



Golf's Serial Entrepreneur

John McConnell continues to reshape the golf scene in the Carolinas.

RALEIGH, NORTH CAROLINA: In the summer of 2012, John McConnell and his son John Jr. “snuck out” for a quick nine.

“He had never beat me,” revealed McConnell. “But, on this day, we were all square heading to the final hole. Our ninth hole at Raleigh Country Club is a typical Donald Ross par-4. It’s straight forward and what you see is what you get. John Jr. hit his tee ball on the green and I under-clubbed and ended up about five yards short into the light rough. I cajoled him to call it a tie.

“His response, ‘no dad, I’ve got you today,’” fondly recalled McConnell. “I proceeded to chip-in for a birdie and John Jr. missed his putt.”

That was the last round they played together. About a week later, John Jr. suddenly died at the age of 31.

“My son was one of the most positive people you could meet,” said McConnell. “All families face challenges and tragedies. Our family’s tragedy reinforced the fragility of life. I have solace that death can’t take away memories, and many of my best memories are on the golf course.”

THE STORY BEHIND A GOLF ENTREPRENEUR

Born in Abington, Virginia, John McConnell was raised on the family farm with his three siblings. A true country boy, he was a solid “A” and “B” student who attended Virginia Tech.

McConnell was at the forefront of the medical software revolution. “Vertical software companies were blossoming.

Big blue chip companies such as IBM and NCR would supply the hardware and the market was wide open to supply the software. I think I was ahead of the curve realizing software was the reason companies would buy a certain computer.”

After founding and selling several software companies, McConnell netted millions of dollars. “I wish my dad could have witnessed my success,” said an emotional McConnell. “He made \$400 a week and, in his best year, earned \$10,000. I really wish he could have seen how his sacrifices for me paid off.”

Shell’s Wonderful World of Golf television series hooked McConnell on the game. “My brothers and I would place tuna cans in the ground to make our own courses.

“When I purchased Raleigh Country Club, its future was uncertain. It would have been a travesty to have Donald Ross’s last design vanish. I was still working for one of my software companies and considered

my commitment to the golf club as a positive distraction. It allowed me to get away from my daily stress.”

Two years later, Raleigh Country Club had a stable membership and was cash flow positive. With the turnaround success fresh in McConnell’s mind, in short order, he purchased Treyburn Country Club.

“The only way to make money in the golf club business is growing scale and leveraging purchasing power,” stated McConnell.

McConnell Golf now owns 11 private golf clubs across the Carolinas and Tennessee, has a total of 4,800



John McConnell

THOUGHT PROCESS BEHIND PURCHASING A PRIVATE GOLF CLUB

“The number of sales prospectuses I receive on private clubs has gone down, but the quality of private clubs on the market has gone up. Smart Boards are figuring out they are not best suited to run a club. Before I start crunching numbers, there are a couple of intangibles I evaluate. Is the membership’s attitude happy I am around? Is there a quality staff in place? If all good management has left, that is a warning sign the membership may be difficult and hard to get along with.

“There are three criteria in my evaluation. First is location. Being 30 minutes or less from a city center is important. Clubs in urban areas are outperforming rural settings. The gutting of the middle class and the trend toward corporate headquarters being located downtown is siphoning off prospective members at clubs that are off the beaten path. Next, I pay a careful eye to the golf course. I like to look at it from an artist’s eye and appreciate its beauty. Is it special? Is it worth saving? Finally, the financials and capital required are carefully reviewed. Banks are still anti-golf. I find troubled clubs fall into two categories. Either they haven’t invested in improvements for years and amenities have degraded or the club took on an enormous amount of debt to transform the club into a family-friendly oasis with the ‘build it and they will come’ philosophy.

“I got into the business because golf is overbuilt. Clubs will continue to close, but the end result will be a healthier industry.”

