

# Southbroom Golf Club- AGM 19 Dec 2023

The year end numbers -  
year end Aug 2023

High level overview-  
headwinds ( mini swot)

Profitability Turn Around  
project

- New revenue
- Cost savings
- Marketing programme
- Structure and accountability

Padel update

Village all in - UIP and  
Green Heart Membership

Members - All hands-on  
deck - “Our club”

- Suggestions email
- Loyalty programme

Price plans and  
membership ( Course  
Improvement)



# The Year End Numbers Aug 2023

## In a Nutshell

### ► Main **revenue** lines year on year

- Subscription income R 1.5 Mil equal to last year
- Green fee income R 5.1 Mil R168 k less than last year
- Green fee income split
  - Members R 2.3 mil
  - Visitors R 2.8 mil
- Nett F&B Trading income R 3.1 mil increase of R 504k on previous year
- Nett revenue all R 10.7 mil vs R 10.4 mil
- Rounds (ye 23) 25 405 vs ( ye 22) 27 044 - down 1 639
- Average revenue per round R 200 rounds down 1 639 x R 200 = R 327k
- ( Target rounds - 30 000 ie 5000 x 200 R 1mil )

### ► Main **expense** lines

- Total expenses increase year on year from R 10 mil to R 11.8 mil - R 1,8 mil increase ( 18 %)
  - Retrench costs R 420k ( once off)
  - General Expenses increase R 400k
  - Golf course and other repairs and maintenance costs
    - Course costs First 7 months nearly equal to full 12 months of ye 2022
    - Additional course charges next 5 months ( outsourced contract)
    - Course cots R 1 mill
- *Net Loss* R 1.1 mil
  - *Net loss* after extra-ordinary item R 700 k



# Headwinds and mini-SWOT

>Macro Economy >Local economy>Service Delivery> Water>Power>Roads  
>Impact on Leisure Wallet

## ► Strengths

- Great Club -Best Setting- Brand
- Course condition ( Wow Now)!!
- Pro Shop Team
- Club House team

## ► Weakness

- Business vs Club mindset
  - Monetise the revenue lines
- Peak time profitability dependency
- Implementation
- Structure and accountability

## ► Opportunities

- Grow younger membership
- Fun Golf- Non confident golfers
- Understand the wallet and changing demographics
- F&B captive market
- Events -Golf and non-Golf
- Padel - New energy

## ► Threats

- Economic sustainably
  - Short term
  - Long Term
- Competition ( SL & WC)
- Ageing membership



# Profitability - Turn around Project

## ► Revenue

### ► Increase membership base ( subs income)

- Family membership packages
- Business membership packages
- Target the non-confident fun golf segment ( social to golf convert)
- Grow the Virtual Social membership base ( plans underway)
- Padel cross membership opportunities
- Social membership Groups ( canasta example)
- GET the Village to become **Green Heart Support Social members**

### ► Increase rounds

- Members ( bring a guest .. More fun Golf .. Morning vs afternoon)
- Visitors - Special days, Corporate Golf Days, Grow the classics, Accommodation partnerships



# - Turn around Project

- ▶ Other revenue Non-Golf
  - ▶ Using the venue ( with a wonderful view) ( and the 4<sup>th</sup> tee)
    - ▶ Wine /beer / whiskey tastings
    - ▶ Wine and Nine
    - ▶ Golf and braai
    - ▶ Music evenings
    - ▶ Guest speaker Interest talks
    - ▶ Premium food menu/ evenings ( white tablecloth)
    - ▶ “Amp up” takeaway awareness
  - ▶ Venue Hire
    - ▶ Power and Water - plan ahead
    - ▶ Event organisers - target
  - ▶ Marketing and communications strategy - streamline



