



**GOLF** *Link*



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Business Model  
and  
Web-based System Implementation Plan



# Status

- Golf Link today:
  - 422 clubs online across Australia
  - In excess of 330,000 golfers carry a Golf Link card
  - Representing 68% of the total membership
  - 15,000,000 rounds processed, currently in excess of 500,000 per month
  - No incorrect handicap & CCR calculations
  - Adjustments to H&CR systems successfully implemented centrally
  - Project no longer commercially or technically sustainable in its present format.



# The Proposed Business Model

- Golf Link to be funded by a user pays fee. The new proposal provides:
  - Low cost solution
  - No recovery of existing investment
  - Equipment and access provision the responsibility of clubs
- AGU and Member States recommend the proposal to all affiliated clubs.



# The Original Business Model

- Golf Link was based on the controlled use of the data base for mail based communications and offers to Australian Golfers to create:
  - Ongoing revenues and future commission streams generated by marketing offers to fund the project
  - To build the project manager's own customer base, from member responses, to generate additional revenues to be shared with golf's stakeholders.



## HISTORY

1995	<ul style="list-style-type: none"><li>•Clubs advised of centralised handicapping concept</li></ul>
1996	<ul style="list-style-type: none"><li>•Golf Access appointed as project manager</li></ul>
1997	<ul style="list-style-type: none"><li>•Golf Access placed into liquidation</li><li>•Cendant Australasia Limited (Cendant) appointed as project manager and commences funding the project</li></ul>
1998	<ul style="list-style-type: none"><li>•Tier 3 Pilot club commenced</li></ul>
1999	<ul style="list-style-type: none"><li>•Tier 1 Internet Solution investigated during ‘tech boom’</li><li>•By year end, over 200 Tier 3 clubs online</li></ul>
2000	<ul style="list-style-type: none"><li>•Internet marketing revenues questioned after ‘tech bust’</li></ul>



## HISTORY

**2001**

- Cendant approached AGU to fund project with a levy – AGU rejected
- Cendant explored further marketing opportunities
- All possible avenues to attract sufficient long term sponsorship to guarantee the future of the project exhausted
- Again Cendant proposed a levy with 3 options of between \$4 and \$8 per member. This fee was based on 3 distinct equipment supply and service levels and a variable 3 -10 year cost recovery period – AGU rejected based upon results of the PricewaterhouseCoopers summarised club survey in which of the 39% of responding clubs, 63% were not in favour.



## HISTORY

2001	<ul style="list-style-type: none"><li>• Cendant offers Golf Link contract for sale</li><li>• Over 80 expressions of interest</li></ul>
2002	<ul style="list-style-type: none"><li>• 8 final submissions all fee-based</li><li>• Fees between \$4 and \$14 proposed – on basis of fee, AGU rejected</li><li>• These submissions provided Cendant and the AGU with the confirmation that funding the operation of Golf Link entirely from commercial access to the database did not form the basis of a responsible business model.</li><li>• Cendant reviews and resubmits fee proposal</li></ul>



# The Fee

- The fee to be \$2.50 (+ GST) per member per annum, collected according to your state association's preference.
- For those clubs currently using Golf Link, the fee will be incurred as at the date of the roll out of the new system planned to be on or before early January 2003.
- The remaining clubs will incur the fee at the time they apply for access to the system.
- Initially, the fee will apply to every online club based on the number of their state or district affiliated members.
- This bid initially requires 300,000 golfers for this system to be economically viable.
- Fee is - fixed for 2 years



## **Proposed Deliverables**

- The fee funds the implementation of The Golf Link Web-Based System, which includes:
  - Modernisation of the Tier 3 communications solution.
  - Delivery of Tier 1 via the Internet.
  - An expanded Golf Link Specification.
  - An upgrade and implementation of AGU / WGA and State Association Workstations.
  - Upgrade of the existing Golf Link Servers.



