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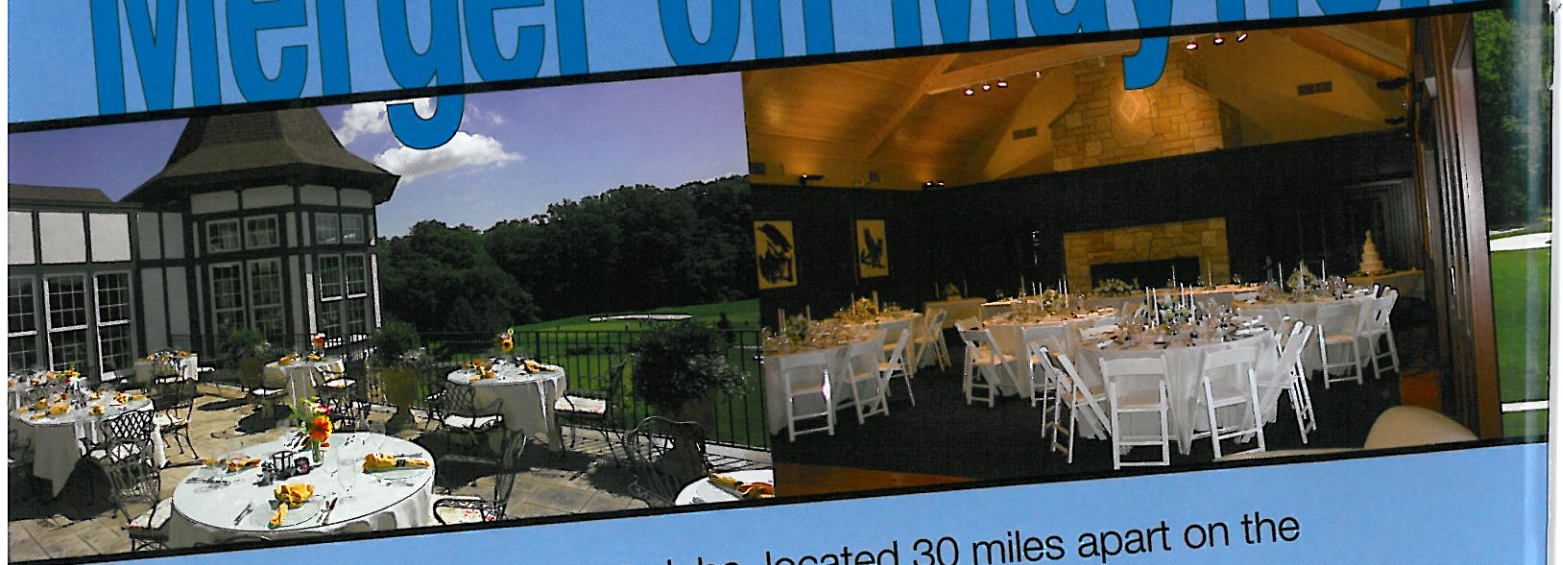
MARCH 2009

Inside the Mayfield-Sand Ridge Merger

The combination of Mayfield CC and Sand Ridge GC has shaken up Cleveland's sedate country club scene — and created industry-wide interest in the concept.



Merger on Mayfield



Two very different clubs, located 30 miles apart on the same road, have caught the industry's attention with their timely and successful combination of facilities and operations.

By Joanna L. Lefebvre, Managing Editor

The Mayfield Sand Ridge Club AT A GLANCE

- Founded: Mayfield Country Club (1911); Sand Ridge Golf Club (1998); Merged: 2006
- Number of members: 705
- Mayfield clubhouse: 42,000 sq. ft.
- Sand Ridge clubhouse: 28,000 sq. ft.
- Annual Rounds in 2008: 26,021 (13,705 at Sand Ridge; 12,316 at Mayfield)
- General Manager: **Edward Ned Welc, COO**
- Director of Golf: **Charlie Wood**
- Director of Golf Course Operations: **Brent Palich**
- Director of Operations, Sand Ridge: **Matt Creech**
- Assistant General Manager: **Tony Cosgrove**
- Executive Chef: **Andy Antico**
- Membership Director: **Jeanne McMahon**

