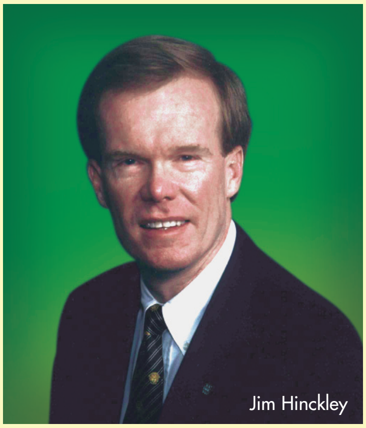
tee box

by Rodney Foushee


Jim Hinckley

Dallas-based Century Golf Partners is one of the country's newest golf management firms. With more than 40 owned or managed courses since it was formed in 2005, Century Golf is also one of the larger players in U.S. golf operations. CEO Jim Hinckley—a former president of ClubCorp—is no stranger to taking on complex operations. *Golf Business* recently caught up with Hinckley to discuss the company and the golf industry in general.

Golf Business: Out of nowhere last year, you helped form one of the larger golf ownership groups in the United States. How did this all come together?

Jim Hinckley: We capitalized upon a unique market-timing opportunity in golf. We saw an industry that was in the beginning stages of a recovery, yet lacked fresh investment capital. We believed the market valuation of golf assets was very attractive relative to other real estate opportunities. We also saw an industry where superior management could deliver superior results. These market dynamics helped us attract outstanding capital relationships in Walton Street Capital, Lehman Brothers and GE Commercial Finance. As a team, we were successful in acquiring two portfolios whose institutional owners were motivated to sell.

G.B.: Besides the formation of the company, what were the major highlights for Century Golf Partners in 2005?

J.H.: We acquired 44 courses over a 90-day period, adding 3,000 new employees and thousands of new vendor relationships. We also obtained the exclusive rights to the Arnold Palmer Golf Management brand. On top of the acquisitions, 2005 saw us implement the operating systems and management processes required to operate the portfolio, as well as a shared corporate culture which ultimately will drive our success.

G.B.: In a competitive environment, how does Century Golf elevate itself among other golf management firms?

J.H.: We consider ourselves golf businessmen rather than golf operators. We do not pursue traditional fee management opportunities, choosing instead to act as a principal charged with delivering total return on investment. We chose the name Century Golf Partners for a reason. Our approach is truly one of partnership—we partner with our customers, we partner with our employees and we partner with our investors. At a time when many are focused on cost containment, we are successfully driving revenue growth through aggressive capacity utilization.

G.B.: What are the plans for Century Golf in 2006?

J.H.: We will continue to focus on maximizing profitability, as we have high performance expectations for our existing courses. At the same time, we will seek to expand our strategic relationships as a means to grow the size of our portfolio.

G.B.: Can a golf management company become too big for its own good? What are the secrets to success as a firm continues to grow?

J.H.: Golf is a micro-market business where every course has its unique set of opportunities and challenges. Macro, or national-level programs, seldom have a material impact at the courses, particularly as it relates to revenue generation. The key to operating a multi-course portfolio is having entrepreneurial people on site and a clearly defined and well-executed business model for the key drivers of the business. The corporate office should provide the appropriate tools and training, then entrust their people to make real-time decisions that truly impact value.

G.B.: Any predictions for 2006 concerning the golf industry?

J.H.: There should be continuing, albeit slow, recovery in both rates and rounds. Unfortunately, we still have not seen corporate play return with near the intensity we saw several years ago. That said, increasing sophistication among operators should drive improved performance, and therefore greater returns, across the industry.