## Projected Expenditure

### Analysis of Roll Out and Ongoing Operational Costs (Excluding GST)

	Initial(\$)	P.A.(\$)
<b>Complete development life cycle of Golf Link Web-Based System</b>	204,000	60,000
<b>Implement/support/maintain Golf Link Web-Based System</b>	417,000	975,000
<b>Support/maintain/upgrade existing Golf Link System (live Tier 3 sites)</b>	145,000	40,000
<b>Upgrade Golf Link Workstation Software</b>	55,000	-
<b>Travel, Training related costs</b>	-	25,000
<b>Total Roll Out and Ongoing Operational Costs</b>	<b>821,000</b>	<b>1,100,000</b>
<b>Contingency</b>	<b>82,100</b>	<b>110,000</b>
<b>Total Estimated Roll Out and Ongoing Operational Costs</b>	<b>903,100</b>	<b>1,210,000</b>

**483,752 Total Golf Link Members**

**Golf Link Fee** **2.50**

Initial setup costs recovered within the \$2.50 (+ GST) annual fee over time  
 Initial card and reasonable replacement included in fee }  
 Extensive professional help desk and online support provided} 75% of support and maintenance costs



# Projected Expenditure

- **Security**
  - In order to keep the fee to \$2.50, no provision for security other than by username and password has been made. Cendant considers that this creates a significant security risk for the application given the importance of maintaining privacy and reliability of data and service. Accordingly, security provisions would be on-charged to clubs at a cost of approximately \$50 per club per annum. At this stage, Tier 3 clubs would be billed at the time of moving to the Internet communications method. It may be possible to allow some Tier 1 clubs to make their own decision as to the importance of security for their members. In consideration of feedback from State Associations, the original per club fee of \$150 has been reduced to \$50 by lowering the specification of the security device. This requirement will be investigated in the scope review with the intention of minimising costs.
- **Audit**
  - The AGU will maintain its full audit rights over the project to ensure costs are not unreasonable and within industry standards.



# Projected Expenditure

- Fee increases (after 2nd year)
  - Are not expected in the initial period as:
    - an extensive help desk and training mechanism has been provided for, which should reduce dramatically after year two as clubs become more experienced, thus allowing increases in other costs to be maintained within the budgeted figure.
  - If considered necessary, to be justified to the AGU secretariat initially, which will subsequently be scrutinised by –
    - AGU Executive Committee
    - AGU Council (State Associations)
- Fees are to be held in trust until the project deliverables are met by the development manager.



# What are the benefits of the new system?

- A truly centralised national handicapping system for all participating affiliated members.
- The new delivery method will ensure that member clubs are using the latest communication and processing technology and at the same time saving the project and its membership significant costs.
- Internet solution is available regardless of geographic location
- The job of 1000's of honorary and paid administrators will be made easier and more efficient.
- Members and clubs will have instant access to their latest handicap via the website.
- Direct cost savings in the posting of visitor score cards.
- The integrity of the National Handicap is enhanced by consistent and timely application across all clubs of the official Australian Handicapping rules.



## What are the benefits of the new system?

- Some of the features of the Web-Based system will be:
  - Simple and easy to use access via the Internet to the Australian National Handicapping system - Golf Link.
  - An integral feature of the Golf Link handicap system is that it will provide clubs with an online membership and competition management system.
  - Members and clubs will have access to a Real Time handicap and score inquiry service via the Golf Link website, 24 hours a day 7 days a week.
  - Over time many new features will be developed and offered to clubs which will enhance the experience for members and club officials.