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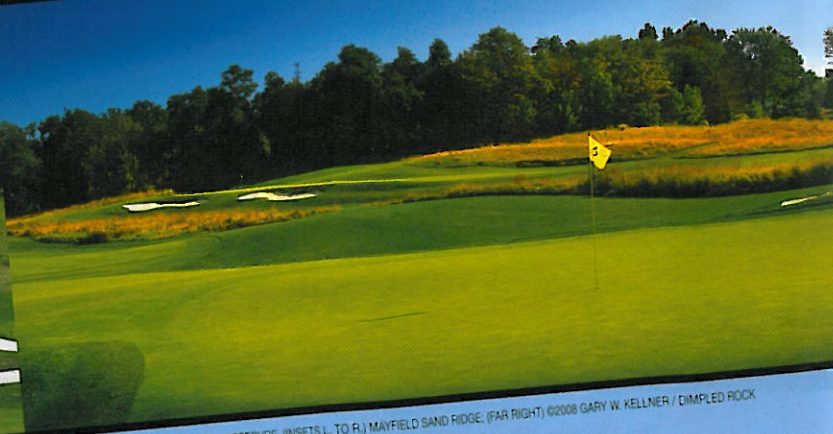


PHOTO COURTESY OF (MAIN) JOANNA LEFEBVRE, (INSETS L. TO R.) MAYFIELD SAND RIDGE; (FAR RIGHT) ©2008 GARY W. KELLNER / DIMPLED ROCK

Mayfield Country Club and Sand Ridge Golf Club couldn't have been much more different. Mayfield was a prominent, nearly 100-year-old, traditional country club tucked into the busy surroundings of Lyndhurst, a suburb just east of Cleveland's city limits. Sand Ridge, not even 10 years old, boasted a nationally recognized golf course—coincidentally, located on the same street (Mayfield Rd.), but 30 miles east of the city, amidst the fields and forests of the outlying town of Chardon, carved out of a sand quarry that gave the course its name.

Despite their dissimilarities, these two clubs decided they were made for each other—and on March 1, 2006, the Boards of Mayfield and Sand Ridge announced their intention to merge operations and memberships.

Bringing about a smooth merger of two club properties is much easier said than done, especially when there are very few industry models to follow. But now, well into its fourth year of combined operation, the merger has proved to be “a home run on 15 levels,” says Ned Welc, General Manager

of what is now known as The Mayfield Sand Ridge Club.

Much in the same way that opposites attract, “The differences are really what permit it to work,” adds Robert G. McCreary III, a former President of Mayfield.

The challenges of today's economy have many clubs and courses throughout the country entertaining serious consideration of radical changes to not only their facilities and services, but also their membership or ownership status. Mergers like that of Mayfield and Sand Ridge have gained increased interest, as clubs look to mutually expand what can be offered to each property's membership while at the same time generating operating synergies and efficiencies.

And if the Mayfield Sand Ridge model is followed, mergers like this one may prove to become a more popular option for other properties throughout the country—even if they aren't located on the same road.





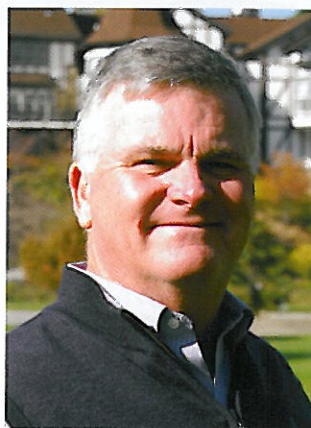
The 18-hole, par-72 Thomas Fazio-designed Sand Ridge course (above) features 7,112 yards of golf from the longest tees. Director of Operations Matt Creech (far right) still uses Sand Ridge to offer lessons, clinics, and club fittings, while Charlie Wood, Director of Golf Course Operations for the merged club, uses Mayfield as his home base.

