

SCHEDULING AT CANYON MEADOWS GOLF AND COUNTRY CLUB

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ABSTRACT

Scheduling plays a crucial role in the overall operation of a company that operates within the service industry. In this case we discuss how Canyon Meadows Golf Club, a leading company within the Calgary golf industry, is making efforts to improve their overall scheduling process. The primary goal is to maintain overall customer satisfaction while reducing wage costs. It is anticipated that with a new scheduling system, Canyon Meadows will be able to improve their daily operations for the upcoming 2011 golf season

INTRODUCTION

During the summer months, hundreds of people play and enjoy the game of golf in Calgary, Alberta. Proper maintenance, management, and customer service are just a few of the many aspects required to successfully maintain a competitive advantage in the golf industry. Scheduling of employees is never an exact science and in the golfing industry, scheduling can be very difficult due to demand fluctuations.

Canyon Meadows Golf and Country Club is located in Calgary, Alberta has been thriving in the prosperous city that has seen periods of tremendous growth. With a long wait list and reputation of a first-class course, Canyon Meadows has become a highly desirable course to play. During a cold January morning, General Manager Jason MacFarlane was looking over the previous year's schedule with his operations manager Layne Rapson. He recalled the preceding season and a few of the scheduling issues that occurred, ultimately disrupting the smooth business process Canyon Meadows had in place. "Some days we were overstaffed resulting in a few of the employees having nothing to do, not to mention the unnecessary wage expense we incurred. This overstaffing issue did not represent our company very well either, as sometimes we had staff standing around and chatting with one another" Jason stated to Layne.

After contemplating the issue, Layne offered a suggestion to Jason, "We need to look at another scheduling option that will provide the company with more flexibility and correctly match employees to the expected demand each day. With the new scheduling system, we should also be able to determine how much money the company will possibly save". Jason and Layne both knew that with a thorough

company analysis, Canyon Meadows could improve their scheduling system resulting in a stronger business performance.

The City of Calgary

Calgary was first established in 1905 and has continued to grow into a major metropolitan area that has attracted major corporations from around the world. As a result of this influx of businesses, particularly in the oil and gas sector, more business professionals benefit from higher incomes and more disposable money. As a result of the thriving economy, Calgary has seen population growth rates as high as 4.0% and reached a population of 1,320,500 in 2010. Over the next ten years, Calgary will have a mean growth rate of 1.43% reaching a population of 1,504,900 by 2020 [1].

The median age for Calgary's metropolitan area is 35.7 years which is the youngest out of all the major cities in Canada. With the prosperous economy, Calgary also has the highest personal income per capita at \$54, 422 [2]. Between the years 2005 and 2009, Calgary also had the highest five year growth in personal income per capita at 21.2%. With a younger metropolitan age and the highest personal income per capita in the country, many Calgary residents enjoy spending their money on recreational activities such as golf.

The Golf Industry

Golf is a sport that has integrated itself into the lives of many people. The vast prairies surrounding the region, along with the beautiful landscape makes Calgary an ideal place to construct golf courses. There are approximately 30 golf courses in the Calgary area and the demand for tee times is high [3]. Golf courses range from 9 holes to 27 holes and offer an array of services such as: golf lessons, driving ranges, putting greens, restaurants, banquet halls, and pro shops that offer golf merchandise. Golf has also integrated itself into the Calgary business environment. Many business professionals entertain visiting colleagues, as well as customers to further develop their relationships during the summer months.

Within the city of Calgary, ten golf courses are private and for the exclusive use of the members only. These golf courses offer pristine greens, excellent customer service, trained golf professionals, restaurants and other facilities that golfers cannot find at public courses. One of the best-known private golf courses in Calgary is Canyon Meadows Golf and Country Club.

Canyon Meadows Golf and Country Club

Canyon Meadows was established in 1957 as a private golf course on the edge of the city. Over the past 50 years, Calgary has grown substantially and Canyon Meadows now rests within the city itself. With approximately 1000 full and part time members, Canyon Meadows is an exceptional example of a successful private golf club. Due to high demand, the course also has a five year waiting list for prospecting players. When a new member joins the golf course, an entry fee of over \$25,000 must be paid. After the entry fee is paid, the member still incurs annual costs of over \$500 to maintain his or her membership. In addition, approximately \$250 is paid to the clubhouse restaurant as a prepaid tab.