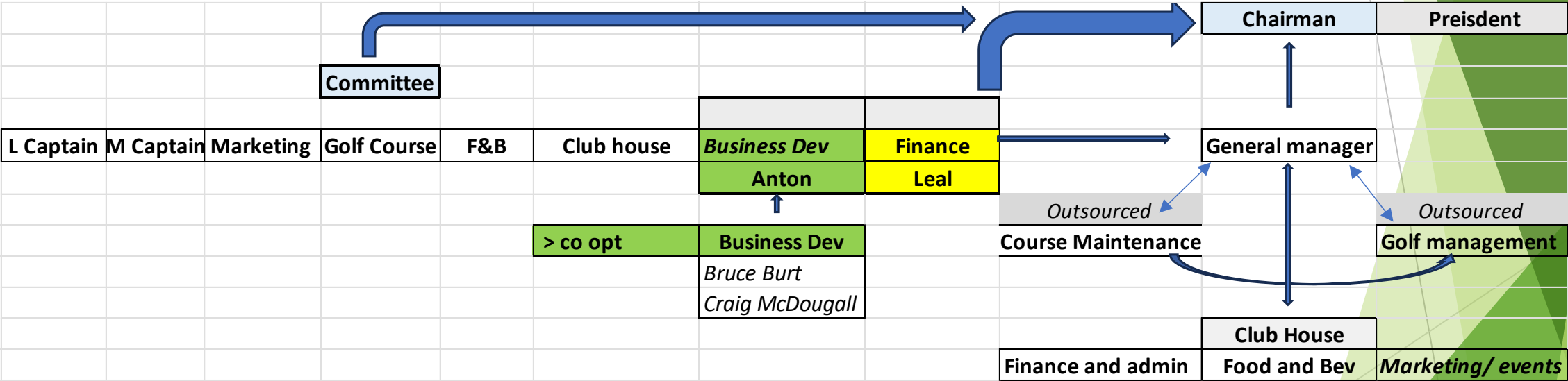
# Profitability- Turn around Project

- ▶ Cost Management ( largest to smallest)
  - ▶ Outsourced partners
    - ▶ Golf Course maintenance - Costing arrangements
    - ▶ Golf Play Management ( Pro Shop) - Income sharing arrangements
  - ▶ Income statement
    - ▶ Expenses challenge ( Top to bottom) quick win.. examples
      - ▶ Cleaning
      - ▶ Laundry
      - ▶ Staff schedules -Overtime
      - ▶ Crockery and cutlery breakages( incentive pool)
    - ▶ Freeze on all unnecessary costs/ expenses
- ▶ Business behaviour - Incentives and accountability
- ▶ GM Business Plan and KPA sign off with incentive drivers



# Structure and Accountability

Turn around phase





# Sustainability - UIP and Village Support

## ▶ UIP

- ▶ Support the levy increase ( dream a club / green park portion)
- ▶ Joint projects /course improvements down the line

## ▶ The Long-Term Sustainability- Village Support

- ▶ Golf Course and **Golf Club Economic Hub of the Village** ( Green Park and Village Hall)
- ▶ **Property valuations** directly to the success of the Golf Club ( neighbours)
- ▶ **Local business success** also directly linked to the success of the golf club
- ▶ The members ( mainly golfers) fund the course - subs, green fees and F&B
- ▶ The **Non- Golfers/ Non- Members** ( residents) enjoy the benefits of the **Green Park** ( currently little or no formal contribution)
- ▶ San Lameer ratepayer/ homeowner golfer or non-golfer approx. R 750 / month R 9 k per year  
total subs income 600 units @ R 9 000 = R 5.4 mil - Course costs sorted ( before GF inc)
- ▶ Golfing Estate without the gates ( Pecanwood Pinnacle point case study)
- ▶ We need village “non golfers” and “village business” support to survive