The Perfect Match

At the beginning of the 20th century, as Cleveland was rising in social and industrial prominence, the game of golf grew in popularity among a wealthy young society, most especially with Mayfield Country Club's founder, Samuel Mather.

Mather, along with a group of 300 charter members, acquired a 235-acre plot of what was then still forest and farmland outside Cleveland. And in 1909, W. H. "Bertie" Way began sculpting the land into what would eventually become the old-style course at Mayfield CC. On July 15, 1911, the club opened its doors. Prominent members of the time included Cyrus Eaton, Harvey S. Firestone and Dr. George Crile, co-founder of the Cleveland Clinic Foundation.

Although golf was the reason for Mayfield's inception, a whole range of other activities soon developed. Tennis courts, both hard-surfaced and grass, were constructed. In 1935, a modern swimming pool was added. With the growing popularity of curling in northern U.S. cities, that sport was also



added, first with an outdoor sheet and later, a state-of-the-art indoor facility. Platform tennis was added in the 1960s and in 1987, a cross-country skiing program was inaugurated.

Most recently, Mayfield renovated its swim area, adding a zero-entry pool. The club also added an outdoor terrace and drainage updates to its century-old course. (For more on the Mayfield property's amenities, see the online version of this article at www.clubandresortbusiness.com)

Much younger than its counterpart, Sand Ridge only dates to 1992, when William Conway, Chairman of Fairmount Minerals and an avid golfer, approached renowned golf course architect Tom Fazio and challenged him to use his creative talents to carve a course out of the 370 acres of scenic woods, pastures and wetlands located next to Fairmount Minerals' sandstone quarry.

Conway envisioned a world-class course for enthusiasts of the game—pure golf, a traditional caddie program, and a routing plan that is challenging yet fair. Fazio's design made brilliant use of the five natural wetlands present on

To successfully mix memberships, the newly merged club hosted a number of tournaments and outings where members used both courses as part of the competition.



PHOTO COURTESY OF (BELOW) MAYFIELD SAND RIDGE; (INSETS) JOANNA LEFEBVRE; (TOP) ©2008 GARY W. KELLNER / TRIMPLED ROCK



PHOTOS BY JOANNA LEFEBVRE, C&RB MANAGING EDITOR

Both of Mayfield Sand Ridge's member-owned golf shops (left) are fully stocked with the latest equipment, apparel and merchandise. At both properties, golf pros and staff are readily available for lessons, clinics, club fittings and custom orders, and the men's and women's locker rooms (right) are modern, comfortable, and staffed by attendants who take care of every need.



"While the clubs were different in concept, the cultures were very similar," notes Charlie Wood, previously Head Professional at Mayfield and a member at Sand Ridge, and now currently Director of Golf Operations at The Mayfield Sand Ridge Club. "Like myself, there were a handful of members who belonged to both clubs."

In fact, it was that small group of members, mostly lawyers, accountants and businessmen familiar with acquisitions, dispositions and everything in between, who dreamed up—and help to execute—the merging of the two clubs.

"This was not an acquisition," Welc clarifies. "It was a true marriage resulting in one club, one Board and one set of by-laws. At first the community was confused, but we focused on showing the balanced equality of the merger and how we would not be allowing one club to take over the other."

Learning From Example

With mergers far from the norm in the club industry, the Mayfield Sand Ridge team sought guidance from an Atlanta property that had successfully completed a similar marriage.

In 1999, the Bob Cupp-designed Settindown Creek Golf Club was feeling the crunch of a declining stock market and the dot-com blowout. Much like Sand Ridge, it was a pure golf club. But its low-handicap policy and lack of traditional country club amenities were making it difficult to compete in a depressed economy.

After shopping around for a good match, Settindown sought out Ansley Golf Club in midtown Atlanta. At the time, Ansley was riding the wave of escalating real estate in the area. Because it had always been a neighborhood swim, tennis and social club for its 1,000-plus members, membership was stable. But just having nine holes of golf was proving to be a recruiting obstacle.