Canyon Meadows has incorporated a snack stop between the ninth and tenth holes. This service offers specialty hotdogs, sandwiches, alcoholic beverages, chocolate bars and other snacks to the golfers, ensuring their energy is maintained throughout the round. Due to its popularity, the snack stop provides additional revenue for the company during the season. What differentiates Canyon Meadows from public courses is the option the member has to store their clubs on site. This service is included in the annual membership fee and the service is used by many of the members for convenience purposes. Canyon Meadows also offers a fleet of 45 electric golf carts that can be rented for a fee of approximately \$20 per person. Lastly, members are allowed to bring one guest per round and the visitor is charged \$100 per 18 holes.

Numerous tournaments occur throughout the golf season at Canyon Meadows. Members of the course and the general public are allowed to golf in the tournaments as long as the entry fee is paid. The payment for each tournament varies but on average is over \$200. The entry fee includes: 18 holes of golf, dinner, prizes, and games. These tournaments provide an excellent source of revenue for Canyon Meadows and have proven to be successful events every year.

Canyon Meadows offers a fully stocked pro shop to their members and guests. The pro shop offers high-end golf clubs as well as re-gripping services. Other items offered include: clothing, shoes, golf gloves and golf balls. Over \$100,000 in revenue is generated from the pro shop every year due to the high quality of the items sold such as: drivers, iron sets, bags, etc. All pro shop employees work an 8 hour shift, as longer shifts might result in fatigue.

Seasonal Challenges

Every golf course in Calgary is highly dependent on good weather conditions. When unfavourable weather conditions occur, player attendance drops significantly. This results in a loss in revenue primarily through guest and cart rental fees, as well as a reduction in restaurant and pro shop sales. Some of the more common weather conditions that have an adverse effect on golf courses are: rain, lightning, and frost.

When a severe rainstorm occurs, the ground soaks up much of the water and becomes tremendously soft. Since the ground loses its compactness, golf carts cannot go onto the course because of the damage that will occur. Furthermore, players are more likely to make larger divots on tee boxes causing an increase in maintenance. The undesirable weather conditions cause many members and their guests to relinquish the round of golf until the conditions become more favourable, hence resulting in Canyon Meadows losing revenues.

Sudden lightning storms are also a major concern for Canyon Meadows. Lightning storms result in a horn being blown, and the players returning to the pro shop to receive a refund for the golf cart and any guest fees. The safety of the players on the golf course is always a top priority, as any serious injury could lead to a lawsuit and other negative consequences for the company.

Frost is another weather concern for Canyon Meadows that can decrease revenues. As an example, colder mornings result in the formation of frost which prevents the ground crew from performing the necessary morning maintenance. Consequently, tee time delays occur as the ground crew has to postpone their required duties. Cancellations occur due to the delay, which results in a loss of revenues.

Despite the inclement weather conditions, members do not receive refunds for the fees they pay at the beginning of each season.

Merchandising can also be challenging for the management team and Canyon Meadows. Each year, new merchandise for the upcoming season is ordered assuming that the players will purchase the products. However, if the players for example, do not like the clothing offered, they will purchase these items at another golf outlet store or competing golf courses. If the products are not sold, Canyon Meadows has to put the merchandise on sale resulting in a lower profit margin. Products can also be returned for a refund or credit. The company must also sell the majority of their inventory by the end of season, as new products will begin to arrive in early spring.

Challenges of Scheduling for Canyon Meadows

Layne and Jason continued discussing the complications of scheduling at a golf course. Layne explained, “Demand for the golf course fluctuates from day to day. Saturdays are one of the busier days at Canyon Meadows but Mondays are much slower. Due to the demand fluctuations, the number of employees required each day is completely different.” Jason had compiled daily demand figures from last year’s season so he could better project how many employees he would need for the upcoming season. The figures presented were: Monday 5, Tuesday 6, Wednesday 7, Thursday 6, Friday 6, Saturday 7, and Sunday 7 employees respectively.

