



Golf Maintenance Case Study

This is a case study reviewing the costs and benefits of insourcing vs. outsourcing golf course maintenance.

Key areas of review are:

- 1) Ensuring side by side cost comparisons
- 2) The impact of having a team with deep experience managing over 800 holes of golf
- 3) Average savings of 18% on employee management costs
- 4) Average savings of 12% on insurance costs

Case Study

Using actual financial reports provided by our client, we save 42% year over year in maintenance costs (**almost \$347,000 total**).

How?

How can we save this much money vs. insourcing?

- 1) We are dedicated to course maintenance; it is our primary focus. Not pro shop, not front of house.
- 2) Our Regional Golf managers oversee multiple courses, sharing best practices and efficiencies
- 3) We use the right equipment, and update/replace equipment that isn't up to standard
- 4) Our superintendents learn from the best, with scorecards and KPI's to ensure they are on track
- 5) Leveraging our size in the golf industry, we have national account pricing on equipment and materials
- 6) Our insurance, business risk, and other fixed costs are spread amongst many people and facilities – we have operational leverage on these fixed costs
- 7) With this specific golf course, we were able to increase the total number of rounds by 18% and increased the average greens fee by 15% after 1 year.



Financial Comparison

Golf Insource vs Outsource True Costs

This template is used to compare the cost to insource vs outsource golf course maintenance. Simply input the numbers in each cell to determine a final "cost per hole" to easily compare to proposals presented either internally or externally.

Category	Total Cost for the Year	Notes
In house Maintenance Staff Hourly Compensation	\$ 313,950	input
In house Maintenance Staff Hourly Overtime	\$ -	input
In house Maintenance Staff Labor burden	\$ 78,488	Payroll taxes, uniforms, medical/dental insurance, vacation, Sick time, etc. Typically 25% of Compensation+OT
Total	\$ 392,438	
In house Maintenance Staff Salaried Compensation	\$ 177,943	
In house Maintenance Staff Salaried Overtime	\$ -	
In house Maintenance Staff Salaried Benefits	\$ 24,841	If not sure, use 25% of total compensation+OT
Total	\$ 202,784	
Insurance	\$ 49,189	Workers compensation/Liability if not separate, typically 10% of total compensation + OT
Annual Landscape Maintenance Materials Spend	\$ 27,688	Weedeater string, blade sharpening, etc. From expenses
Fertilizer and Chemicals	\$ 174,780	From expenses
Misc Expenses	\$ 20,523	From expenses
Fuel	\$ 19,435	From expenses
Annual small tools and equipment spending	\$ 47,915	From expenses
Spending Last 5 years on all Equipmentnt	\$ 163,173	This is the expected spend per year for capital equipment, to ensure equipment is reasonably kept.
Equipment and Vehicle Acquisition Costs	\$ 11,422	Generally 7% of the cost of equipment
Vehicle and Equipment Maintenance Costs	\$ 45,819	From expenses
Insurance, Registration, and Excise Tax for Vehicles	\$ 16,317	Generally 2% of the cost of equipment
Safety Equipment	\$ 873	From expenses
Senior Management oversight of Maintenance	\$ -	Generally a fully loaded share of the overall management, typically 30%
	\$ 1,172,355	Total Cost

Proposal Overview

With the power of our experience in course management, as well as the depth of knowledge of our team DTE Golf is happy to provide the following proposal to take care of Sand Ridge.

Comparison

Current Costs

	\$ 1,172,355
In House Maintenance Staff	\$ 595,222
Insurance	\$ 49,189
Chemical and Tool Costs	\$ 290,340
Equipment, Vehicles, Insurance	\$ 237,604
Senior Management oversight of Maintenance	\$ -

Down to Earth Proposal

	\$ 825,000 per year
Includes all staff for the course	
Chemicals, maintenance, and other costs for the golf course turf	
Includes upgrading equipment approximately \$450,000	
5 year maintenance agreement	



What Makes DTE Golf the service provider you should choose and trust?

Experience

With more than 800 holes of golf and hundreds of years of direct “on the course” experience, we have the knowledge necessary to handle any situation.

- 42 Superintendents on staff, each responsible for their own golf course, but all connected to one another to share information.
- On average our clients keep us for 10 years – We are still maintaining our very first golf course (over 14 years ago).
- We maintain all types of golf courses (Private, Semi-private, daily fee, public, municipal, etc.) and bring value to each type.

Certified and Credentialed

We back our practical experience with agronomic knowledge. We have Class A certified Superintendents on staff, and many hold Certified Turf Grass Professional licenses.

- GCSAA certifications, Certified Turf Grass Professional, Ornamental and Turf Spray Licensed

Powerful Knowledge Sharing

With our breadth and depth of knowledge, we leverage our Superintendents by sharing best practices and details of situation resolution. Our Regional Golf Superintendents introduce best in class solutions for the unique demands of every course.

- Culture of Respect, Excellence, and Accountability
- Resources and freedom for Superintendents to “run the show” specific to their course, not cookie cutter
- Expectations set by strong peer performance, and regional golf management
- Lines of communication between Superintendent, crew, and other course employees are consistent, open and honest
- Expertise on golf construction, strong design partners, and turf grass (Zoysia grass, Bermuda, etc.)

No Corporate Bureaucracy

Scale is important for expertise and depth of talent. However, it’s too easy to lose the connection to the course through too many layers, or too many “one-size fits all” procedure guides. At DTE Golf we ensure that our approach is specific to the hole.

Professional KPI’s and Scorecards

Using our hundreds of years of golf experience, we have created scorecards to ensure that the consistency of greens, the quality of turf, and the experience of the golfer is unmatched.

- Regionals evaluate course conditions every week with the Superintendent
- Delivery of reports to ownership/board monthly and quarterly

Partnership

We work directly with ownership and all golf professionals to ensure that our focus is on delivering the best possible experience for golfers.

- In person walk/ride of the course
- Superintendent working directly with members/customers on the golf experience
- Our Regionals, Business Development, and Leadership are golfers who conduct business face to face and ensure there is certainty on who to contact for any issue
- We bring forth knowledge and insights to improve greens and grounds, and quickly identify, notify, and solve any issues