Ansley was solvent, but neither club was doing great. Much like Mayfield and Sand Ridge, the more the two clubs talked, the more they realized how much they could each benefit by combining operations.

After spending time studying this example to learn about the challenges and obstacles involved with club mergers of this scale, the Mayfield Sand Ridge team took away one golden bit of information: The reward was worth the risk, because the newly combined Ansley Golf Club was once again growing, despite a difficult economic environment.

"I get a lot of calls from managers curious about the merger, looking at this as a solution they're now exploring."

-Ned Welc, General Manager



Sand Ridge's acreage; the course, in fact, became the first in Ohio to be designated as a Certified Audubon International Signature Wildlife Sanctuary.

Course construction started in late 1995, and Sand Ridge opened on May 18, 1998. As a private-equity golf club, Sand Ridge offered no other amenities aside from its modest dining room, which was run by an outside catering company.

"When we opened Sand Ridge, the concept of a golf-only club was a great one," explains Conway. "But the economy in our part of the world has changed since then. Membership is a harder sell and the operation, as it was, wasn't sustainable."

At that time Mayfield, where the draw to members was more about fitness, dining, swimming and other activities, was financially viable and interested in expanding its already impressive list of amenities—especially its golf.

"We saw an opportunity with Sand Ridge to really upgrade our golf offering," explains Welc, who had been with Mayfield long before the merger, before leaving the cold harsh winters of Cleveland to work at The Sanctuary in Sanibel Island, Fla. (as he heard of the pending merger, he was intrigued enough by the challenge to return as the GM of the expanded club).

"Now," Welc adds, "we have 36 holes and two very different types of facilities/courses."

One Club Is Better than Two

At the time the merger was announced, Mayfield counted about 400 full-dues equivalent members, while Sand Ridge's membership roster stood at 300.

"For a club to be successful, it needs to be run like a business," says Conway. "If membership falls off below the projections, you're going to run a deficit of varying degrees. It's all driven by membership."

That being the driving factor, on May 1, 2006, after a favorable vote of over 90% of both club memberships, Mayfield and Sand Ridge commenced operations as the member-owned Mayfield Sand Ridge club, offering a single dues structure overseen by a single Board, President and GM.

"It's been interesting to watch how the whole dynamic has played out," says Welc. "The original assumption was that the Mayfield guys would just want to play the Sand Ridge course, and that Sand Ridge needed Mayfield to help pay the bills. In the end it's been fascinating to see how members are using both clubs, and enjoying the differences."

Those differences, adds McCreary, have led to some very clear trends in how the two facilities are used. "The opportunities this merger has provided to our members are unmatched,"



Centrally located at the south end of the Mayfield clubhouse, the pool and its seating areas now serve as the hub for many of the merged club's warm-weather social activities.

PHOTOS COURTESY OF MAYFIELD SAND RIDGE

The Merger: Frequently Asked Questions

Q: What was the ownership status of the two clubs previously?

A: It was member-owned on the Mayfield side and equity on the Sand Ridge side.

Q: What is the structure of the new merged entity?

A: Member-owned, no equity.

Q: How was existing member equity in each individual club handled?

A: Equity members were given a choice: (1) remain members of the club, pay nothing additional for the merged club, and forego their equity, or (2) become Lifetime Affiliates of the club, giving them three free rounds of golf annually only at Sand Ridge. Lifetime Affiliates have no voting privileges.

Q: How were existing membership classifications and dues structures brought together; what classifications exist now?

A: Membership classifications were merged, with both clubs' classifications included in the new structure, and no change in dues or other monthly fees for anyone.

Read more about The Mayfield Sand Ridge Club's 2009 Annual Dues and Fees Schedule at www.clubandresortbusiness.com

he says. "Access to golf at Sand Ridge is an exceptional benefit to the Mayfield members, while the fine dining and family amenities offered at Mayfield enhance the Sand Ridge member's experience."