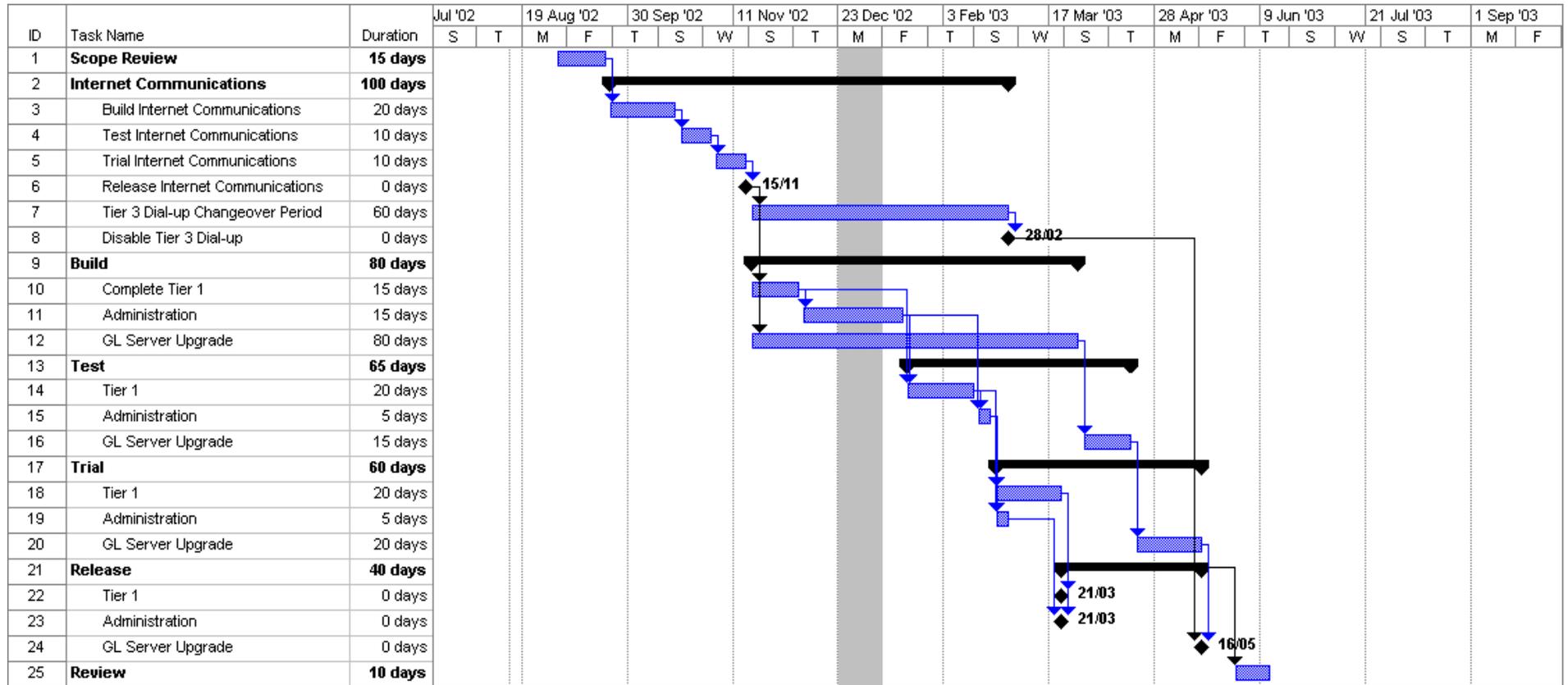
## What are the benefits of the new system?

- The sport will control the destiny of the project rather than it being subject to the vagaries of commercial sponsorship and associated risk.
- Upgrading the system to an Internet delivery model in which the technology is widely understood and equipment and expertise readily available greatly enhances the future operational flexibility of the project.
- The solid financial underpinning and national delivery of the system via the Internet will provide a powerful tool with which to entice commercial sponsorship at levels unattainable with the previous technology. **This will provide the opportunity to direct funding back into the golf community.**
- Statistical information to direct the growth and development of golf
- We do not lose pace with the rest of the world – already operating in NZ based on a fee.
- Investments to date not lost.



## Projected implementation timelines

High-level Gantt chart of the development and implementation process. This schedule starts September 2 - delays to start up will most likely have a commensurate effect on completion dates. The timings are indicative only and require the input of all stakeholders prior to confirmation.





## Typical example of Tier 1 administration page view

Golf Link - Microsoft Internet Explorer

### GOLF Link

Club Administration

Sample Golf Club

Competitions > Search For A Competition > Competition List > **Competition Details** >

[Update Competition Details](#) | [Administer Competition](#) | [Help](#)

#### Competition Details

**Date:** 1/01/2000  
**Club Name:** Sample Golf Club  
**Gender:** Men's  
**Club Played At:** Sample Golf Club  
**Course Name:** Red  
**Par:** 70  
**ACR:** 71  
**CCR:** 73  
**Competition Type:** Normal  
**Score Type:** Stroke  
**Tee Up Through Green:** N  
**Number of Entrants:** 26

Members  
Competitions  
Handicaps  
Club Profile  
User Profile

Current User: Fred  
Logout



## Your questions answered

Q1. How will Golf Link assist the development of golf in Australia?

