

Golf Inc.TM

FALL 2013

Quarterly

Most Powerful People in Golf

Tim Finchem moves to the top of our annual ranking of the world's power brokers based on the financial performance of the PGA Tour. Plus, Ken and Tenniel Chu top our inaugural ranking of the most powerful in Asia.



FEATURES

25 MOST POWERFUL PEOPLE IN GOLF

Tim Finchem, PGA Tour commissioner, has taken the tour to new heights and climbs to No. 1 in our annual ranking.



AP PHOTO / ROB CARR

34 MOST POWERFUL PEOPLE IN ASIA

Asia is golf's new frontier, and some heavy hitters are emerging. For the first time, Golf Inc. identifies them.



NEWS & TRENDS

- 4 **Publisher's Column**
- 5 **Front 9:** Chip shots from the Golf World
- 7 **Back 9:** People on the move
- 10 **The Operators:** Hinton, Affiniti join forces to create new company
- 13 **Technology:** Point-of-sale software helping courses market effectively
- 18 **Transactions:** Tough time for Silverstein with loss of two courses
- 20 **Trend:** Growing golf in Europe
- 22 **Trend:** Hanse's next masterpiece
- 40 **Trend:** American leads Asian association
- 42 **Turnaround:** Muni courses spend money to make money in Dallas



STAFF

Editorial Team

Jack Crittenden
Editor-in-Chief
858-810-7092
Jack@CypressMagazines.com

Robert Vasilak, Senior Editor
Trevor Ledger, Editor-at-Large, Europe
James Prusa, Editor-at-Large, Asia
Mike Stetz, Managing Editor
Michelle Weyenberg, Contributing Editor
Michael Liechty, Proofreader

Shannon Harrington, Art Director
Richard Steadham, Designer
Phillip Haut, Ad Production

Publishing Team

Katrina Cavagnaro, Publisher
Mindy Palmer, Marketing & Sales Consultant
Elizabeth Callahan, Director of Audience Development
Wendy Ullman, Director of Marketing & Promotion
Trish Newberry, Office Manager

New Subscriptions:

Contact subscriber services by emailing
Info@CypressMagazines.com.

Complimentary Subscriptions:

Golf Inc. provides a complimentary digital subscription to the top decision-maker at golf courses, golf course management companies, development firms, and to advisers, consultants, architects, engineers, planners, investors and financiers.

If you match any of these criteria, please email
Info@CypressMagazines.com.

Change of Address:

Please send your inquiry to
Info@CypressMagazines.com.

Reprints:

Please call Foster Printing Service at 1-866-879-9144

Golf Inc. magazine (USPS 009-747, ISSN 1074-9276) is published quarterly by Cypress Magazines Inc., 7670 Opportunity Road, Suite 105, San Diego, CA 92111. Periodical postage paid at San Diego, CA, and at additional mailing offices. Entire contents copyright 2013 Cypress Magazines Inc. All rights reserved. Material in this publication may not be reproduced without written permission from the publisher. Golf Inc. grants permission only for educational purposes. Golf Inc. is a trademark of Cypress Magazines, Inc.

POSTMASTER: Send address changes to
Golf Inc. at 7670 Opportunity Road, Suite 105
San Diego, CA 92111

COMMENTARY

- 16 **Lucas and Keegan:** Predicting strategic potential of golf courses?

Most Powerful Asia

Their names are not as well known on the international stage, but their power is nonetheless impressive. Look for these 15 power brokers to impact the golf industry the most during the next few years.

GOLF'S GROWTH IN ASIA HAS MEANT greater prominence for its key players and power brokers. But who are the businesspeople behind the game's ascent?

In a continent where connections and relationships rule, power is often wielded behind the scenes. It's more "who you know" than "what you have done." And while that may seem odd to westerners, it means that those with influence and power can get far more done and in large and impressive ways.

Take, for example, David Chu. The late father of Ken and Tenniel, he built a business empire through connections and wise investments. When the time came, he had the power to build the world's largest golf resort: Mission Hills Shenzhen, in China, with 11 courses. He then did it again, building 10 courses at Mission Hills Haikou.

Chu passed away in 2011 at the age of 61, leaving his golf empire in the hands of his two sons, Ken and Tenniel. The brothers top our inaugural list of the Most Powerful People in Asia.

To determine our list, we looked at every country in Asia and asked this question: Who has the power to advance the industry into the future? Most of the 15 on our list are not operators, per se, or even developers. Instead, they are leaders who are well connected, well educated and poised to increase the business in their home countries, if not the entire region.

Our list includes three Japanese, two Chinese, two Koreans, and one person from each of the following countries: Indonesia, Singapore, Thailand, Philippines, India and Vietnam. Brian Curley, an American, and Paul Burley, a Brit now living in Singapore, also made the list.

—The Editors



Ken and Tenniel Chu

Chairman, Vice Chairman,
Mission Hills Group
2012 Ranking: 22
China

The Chu brothers took over the family business from their father when he passed away in 2011. And less than 24 months later, they have shown they have the moxie to run the behemoth company. Ken leads an organization that includes the ownership and management of 24 golf courses and four resorts in Southern China. Two courses opened in 2013 and some 3 million people visited the resorts. Their conglomerate operations reach outside of golf, into spas, resorts, hotels, shopping malls, entertainment, dining and business centers, and they are extremely influential in promoting professional tour events along with world golf competitions for amateurs, professionals and kids. They staged 506 amateur events in 2013.

The Chus' leadership is now looking beyond the borders of China and reaching out to all of Asia. Tenniel serves as the secretary general of the OneAsia Tour, and this brings him and the Mission Hills Group into a key role in dealing

with multiple governing bodies of golf in China, Asia and throughout the world. Tenniel is also the first Chinese member of the Royal and Ancient Golf Club of St Andrews. Both brothers have also been active in encouraging golf tourism in Asia.