# GREEN HEART VILLAGE, SOUTHBROOM

Southbroom, a special village in Southern KZN, boasts a well-run community with key associations like the Ratepayers Association, Property Owner's Association, Community Police Forum, and Conservancy. Continual renovations and upgrades in the Gem of the South Coast attract new residents. The SRA and SPOA collaborate with the municipality to maintain building standards. The Community Policing Forum, funded by ratepayers, has made Southbroom one of the safest villages on the South Coast. The Southbroom Golf Club serves as the Green Heart, contributing economically and providing green space throughout the village. The golf course, an economic hub, employs hundreds, directly and indirectly, attracting tourism and creating jobs. The clubhouse acts as a central meeting place, akin to a village hall, hosting various associations and interest groups. Similar to San Lameer (a successful golfing estate where all residents, golfers & non-golfers, contribute to the running of the course), Southbroom's property values are up to 50% higher than our immediate neighbours, potentially tied to the success of the golf club. However, the increasing costs of maintaining the golf course pose financial risks. If unable to meet commitments, there's a risk of the course becoming unused land or subject to low-cost housing initiatives.

Welcome to the Green Heart Membership Initiative. The objectives of the initiative are to encourage and ensure that all residents and ratepayers within the Southbroom village contribute towards a portion of running this beautiful park.

## A THREE PRONG APPROACH: THE GREEN HEART INITIATIVE

### 1. Village Residents

Rather than having a handful of individuals try and support this program, the objective is that each of the rate payers within the village make a monthly contribution towards this program. There would be different contribution levels based on a tiered system, which would allow residents to contribute at various levels based on their capacity, this will ensure inclusivity and enable everyone to participate regardless of their financial means.

### 2. Southbroom Businesses

Furthermore, local business would also get involved and be part of this initiative. (Local business hugely benefits from the indirect spinoffs of the golfing eco system within the village). The businesses would also become Green Heart Partners (members) and pay a monthly contribution (these contributions would be tier based).

### 3. Service Providers & Suppliers

As a supplier of service to the SBGC, these providers would be encouraged to join and support the Green Heart Membership Program. They would be offered a Green Heart Approved Supplier status, this would be done by becoming Green Heart Members (another opportunity auctioning golf holes to the above 3 groups for a year).

### Model Summary: all tier based

Homeowners sign up to a GH monthly subscription.

The GH Village business partners sign up with a monthly sub.

Provide services to SBGC. Suppliers sign up to the GHI.

### Benefits:

- GH village members receive discounts and preferred service from the local village partners ( keeping the money in the village).
- The cost of the monthly village subs, will be covered by the discounts which they receive from local businesses
- The club gets local village business to become business members
- The club gets the SBGC service providers to also join as business/ corporate members

### Next Steps:

- ➡ Agree framework
- ➡ Agree new target income
- ➡ Tier level rates
- ➡ Test with local business
- ➡ Test with suppliers
- ➡ Agree a marketing action plan
- ➡ Kick off event
- ➡ Tidy Towns - lessons



# Green Heart membership Plans ( draft)

## Green Heart Membership Plans

Village homeowners - Green Heart Members					Available to upfront payment schemes		
Membership rate tier 1	Land Home Value	Monthly Subs	Annual Subs	Upfront	Member Status/ Benefits	Additional benefits	value of games
Small Residence / vacant land	R 1 000 0000 to R 2 000 000	R90	R1 080	R972	Social	MCC 5 games	R1 350
Membership rate tier 2	Land Home Value	Monthly Subs	Annual Subs	Upfront			
Medium sized residence	R 2 000 000 to R 4 000 000	R180	R2 160	R1 944	Social	MCC 10 games	R2 700
Membership rate tier 3	Land Home Value	Monthly Subs	Annual Subs	Upfront			
Larger sized residence	R 4 000 000 upwards	R360	R4 320	R3 888	Social	MCC 20 games	R5 400

Village Business owners - Green Heart Members							
Membership rate tier 1	Business type /volume	Monthly Subs	Annual Subs	Upfront			
Small business - sole proprietor	Number of employees less than 5	R180	R2 160	R1 944	Social	MCC 10 games	R2 700
Membership rate tier 2	Business type /volume	Monthly Subs	Annual Subs	Upfront			
Medium sized business	Prof services or mid sized retail	R360	R4 320	R3 888	Business ( to be defined)	MCC 20 games	R5 400
Membership rate tier 3	Business type /volume	Monthly Subs	Annual Subs	Upfront			
Larger business and Prof services	Active supplier of services to the village	R540	R6 480	R5 832	Business ( to be defined)	MCC 30 games	R8 100

