

# Q&A with Phil Miller, EVP of Development and Construction

Hear from one of Concert Golf Partners newest leaders on how he is transforming long-term planning and capital projects.



## **Where were you prior to the golf industry, and what kind and volume of capital projects did you do previously?**

Over the last 20+ years I've been in leadership roles focusing on Construction and Capital Spending for two companies in the hospitality industry. As Head of all Capital and Construction my focus was the development and building (or renovation) of hotel projects. The scale of the hotels were in the upper segment range, from luxury to resorts. I was responsible for capital programs ranging in value from \$100-200 million annually. These projects included hotel and golf resorts, restaurants, bars/lounges, and private golf clubs.

## **How would you compare the process by which capital projects are handled in the hotel industry vs. your new home in the club industry?**

I see a real opportunity in the golf club industry to establish long-term planning goals. In the hospitality industry, we look at capital planning in 5-to-10-year sections. However, in the golf club industry I see more year-to-year planning because many clubs have rotating member boards and ever-changing priorities. If we could extend capital planning at least 3-5 years out, this would help clubs better understand the age of their structures, systems, and equipment. It would allow the Clubs to be more fiscally responsible with the available capital. This allows clubs to maximize the life cycle of their assets and also plan for

other future capital expenses on the horizon.

## **How do you handle vendors pitching you on needed projects or ideas they have for your hotels or clubs?**

It's important that we not allow suppliers to push us into making decisions that aren't part of our strategic capital plan. Our GMs and maintenance professionals do a great job understanding how their physical property operates and they understand better than anyone what the life cycle expectations are for the majority of their building and equipment needs. Irrigation is one area in the club industry where there is this tendency for vendors to drive the planning process, rather than the agronomy team.

## **What role do General Managers play in capital projects at hotels vs. clubs?**

It depends on the type or size of the hotel, but typically the staff is larger, so the GMs are able to delegate to the facilities team members a good part of the projects. They rely on their team members to price and execute most of the projects. What I see in golf club management is a more intimate knowledge and handling of the capital projects by the GM. Our GMs work with me personally to identify projects (either budgeted or emergency) and work one on one with the vendors or contractors to determine the appropriate scope and solution to the issues. We are fortunate that our clubs have an outstanding reputation in their local markets. We get great responses from the contractors. They want to work with us.

## **How have you funded your capital projects in your career?**

Most of the capital projects in the hotel industry are funded through a 4-5% (of revenues) annual reserve account. This allows us to have immediate access to the funds and accelerate the projects which ultimately cuts down on lost revenue opportunities or unsatisfactory guest experiences. Another form is immediate capital factored into the purchase or refinance of the property. This is usually in the form of larger renovations or repositioning where the 4-5% reserve can sustain the amount of spending in such a quick amount of time.