	Monday	Tuesday	Wed	Thurs	Fri	Sat	Sun
Shop Staff 1	Open	Open	Close	Open	Off	Off	Open
Shop Staff 2	Off	Open	Close	Open	Off	Close	Open
Shop Staff 3	Off	Close	Close	Off	Close	Open	Close
Shop Staff 4	Open	Open	Open	Close	Close	Off	Off
Shop Staff 5	Close	Off	Off	Close	Open	Open	Close
Shop Staff 6	Open	Off	Off	Close	Close	Open	Open
Shop Staff 7	Open	Close	Open	Off	Off	Close	Open
Shop staff 8	Off	Open	Open	Open	Off	Close	Close
Shop Staff 9	Close	Close	Open	Off	Off	Open	Off
Shop Staff 10	Close	Off	Close	Open	Open	Off	Close

Figure 1: Sample Schedule

After looking over the employee requirements, Jason stated to Layne, “I think that in order to have a more successful season we should also analyze what we can and cannot control”. Jason realized implementing the perfect schedule for the company was a challenging task; however, he also understood there were other scheduling systems that could reduce the operating costs. Before Layne left the room to get last year’s schedule she commented, “It’s also important for us to communicate effectively with our front-line employees about the new schedule as they may have questions or concerns. Before we implement the new schedule, we should develop an action plan to ensure a smooth operation throughout

the season. Jason agreed and stated, “Our new scheduling system needs to reduce the cost we spend on wages throughout the season, yet it cannot sacrifice the excellent customer service we offer”.

Jason and Layne analyzed last season’s sample schedule, which is shown in figure 1 above. They realized too many staff members were working on their slower days such as Monday. This was primarily because the old schedule did not take into account the demand fluctuations throughout the week. As a result, Canyon Meadows was scheduling too many employees only a weekly basis. With Jason’s projected staff requirements, he presented Layne with how many employees were needed for the open and close of the store. These figures will need to be incorporated into the new schedule. This is presented in figure 2 below:

	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
Open	3	3	3	3	3	3	3
Close	2	3	4	3	3	4	4

Figure 2: Open and Close Requirements

CONCLUSION

Canyon Meadows Golf Club is a company that is continuously trying to reduce their overall expenditures while ensuring they continue to stay competitive within the heavily saturated industry they operate in. While Canyon Meadows realizes there are many ways they can reduce costs, the company understands the service they provide cannot be sacrificed. Looking at implementing a new scheduling system is one aspect that can be looked at to reduce operating costs before the 2011 golf season begins

REFERENCES

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TEACHING NOTE

Case Overview

Located in Calgary, Alberta Canyon Meadows has become a leader in the golf industry as they strive for continuous improvement. Over the past few years, the company has looked at ways to reduce expenses and make the scheduling processes efficient as the weather and player demand fluctuates throughout the season. By adopting the appropriate scheduling system, Canyon Meadows will be able to minimize the

overall wage expense incurred, while at the same time, maintaining the high level of customer service provided to the players.

Teaching Objectives

1. Introduce students to the importance of scheduling in the service industry in a modern setting.
2. Allow students to identify the controllable and uncontrollable factors in an organization.
3. Acquaint students as to how implementing new scheduling systems can result in significant cost savings for a company.
4. Provide students hands-on tools to calculate the potential cost savings of a new scheduling system that is implemented by an actual company.
5. Introduce to the students how to develop and action plan prior to fully implementing the new scheduling system into the daily operations of the company.

Research Methods

The information provided in this case was provided by both publically available information as well as field work done by an actual employee of Canyon Meadows. Websites were used to develop information about the city of Calgary as well as the courses in competition with Canyon Meadows. The long-time employee of Canyon Meadows was the primary resource used in developing the information for this case.

Suggested Questions

1. What are some of the impacts on the staff and customers if management does not properly schedule employees to meet customer demand? Please explain the impacts of both overstaffing and understaffing.
2. In general, what are the controllable and uncontrollable factors affecting Canyon Meadows?
3. Develop a cyclical schedule based off of Jason's predicted daily staff requirements and open and close needs.
4. Assume the Pros and Shop Staff receive hourly wages at an average of \$12/hour when working in the Pro shop. Calculate the total saving the golf course would save in a week if they switch to the Cyclical Schedule. How much can Canyon Meadows save in a month? In a 6 month (26 week) season?
5. Would you recommend Canyon Meadows switch to the new scheduling system or continue to use the old one? Explain.
6. Provide an action plan that management at Canyon Meadows should follow to successfully implement Cyclical scheduling into their business operations.

Solutions to suggested questions can be obtained by contacting the primary author kjagoda@mtroyal.ca.