Service Providers/ suppliers To SBGC- GH members							
Membership rate tier 1	Annual purchases threshold	Monthly Subs	Annual Subs	Upfront			
Small business suppliers	0 to R 100 000	R360	R4 320	R3 888	Business ( to be defined)	MCC 20 games	R5 400
Membership rate tier 2	Annual purchases threshold	Monthly Subs	Annual Subs	Upfront			
Medium sized business suppliers	R 100 00 to R 250 000	R540	R6 480	R5 832	Business ( to be defined)	MCC 30 games	R8 100
Membership rate tier 3	Annual purchases threshold	Monthly Subs	Annual Subs	Upfront			
Large volume suppliers	R 250 000 to R 1 000 000	R720	R8 640	R7 776	Business ( to be defined)	MCC 40 games	R10 800



# Green Heart Draft Revenue Projections

Membership revenue projections			
Residents -Home owners			
Membership rate tier 1	Number of subscriptions	Monthly subs	Total
Small Residence / vacant land	100	R90	R9 000
Membership rate tier 2			
Medium sized residence	150	R180	R27 000
Membership rate tier 3			
Larger sized residence	50	R360	R18 000
<b>Total home owners</b>	<b>300</b>		<b>R54 000</b>
Village Business owners - Green Heart Members			
Membership rate tier 1	Number of subscriptions	Monthly subs	Total
Small business suppliers	15	R180	R2 700
Membership rate tier 2			
Medium sized business	15	R360	R5 400
Membership rate tier 3			
Larger business and Prof services	5	R540	R2 700
<b>Total SB businesses</b>	<b>35</b>		<b>R10 800</b>
Service Providers/ suppliers To SBGC- GH members			
Membership rate tier 1	Number of subscriptions	Monthly subs	Total
Small business suppliers	20	R360	R7 200
Membership rate tier 2			
Medium sized business	20	R540	R10 800
Membership rate tier 3			
Large volume suppliers	10	R720	R7 200
<b>Total SBGC Suppliers</b>	<b>50</b>		<b>R25 200</b>
<b>Total Green Heart Monthly Subs</b>	<b>385</b>		<b>R90 000</b>

Green heart - other once off income		
Green heart Super Donors Founder Members		
Once off contribution	20 x R 18 000	<b>R360 000</b>
Green Heart Hole Sponsors		
18 holes	R 10 000 per hole	<b>R180 000</b>
Green heart current members - admin fee		
Current members - green heart affiation fee		?
Admin		



# Members All Hands-On Deck - our club

## We are all stakeholders

- ▶ Grow the revenue lines
  - ▶ Help Grow Membership ( social or golf) invite a friend
  - ▶ Bring friends have some fun golf
  - ▶ Support the functions
  - ▶ Support the food and beverage business - dine in and take away “it's our business”
  - ▶ Stay after golf ( deals to be announced)
- ▶ Membership Loyalty Programme ( Understand our clients)
  - ▶ Spend profile data
  - ▶ Thank and reward loyal spenders (.. ie top 20 members)
  - ▶ Target and understand spending patterns to encourage further spend
- ▶ Member / staff / management engagement- on the floor ( code of conduct)
  - ▶ Suggestions / Ideas /Constructive inputs
  - ▶ Email - [suggestions@sbgc.co.za](mailto:suggestions@sbgc.co.za)