A. Golf Link provides the data for the analysis of playing/membership strengths across regions in Australia so governing bodies (AGU/WGA, State, District & Junior golf associations) may be more targeted about the development of the sport, which will in turn assist clubs in maintaining or building membership levels. For example, regions that decrease in membership may be identified, and analysed, to ascertain whether this is as a result of various factors such as; aging population, lack of coaching and or junior development in the region, or other outside influences such as economic/social factors. These issues can be identified by the cross analysis of GOLF Link data, the AGU survey, Census and other Australian Bureau of Statistics data.

Q2. Why do we need to pay a fee for Golf Link when it was initially proposed that it would be free?

A. Seven years after the original funding model for Golf Link was proposed the commercial world has experienced a significant shift in sponsorship focus which has forced Golf Link to look to the only sustainable means of funding, a user pays fee. The Golf Link system is a long-term project that requires absolute surety of funding to provide the members with the product and the service expected of such a program.

Q3. How many Clubs are currently using the Golf Link system?

A. Over 400 clubs are currently online with Golf Link. Those clubs represent over 330,000 members (68% of total membership) across Australia. Over 13 million scores have been processed since 1999 and presently around 500,000 scores are submitted every month.

Q4. How will the Internet or Tier 1 solution work?

A. Tier 1 will operate through the internet. Club officials will simply log on to the internet (from the club or at home/business), access their particular club site, through the use of appropriate security measures, operate a competition – from competition player entry, score entry, access competition results, manage their membership database, access help functions.

Q5. What are the advantages of having handicaps and CCR's calculated at a central point?

A. Handicaps and CCR's will all be calculated using uniform and current rules and calculation methods as set down by the AGU/WGA. Changes to the system can be introduced simultaneously throughout the country.



## Your questions answered

Q6. How long will it take for Golf Link to process a competition and send the results back to the club over the Internet?

A. Once the competition scores have been sent to Golf Link for processing, CCR calculations and handicap updates will be almost instantaneous. Depending on the speed of your Internet connection, the results will be viewable on your screen in around 1 minute.

Q7. How soon after a competition has been processed by the club could a member view his latest handicap?

A. As soon as the competition is processed, members can view their updated handicap and score history via the Golf Link Handicap History website currently at <http://www.golflink.com.au> on their own PC.

Q8. Will the club be able to print hard copies of results etc for filing or display?

A. Yes.

Q9. What equipment will my club need to access Golf Link on the Internet?

A. A computer (Windows 95 compliant or higher with Internet browser v4.0 or higher) and a modem.

Q10. How easy will it be to use and will the operator need to be a computer buff?

A. The system is intended to be very easy to use. Even the novice computer user will be able to understand it. Remember GOLF Link is designed to automate processes that already occur in the normal day of processing a competition.

Q11. Can anyone from my club operate the system?

A. No. For security reasons only those people nominated by the club. You may however have multiple users with various access privileges who can use the system.

Q12. What training will be available for the operators of the system?

A. Regional and online training will be available.

Q13. What security systems are available to prevent my club records being accessed by unauthorized persons?

A. Various systems are being analysed – The final scope review will determine the level of security to be implemented.



## Your questions answered

Q14. What if my club doesn't have a secure clubhouse to house the computer?

A. We suggest that it is operated from a club official's home or business.

Q15. What happens if there are no phone lines or power to the course?

A. A responsible member of the club can operate the system from any site with access to these services.

Q16. What are the likely costs associated with Internet access?

A. These vary by provider however we expect in the order of \$25 per month (before we research commercial deals for clubs).

Q17. If my club is in W.A. and the Golf Link server is in Melbourne, will it cost me more than those clubs in the Eastern states?

A. No – internet calls are charged at local rates.

Q18. Will I be able to access other Internet sites from my computer?

A. Yes, you will organise and own your Internet connection and will therefore be able to access all the other advantages of the Internet.

Q19. My club already has a computer and Internet connection, how soon will I be able to get connected?