Four years later, while the economy isn't the greatest, the merger has certainly enabled the combined club to attract new members and become more innovative in its offerings. "We've done better than we would have if we had stayed separate, but in this economy, there just aren't enough new members to go around," Conway says. "The value-added of another golf course has resulted in a slight uptick of the number of rounds played, but not as much as hoped."

Forces on the Ground

One of the largest financial benefits gained to date has been through the consolidation of staff and systems, which has allowed the merged club to realize operating efficiencies and economies of scale. The Mayfield Sand Ridge Club now saves more than \$350,000 each year as a result of increased efficiencies, including a slimmer management team and shared marketing and accounting departments.

Determining who should stay and who should go wasn't easy, though. The club decided to keep a robust golf staff and both golf course superintendents, to maintain the same level of lessons, clinics and conditioning at both courses, which have very different characters. "I liken it to having one garage with a brand-new Mercedes, and another with a vintage Mercedes," says Wood. "You've got the best of both worlds."

Mayfield's course features a rolling terrain, tree-lined fairways and two streams. There are a lot of elevation changes, the nines don't come back, and there are old-style grasses and native soil greens.

Meanwhile, Sand Ridge's tees, fairways and greens are all



Each day of dining at the Mayfield Sand Ridge Club sees new offerings featuring fresh seasonal fare prepared by Executive Chef Andy Antico (left). A distinguished wine list, an in-house bakery and pastry chef are among the many reasons the merged club's cuisine has proved successful in both clubhouses.

bentgrass with bluegrass rough. The course features multiple teeing grounds and superb conditioning with unique wetlands, and a plentiful mix of mature hardwoods. The course was designed to be walked, and a caddie program preserves this tradition.

"Because the courses are so unique, it would be impractical to have one superintendent oversee all aspects," says Wood, who works alongside Mike Yenny, Superintendent at Mayfield. Brent Palich is the Director of Golf Course Operations at Sand Ridge, alongside Matt Creech as Director of Operations. Both Palich and Creech were with Sand Ridge pre-merger, and have continued with the new club.

"Ironically, Matt Creech used to be the assistant pro at Mayfield, but he went to Sand Ridge when a better opportunity arose," says Wood. "He knows our philosophies, he knows our members, and we trust him implicitly."

The merger has especially helped with course maintenance, as the two superintendents now share best practices and work together to stretch a combined operating budget of \$2.35 million (\$950,000 at Mayfield, \$1.5 million at Sand Ridge) as far as possible. As yet another benefit, with two golf courses the merged clubs now have stronger purchasing power and can share specialty equipment, which is carted back and forth between the properties on a trailer that was purchased soon after the merger. In some cases, shared personnel also go along for the ride, adding to the synergies and efficiencies.

Strength in Numbers

Because the merger occurred just as a new season was starting, the first year of combined operations presented several

scheduling conflicts. "We had a lot of events that first year—too many, in fact," says Wood. "But there was no way to tear up the [two existing] calendars and start over, so we encouraged members to use these events as a way to get to know one another.

"Fortunately, it worked out okay," he adds. "Since then, we've weeded out the less successful events and now the combined calendar offers plenty to do at both clubs and courses year-round."

Looking to make all that the expanded club now has to offer even more accessible, Mayfield Sand Ridge recently introduced an online tee time reservation system. "It seemed to be very positive last year, with 400

members reserving over 13,000 starting times," says Wood. In 2008, he reports, the club played a combined 26,000-plus rounds at its two courses (13,705 at Sand Ridge and 12,316 at Mayfield).

As Director of Golf Operations, one of Wood's primary objectives has been balancing play at both courses. "We've introduced special tournaments and clinics to get members to utilize both properties," he adds. "Some tournaments now actually require you to play both courses. We also have practice areas at both properties, in addition to a popular short game area and a putting course that is under the lights at Sand Ridge.

"We make sure members know all of their options, and so far, they've been making use of them fairly evenly."

Sand Ridge also offers well-appointed cottages to members and guests looking for a local, peaceful getaway—an especially nice feature for those from Mayfield who don't want to have to worry about making the drive back to the city after their rounds. Each cottage features four bedrooms with private baths for a maximum of eight guests, an honor bar, an eighteenth-hole deckview, and a shared living space with a fireplace and cable TV.