# Price Plans Membership Structure - complex

SBGC Southbroom Golf Club			PLAYING FEES		01/09/2023 SCJ							
ADULT MEMBERSHIP Categories					18 HOLES	9 HOLES	PERKS	ANNUAL SUBS incl XmasF R60	PRO RATA	Scholar members	G Fees 18h 9h	subs incl hcap
ADULT	FULL SBM MEMBER	WITH H'CAP CARD	R 270	R 135	10% club house discount	R 6 645	YES - SUBJECT TO APPROVAL	U 35yrs	R270 R135	4905	4110	
	FULL SBM MEMBER	NO H'CAP CARD *	R 270	R 135	10% club house discount	R 5 850		U 25yrs	R135 R70	2595	1800	
	* HANDICAPPED AT ANOTHER SA CLUB ALREADY				(all members get 10% discount on clothing & shoes in the Pro Shop)			U 20yrs	R65 R45	1535	740	
SENIOR	MUST BE OVER 70yrs & HAVE BEEN A FULL MEMBER FOR 10 YRS		WITH HCAP CARD	R 270	R 135	10% club house discount	R 4 905	YES - SUBJECT TO APPROVAL				
			NO HCAP CARD	R 270	R 135	10% club house discount	R 4 110					
FULL MEMBER DEAL OPTIONS	20 /23 GAME CARD 18h		BUY 20 GAMES    PLAY 23 GAMES - LEVY INCL			PLEASE NOTE		PRICE	PRO RATA			
						VALID FOR 18 & 9 HOLES		R 5 436	NO			
	MCC101    1st card		10 games @ R260 per game    R2600					R2 600	NO			
	MCC102    2nd card		10 games @ R250 per game    R2500					R2 500	NO			
	MCC103    3rd card		10 games @ R240 per game    R2400					R2 400	NO			
								PRICE	PRO RATA			
	ANNUAL PLAYING CARD APC    ADULT		PAY FOR 48 GAMES    LEVY IS INCLUDED GET UNLIMITED GOLF FOR THE FINANCIAL YEAR			VALID FOR 18 & 9 HOLES		R 12 960	NEG	JUNIOR APC		
	6 MONTH APC		GET UNLIMITED GOLF FOR 6 CALENDER MONTHS			VALID FOR 18 & 9 HOLES		R7 000		U25 R6480 UNLIMITED GOLF		
90 DAY APC VALID FOR 90 DAYS FROM DATE OF PURCHASE		EQUIV OF 20 GAMES -DOES NOT INCL LEVY PER GAME GET UNLIMITED GOLF FOR THE 90 DAYS 18 H LEVY R12 & 9H LEVY R6 PAYABLE PER ROUND			VALID FOR 18 & 9 HOLES		R 5 160	NO	U20 R3120 UNLIMITED GOLF			
Virtual Social member	Member GREEN FEES R270 on FRI & SUN ONLY. ALL OTHER DAYS Pay R390 or Thurs spec R350 Includes Handicap card & Club house discount    -    Card must be pre loaded					ANNUAL SUBS	please note			MEMB CHICK RUN		
						R 1 600	cannot buy 20/23 card or APC or 90 day APC			9H	75 +30 =R105	
	Welcome to play in all competitions - but not Eligible to win any Southbroom Board Trophies unless it's an open event									18H	245+30=R275	
Social member	Fri 9h chicken run at member rates R105 otherwise no deal on green fees & no handicap card Discount in the bar and in the Club house discount BUT card must be pre loaded					R 900	cannot buy 20/23 card or APC or 90 day apc			9H	135 +30 = R165	
										18H	350+30=R380	



# Course Improvement levy ( CIL)

There has been a significant improvement in the Golf Course

- Thank you, Matkovich and their Green Keeping Team,
- Thank you, Derek, for driving the programme

Course maintenance costs have increased

- Subscription pricing season - July
- Subscriptions Sept 2023 minor increase
- Green fees - rates stayed as is
- APC slightly reduced

To balance the numbers

- Once off CIL ( Course Improvement Levy) depending upon December numbers in January
- Visitor rates if not already pre booked / paid
  - (CIL) R20 add on 18 hole rounds R 10 on 9 hole rounds (TBC)



Thank You  
Enjoy Your Club  
And wishing you a  
Fun Filled Festive Season

