clubs who charge visitors less than £2 per hole)
MEDIUM	Green Fee from £36 to £71	(Clubs who charge visitors more than £2 per hole)
HIGH	Green Fee at and above £72	(Clubs who charge visitors more than £4 per hole)

We look forward to working with you, and helping your club do the right things, right.

Kevin Fish CCM



## HOW WE ANALYSE YOUR ACCOUNTS

### Anytown Golf Club

Accounts Year-Ending:

31 July 2019

To provide meaningful comparisons our financial modelling applies the following strict accounting protocols.

OPERATING ACCOUNT	CAPITAL ACCOUNT
Subscription Income	Entry Fees & Other Capital Income
440,000	10,000
Golf Operations Income minus Cost of Goods Sold	(Bank Interest received, Income from a Club Asset [flat], Capital Levy, Capital Subscription, Profit / Loss from the Sale of Club Asset)
85,000	
F&B Income minus Cost of Goods Sold & F&B Payroll	
5,000	
Other Income (Lockers, Sponsorship, Grants, Miscellaneous Income)	
15,000	
<b>Total Gross Profit</b>	<b>Total Capital Income</b>
<b>545,000</b>	<b>10,000</b>
Overheads - Golf Course (excluding Leasing Costs)	
230,000	
Overheads - Admin	
95,000	
Overheads - House	
85,000	
Overheads - Fixed Costs (Rent / Rates, Insurance, NGB, Taxes and Interest paid)	
55,000	
Overheads - Golf Ops Payroll (Pro costs / Starters)	
30,000	
Overheads - Membership Costs (Social Costs, Juniors, Team Matches, etc.)	
5,000	
<b>Overheads Total</b>	
<b>500,000</b>	
<b>Net Profit</b>	<b>Total Capital Income</b>
<b>45,000</b>	<b>10,000</b>

Net Profit + Total Capital Income equals	55,000
Deduct Annual Leasing Costs of	15,000
<b>Leaves Capital Funds Available of</b>	<b>40,000</b>
Deduct Depreciation of	35,000
<b>Equals</b>	<b>5,000</b>



# EXECUTIVE SUMMARY

**Anytown Golf Club**

Accounts Year-Ending:

**31 July 2019**

This executive summary is personalised to your club.

It provides key data with R-A-G indicators as compared to other clubs in your tier: **Low**

## FINANCIAL ANALYSIS

Cash in Hand	£50,000	Months O/Heads in Hand	1
Commercial Debt	£120,000	Debt Ratio	18%
Net Profit	£45,000	Net Profit Margin	7%
Capital Funds Available	£40,000	CFA Ratio	6%
Remaining Funds Available	£5,000	Payroll Ratio	46%

## YOUR SUBSCRIPTION ENGINE ACCOUNTS FOR 81% OF YOUR CLUBS GROSS PROFIT

Full Membership Numbers	440	Resignation Rate	11%
Equiv Full Subs Payers	402	SMGF:Subs fee Ratio	34

## YOUR GOLF OPERATION ACCOUNTS FOR 16% OF YOUR CLUB'S GROSS PROFIT

Visitor Revenue	£85,000	Golf Operations Payroll %	35%
-----------------	---------	---------------------------	-----

## YOUR FOOD AND BEVERAGE OPERATION ACCOUNTS FOR 1% OF YOUR CLUBS GROSS PROFIT

Combined F&B surplus/loss	£5,000	F&B Contribution per EFM	£12
---------------------------	--------	--------------------------	-----



# CONCLUSIONS for the accounts year-ending July 2019

In summary, this Barometer Report & Support Service explains where you were as a club going into this crisis, compared to over 100 private member golf clubs in the UK. Your standard midweek green fee of £30 places you in the lower tier of this analysis. From the analysis we have conducted together, we have established the following conclusions.

## SUBSCRIPTION REVENUE

We begin with your main driver of gross profit, subscription revenue, comparing this against clubs nationally and within your tier of the industry. We explore membership numbers and resignation levels, as well as establishing the impact of other categories of membership and senior citizen discounts.

## GOLF OPERATIONS

Golf Operations Profit is made up primarily of visitor revenue and competition income. We will again explore national averages as well as your own tier of the marketplace, and conduct an analysis of the impact of members guests on your revenue. There is a cost attached to operating a successful golf operation, and these costs will be analysed to ensure that you are efficient in this area. We will even consider the costs and benefits associated with a club that is exclusive to members.

## FOOD AND BEVERAGE OPERATIONS

Club Managers and Treasurers know that Food and Beverage Operations rarely contribute a meaningful financial contribution, and quite often run at a loss. This topic is laid bare in this section so that club committees can fully understand the costs associated with providing this member service. National and tier comparisons are given for levels of gross profit and staff wage percentages for food and bar operations. For those clubs operating or considering a franchise, this data is also revealed.







## **CLUB EXPENDITURE**

Over time our industry has settled upon natural balance points for how we typically spend money across different departments. Our analysis will reveal if your club adheres to these established norms, or whether it overspends or under spends in any area, and more importantly, whether this is an intentional business decision, or not. We can compare expenditure levels in a range of typical items and will conduct a review of payroll costs both across the business as a whole, and on a departmental basis if required.

## **OVERALL REVIEW OF CLUB'S FINANCIAL POSITION**

In golf's long history, many clubs have been living a hand to mouth existence and this current lockdown crisis has focused attention on how robust our foundations and our futures are. In this section we discuss appropriate cash reserves, including the number of months of overheads available to you compared to industry norms.

Many clubs carry a level of commercial debt, perhaps through machinery leasing commitments or bank loans. We share those industry norms and explore any red flags.

Together we will review the level of capital expenditure available to you, in order to continue to make your club attractive to the next generation of members, and we will conclude with some simple objectives for the Club Committee and members to consider.

**Club leaders use this document for a variety of reasons –**

- **A swing check of your club's performance,**
- **A tool to share your insight with your Committee,**
- **A document to help your members understand the transparent decisions you are making.**

**We look forward to helping you to professionalise your industry.**



# Contemporary Club Leadership Ltd

Industry Insight ~ Guidance and Assurance ~ Empowerment

Financial Analysis - CCL Barometer

Club Operations Health Check

Effective Committee Performance

Professional Survey of Your Members

Strategic Planning Support

Customer Experience - Staff Training

Clubhouse Manager Training

Golf Course Audit and Plan

Club Manager Mentoring

Staff Performance Management Systems



**CONTEMPORARY  
CLUB LEADERSHIP**

CCL Ltd 21 Rhodes Park North Berwick East Lothian EH39 5NA

Kevin Fish CCM 07398 155 908  
kevin@ccl.services www.ccl.services