The Food's Great Here—and There

Part of the merger process ensures that the membership will be comfortable with each other, as two different cultures merge into one, including policies about dress, staff expectations and personal behavior. On these subjects, Mayfield, because it had a more socially active membership, took the lead in establishing the policies.

"Fortunately, we had similar policies," adds Wood.

To successfully merge the lives of the clubs off the course, Welc and his team introduced a number of social mixers (see photos above) that were hosted at each of the properties. The staff enthusiastically participated and the events earned full buy-in from the members.

"The dining program proved a big part of the bridge," says Executive Chef Andy Antico. "Sand Ridge had outsourced its foodservice to a local vendor who wasn't very flexible or accommodating. After the merger, Mayfield extended its F&B program to Sand Ridge, and we've since begun hosting more events over there. Plus, we're getting a lot more lunch traffic, because the quality of the food and service have improved."

Once the contract was up with the vendor at Sand Ridge,



PHOTOS COURTESY OF MAYFIELD SAND RIDGE

At Your Service

In addition to thirty-six holes of Championship golf, the club offers swimming, tennis, paddle tennis, curling, and a modern fitness center. All are located at our Mayfield campus in Lyndhurst.

Swimming

Centrally located at the south end of the clubhouse, the pool and its seating areas serve as the hub for any number of the club's warm-weather social activities. The Mayfield Swim Team practices from mid-June through July. Buffets, cookouts and swim meets are held throughout the season for team members and their families. Weather permitting; the pool is open from Memorial Day through Labor Day. In 2007, the club celebrated the opening of a brand new full sized pool and zero entry children's pool, as well as a redesigned deck and large patio with dining.

Tennis

Mayfield has a long tennis tradition, having hosted the Davis Cup semifinals back in 1921. The tennis complex offers both clay courts and the only grass courts between New York and Chicago. Indeed, the club is proud to host an annual professional grass court event each year.

Platform Tennis

Also called Paddle Tennis, the club has four outdoor courts and programs are available for men, women, couples and families.

Curling

Golf isn't the only sport of Scottish origin that's played with enthusiasm here. The ancient game of curling, now an Olympic medal sport, has been extremely popular with membership since the rink was added. Curling begins in late October and runs in three sessions through mid-March.

The Fitness Center

Since its opening in 2005, the fitness center at the Mayfield campus has become the primary workout space for a number of the club's members. It is open year round and available whenever the club is open via keypad access.

To integrate membership bases, Mayfield Sand Ridge has hosted a number of special events to help members get to know each other off the course, too.

Antico promoted one of Mayfield's experienced chefs to Head Chef at that property. "He knew what needed to be done and what our quality standards were," says Antico. "That was the whole objective: to bring Mayfield-quality cuisine and service to Sand Ridge."

In addition, Mayfield's banquet menu, signature dishes, distinguished wine list, and in-house bakery products were also added to the offerings at the Sand Ridge campus.

Today, Antico splits his time between the two properties, to ensure quality control over the entire operation. The biggest challenge, he says, has been maintaining consistency between the two outlets.

"We would like to use the same purveyors," he reports, "but some are unable or unwilling, so we have to work out other supplier arrangements or purchase more product at one place and take it to the other ourselves."

So far, this extra effort has proved to be well worthwhile. "F&B volume keeps going up, up, up," says Welc. "The revenue side of the merger has worked out great."

High Marks

If they had a chance for a redo, many of the Mayfield Sand Ridge team say they'd make adjustments that would have allowed for better timing, more pre-merger organization, and easier integration of administrative systems. But in the end, not one would tell you they wish the merger hadn't happened.

"With any merger, you're going to have the immediate fear that suddenly one place or the other is going to be overrun by extra people you don't know, and that you'll have a real jam on Saturday mornings," says Welc. "But if anything, we've found it's given us more flexibility, especially for events. We've truly fused into one club, with a list of amenities that rivals any other in town."

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