

The True Cost Requires Many Considerations

BY LLOYD VON SCHELIHA

I AM IN THE MARKET FOR A NEW CAR. THIS REQUIRES A SIGNIFICANT AMOUNT OF RESEARCH AND CONSIDERATION, BECAUSE THIS IS AN INVESTMENT THAT WILL HAVE LONG-TERM CONSEQUENCES FOR ME AND MY FAMILY.

In my younger years I bought cars based on style over substance. I wasn't concerned with the long-term implications because I didn't plan on keeping the car for more than three or four years. Now with the responsibilities of a family and a mortgage, I'm in it for the long run and substance outranks or at least shares the top spot in my considerations.

While initial purchase price has some impact on my decision, I realize there are other costs associated with automobile ownership that could have far more impact on my financial position and quality of life than a few hundred or even thousand dollars of difference in initial purchase price among manufacturers.

Therefore, one of my main considerations is the record of reliability for the car and the reputation of the manufacturer. Most automobile manufacturers today stand behind their products with long-term warranties, but the fact is, no matter how good the warranty, if it breaks down and I have to take it in for repairs it becomes an inconvenience and has an impact on either my work or personal time.

Paying more for a proven reliability record up front is more than worth the extra initial investment and becomes an issue of the true cost of ownership. It's more than just the initial cost; it is how the purchase will impact my pocketbook, work and personal life over time.

It's no different when a golf business chooses an irrigation system. In fact, it is even more important to consider the long-term implications of the choice. Once the irrigation is in the ground, it will be there for 10 to 20 years. Product failure means more than just needing to replace a sprinkler. It means potential turf damage, disruption to play, parts costs, labor costs and potentially reputation.

When choosing an irrigation system for the course, the decision needs to be made with a long-term perspective in mind.

COST OF OWNERSHIP - LIFE OF THE SYSTEM

The cost of ownership is more than just the cost of replacement parts. Cost of ownership is a function of parts, labor, replacement

frequency, lost opportunity costs, member complaints, turf damage, the effect on playability and course reputation. When all these costs are factored into the purchase decision, the true value of the irrigation system becomes clearer.

Another thing to consider is the backward compatibility of the system. If the system will be in use for 20 years, will the course have an opportunity to upgrade and take advantage of new technologies without doing a complete change-out?

For example, a new rotor design with additional functionality is great, but if it doesn't integrate into the existing system, the course ends up spending additional resources to take advantage of the new rotor. New rotor generations incompatible with the past can also lead to additional costs associated with inventory and maintenance. Conversely, if new technologies are designed to integrate into existing systems as much as possible, the overall cost to the customer is reduced.

When these things are considered, one can begin to formulate a better picture of what the right decision is for the course.

Much of this information can be obtained from the experience of current users. It is important to gather the information from course references and manufacturers.

THE COST OF INEFFICIENCY

Many courses are experiencing water restrictions and the fines for exceeding their allotment can be severe. The irrigation system needs to be as efficient as possible in order to maximize the use of the limited resource and keep the course in optimal playing condition.

One critical way the best irrigation systems achieve optimal efficiency is by dynamically adapting to environmental conditions. For example, an irrigation system should be able to stop an irrigation cycle when a rain shower moves through the area, and several of the major irrigation systems on the market have this ability.

However, a dynamically adaptive system will measure the rain fall, recalculate the water requirements and restart the irrigation if necessary to ensure the turf receives the appropriate amount of water – all without waiting for the superintendent to reprogram the system after the storm or the next morning.

If the irrigation system does not stop for rain showers, the

club could be dealing with over-watering, soft fairways, and a bad reputation from the neighbors who see the irrigation water running during a downpour. Conversely, if the irrigation stops when the shower moves through but does not restart once it is over then the turf could be left needing more water.

Application efficiency is also important. Rotors that have a high distribution uniformity (DU) use less water to produce a green result than rotors with a lower DU. This is because the rotor with the lower DU needs to run longer to make up for its inefficiency.

To put that in perspective, a course that has 1,000 rotors can save up to 29,400 gallons per irrigation cycle using a rotor with a 88 percent DU vs. 78 percent DU*. The higher DU also means shorter watering windows are necessary, which translate into lower electrical costs and reduced pump wear.

Multiply that out by the life of the system and the average number of irrigation cycles per year and you begin to understand how inefficient rotors can affect the bottom line as well as the playability of the course.

Capital investments take a significant amount of consideration and planning. The initial purchase price is a major factor; however, it should be considered alongside other costs that will inevitably be incurred over the life of the investment.

Whether it is a course choosing an irrigation system or an individual choosing a car, the best decision is the one that considers the long-term implications.

*** 1000 rotors x 35gpm x 12 average minute runtime/rotor x 0.07 runtime multiplier difference** = 29,400 gallons per irrigation cycle**

**** 1.15 (Runtime multiplier for 78%DU) - 1.08 (Runtime multiplier for 88%DU) = 0.07 BR**

Lloyd von Scheliha is a marketing manager with Rain Bird Corporation – Golf Division and is a certified golf irrigation auditor. He can be reached at (520) 741-6592 or lvonscheliha@rainbird.com

THE BOARDROOM

OFFICIAL PUBLICATION FOR THE ASSOCIATION OF PRIVATE CLUBS & DIRECTORS

This article is a reprint from THE BOARDROOM magazine. All rights reserved and copyright 1996-2008. THE BOARDROOM magazine is published bi-monthly by APCD, Inc., 1540 South Coast Highway, Suite 208, Laguna Beach, Calif. 92651. To subscribe to THE BOARDROOM magazine please call Lisa Runyon (949) 716-4995 or E-mail: lisa@apcd.com