— JOHN McCONNELL



Raleigh Country Club is Donald Ross’s last design. McConnell located the original hand-drawn blueprints, stored in Pinehurst, to restore the course to Ross’s original vision. Surprisingly, other than one water feature being altered, the only significant change in 65 years was removal of bunkers. “I think the membership appreciated the history and significance of their course,” said John McConnell.

“OUR BRAND is strong and getting stronger. If the club isn’t at least equal to our existing portfolio, it is not a fit for us. In an industry that isn’t growing, clubs that were built at the wrong time, or in the wrong location, ultimately will fail.” — JOHN McCONNELL

“FOR OUR INDUSTRY to grow as a whole, private clubs need to go back to their roots and be the social hub of the community. We must be more inclusive, instead of exclusive. If a club has a prime location and positioned right for the marketplace, everyone still wants to join.” — JOHN McCONNELL



Old North State Club

“OLD NORTH STATE CLUB perennially ranks as one of the ‘top-5’ golf courses in North Carolina. Its reputation is exemplary and its location is just as good. McConnell Golf’s expertise gives me the confidence it will remain among the best.” – TOM FAZIO



Country Club of Asheville

members, and membership sales are up 30 percent in the past two years.

“I have invested \$50 million in club improvements. I have a distinct vision for the game of golf and services required at a private club. Having ownership equals tight control that creates a better product.

“Member-owned clubs, controlled by a Board, are at a distinct disadvantage. Board members rotate on a regular basis, and when Boards rotate, priorities change. It is more than a day job,” said McConnell.

As a member of a McConnell Golf club, you are welcome to play at other McConnell Golf facilities a collec-

tive 12 visits per year. Rounds are comped, you only pay a nominal cart fee. “I think our growing reciprocal network of clubs is a big deal,” said McConnell. “Although the majority of your play will likely be at your home club, it is nice to know if you are traveling around the region, odds are we have another private club in the area.” ■

For more information on McConnell Golf, please visit their website, McConnellGolf.com.

For details on the McConnell National Membership Program, e-mail Lauri Stephens at membership@mcconnellgolf.com.



A DAY IN THE LIFE OF A VP OF MEMBERSHIP

“To meet my membership goal, my priority is to service existing members first. In a healthy private club environment, member referrals should always be your number-one lead source. Keeping current members happy and, in the process, you have members turning friends and colleagues onto the club. This is my focus. Walk-in prospects represent less than 10 percent of my total leads and the percentage continues to shrink as most prospects nowadays have shopped the Internet researching the club and pre-qualifying themselves prior to ever stepping foot on property.

“Most sales programs teach to skirt pricing until the very end of the presentation. That is not the case anymore. The initiation and dues commitment is a ‘top-three’ question these days. I have confidence in our product and I work hard to make sure our club is a match for the member.

“Most of our clubs have under 20,000 rounds per year. Our quick pace-of-play along with exceptional course conditions and tee time availability are our hallmarks.

“Weather and the stock market affect our sales cycle. I categorize our prospects into one of two categories: Those who have the ‘quick, sign me up now mentality’ or those who need to be nurtured. May is our busiest new member enrollment month, as families are looking to be able to enjoy the summer activities. If the weather is cool and wetter than normal, this can delay the decision, causing some to push back their commitment to the following year.

“Monthly dues are more of a deciding factor to join than the initiation fee. It is important to ask how many new members join each year. Typically, initiation fees are the major contributor to capital improvements. Facilities age without the fees.

“The most common question the husband asks: How soon can I start to play? The wives: What’s in it for the kids and me? Be sure to look beyond the bricks and mortar. Make sure you connect with the demographic of the club. The most important question to ask is ‘will I fit in?’” – LAURI STEPHENS, VICE PRESIDENT OF MEMBERSHIP, McCONNELL GOLF



Treyburn Country Club

THE McCONNELL GOLF NATIONAL MEMBERSHIP
 One Membership • 11 Private Clubs • 12 Properties • 13 Golf Courses
 Designs by Palmer • Fazio • Ross • Norman • Irwin • Dye • Maples