A. Your club will be notified as soon as your region is activated.

Q20. Will every club be able to access the Internet?

A. There is no reason why not, if not from the club, then at a member's home or business.

Q21. Will existing Tier 3 clubs (clubs currently online) be able to retrieve my "Tier 1" handicap if I visit them?

A. Yes, clubs that are currently using Golf Link via accredited software will be accessing the same database allowing free exchange of handicaps between all clubs.



## Your questions answered

Q22. Would it be practical for a number of small rural clubs to get together and operate from one system?

A. Yes, if this works best for them.

Q23. Can you give any assurances regarding any future fee rises?

A. No, however it is intended to build the system on a non-profit basis – like a golf club. Essentially the system is about the development of the sport, not a barrier to participation.

Q24. Is there provision within the budget for investment in future technology upgrades and improvements?

A. A provision is made in the budget which will allow the Golf Link to take advantage of technology advances and upgrades as well as for hardware replacement at least every 5 years.

Q25. Why do members need a Golf Link card?

A. The Golf Link card is the golfer's form of identification and is used to provide proof of handicap both at their home club and when visiting other clubs. The card can also be used to obtain any benefits that may be arranged with any commercial sponsors that the project manages to attract.

Q26. What happens if our computer system breaks down?

A. The flexibility of an internet system means that any internet connected PC can be used. Furthermore the system has facilities for you to maintain a local hard copy of your member list and handicaps for use in such circumstances.

Q27. What happens in the event of the central Golf Link system breaking down?

A. The current system in operation has a performance record of greater than 99% availability. With the introduction of a fee and the consequent stable operating platform and regular hardware upgrades, Golf Link will be even more reliable. In the unlikely event of a system failure, the modern architecture and readily available spare parts and technical expertise will allow for a prompt recovery procedure that will result in minimum down time and the least possible inconvenience to member clubs.



## **Golf Link & Internet Benefits – the future**

- Provision of the system will see Clubs and the sport benefit in many ways through the delivery of a multitude of products. These include:
  - Improved handicapping systems and course rating systems based on analysis of data returned to GOLF Link making the game fairer for all – the system has already provided valuable data for this.
  - The ability to fine tune and apply the system centrally rather than relying on the interpretation of thousands of people conducting handicapping - this has been proven with various H& CR system changes implemented through GOLF Link.
  - Through the provision of GOLF Link provide Tier 1 Clubs with basic membership and competition packages to assist them in their day to day running – To be delivered.
  - Remote access possibilities (home/work) for those where operation by the Club is not practical.
  - Provide Tier 3 systems with a back up system – thus enabling necessary upgrades by the club's chosen system provider.
  - Extensive training and support network for GOLF Link.
- Benefits, other than Golf Link, of clubs having access the Internet (not funded by the fee)
  - Access to State Association websites and therefore all state news and programmes.
  - Access to development programs to be delivered through the Internet – these include:
    - Junior development – same access for the city and the country regions – distance will no longer be an issue for remote regions.
    - Interactive programmes for Clubs, juniors, schools and the experienced golfer.
    - Participation programmes designed to increase Club membership.
    - Support for those wishing to run development programmes at Clubs.
    - Opportunities to promote events directly to golfers, within specified regions.



## Conclusion

**Please consider these points before replying to the proposal.**

Does your club support the concept of a National Handicapping system?

Does your club believe that the Handicapping system can be improved?

Does your club believe that the Course rating System can be improved?

Will the provision of score statistics from all course types in all handicap ranges assist us to improve the handicapping system?

Will the provision of demographic data on club members, cross analysed with Census data for those regions, assist the sport to plan the development programmes, so critical to growing club memberships where required?

Does your club believe that the automatic return of visitor cards will benefit the efficient operation of golf clubs?

Does your club believe that the availability of real time access to member handicaps is of benefit to members and clubs?

(Tier 3 clubs) Does the club see a benefit to having a back up system should its system fail to run its golf competitions?

Does the club believe that the Handicapping and Course Rating systems, that enable players of differing abilities to compete on fairer terms, are what makes our sport special?

Does your club believe that the value of the system is worthy of a \$2.50 plus GST fee?