Arihiro Kanda

Chairman,
Pacific Golf
Management
2012 Ranking: 29
Japan

Arihiro Kanda heads the largest golf course management and ownership group in Asia, and the second largest in the world, with 153 18-hole facilities, of which 121 are owned. Lone Star private equity fund set up Pacific Golf Management with former American Golf executives, and Pacific Golf Management then went public in 2005. Kanda, now 50, is a former star performer for Goldman Sachs, who was with rival Accordia Golf before joining Pacific Golf Management. Kanda attempted to take over Accordia last year through a leveraged buyout, and most expect him to try again. For now, he is building strategic alliances with many golf organizations in Japan, including the JLPGA and the JGTO.



Kim Young Je President,

SKY72 Resorts
Korea

Kim Young Je has many titles: entrepreneurial leader, golf journalist

and golf course owner. It all adds up to considerable influence for the Korean throughout the golf industry in Asia. The brains and energy behind SKY72, he has been a business trendsetter. SKY72 is perhaps the busiest golf complex on the planet, logging a mind-boggling 500,000 rounds a year at five courses. It also has a mega-learning center and a new boutique hotel. And with greens fees that exceed Pebble Beach, it may also be the most profitable complex in the world. It is one of only a handful of daily-fee public golf facilities in Asia.

Even with day (and night) golf running with foursomes on seven-minute intervals throughout the year (even when snow falls), Kim demands and supports world-class conditioning and service. He has set a new standard for golf course utilization and service management, and has even developed a highly technical grasp of turf grass management that would be the envy of most superintendents.

Graduating from University of Seoul with a degree in public administration, he joined ACE, the Korean club membership brokerage firm that controlled the boom market, in 1988. He served as its CEO while concurrently acting as the director of Golf Digest in Korea until he started the SKY72 project in 2003.

Kim is a huge supporter, sponsor and influencer of major golf tours such as the PGA of Korea, OneAsia Tour, and the KLPGA Tour. He successfully brought the LPGA Tour to its annual SKY72 venue for Korea. Kim also serves as a trustee of the KJ Choi Foundation.

4 Wang Jun
Vice Chairman, China Golf Association; President, Forward Management Group 2012 Ranking: 16 China

Wang Jun is often referred to as the godfather of golf in China and is hands down a powerful man. He is one of three sons of the Wang Zen who was an army general and the vice president of China — a war hero who saved communist forces from starvation in 1948 and commanded Mao's army to capture Xinjiang a year later.

Wang Jun helped found two of China's biggest leviathans: the state-run investment conglomerate Citic Group Corp and the China Poly Group Corp. (military weapons and oil exploration).

He and a brother are developing a massive resort area including golf courses in Nanniwan, near to where his father once saved Mao's army. In a country where relationships and connections speak volumes, Wang Jun has a lot of say in what gets built and where.

5 Jimmy Masrin
President and CEO,
PT Caturkarsa
Megatunggal
Indonesia

Jimmy Masrin, president and CEO of his family's business, PT Caturkarsa Megatunggal, is "the man" in Indonesia when it comes to golf. A diversified holding company, Caturkarsa Megatunggal is engaged in petrochemicals, mining and logistics, with holdings in Southeast Asia. His business interests provide him an influential and powerful network in global commerce with which to pursue his passion: golf.

"I would like to see Indonesia being showcased and promoted to the world ... and I want to use golf as the platform to do this," Masrin recently told Asian Golf Monthly.

Masrin is an influencer behind promoting Golf Wonderful Indonesia and was the key player in establishing the Indonesian Masters as well as the Asian Development Tour.

6 Mike Sebastian
CEO,
Asia Pacific Golf
Group
Singapore

Mike Sebastian is founder and CEO of, arguably, the most powerful golf media company in Asia. Where others have tried and failed, he has established longevity and wide influence throughout the region, occasionally by having no fear of stepping on toes or weak egos as necessary.

With a journalism degree in hand, Sebastian set out in 1964 as a journalist

and broadcaster for the Hong Kong Commercial Broadcasting Co. In 1971 he became the communications manager for IBM World Trade Corp. covering Singapore, Malaysia, Indonesia and Brunei.

In 1976 he took over as regional manager for Time Magazine in Southeast Asia until forming his own marketing and promotions company in 1981. He then retired in 2000.

However, Sebastian came out of retirement in 2006 to start Asia Pacific Golf Group, which has grown to be the powerful publisher of Asian Golf Monthly magazine and Asian Golf Business online magazine along with producing Asian Golf TV. In 2007 he created the Asia Pacific Golf Summit, and it since has become the most influential gathering of golf business executives in Asia and an annual networking event that has attracted the biggest names in golf. Just recently the APGG was named as the agent for the Asia Pacific Chapter – Club Managers Association of America.

Add to all that, the fact that Sebastian founded the Asian Golf Industry Federation, which is the only pan-Asia nonprofit, golf-trade association in Asia.

7 Santi Bhirom Bhakdi
President,
Singha Corporation
Thailand

Santi Bhirom Bhakdi is the most influential businessman in the Thailand golf business and throughout the developing ASEAN common market of Southeast Asia. Bhirom Bhakdi is president, member of the executive board and executive director of Singha Corporation Co., a leading beer company in Thailand that has aggressively grown internationally. He is also the director of Bangkok Glass Industry Co.

Forbes ranked the Bhirombhakdi family as the eighth wealthiest in Thailand, with assets exceeding half a billion dollars.



Bhirom Bhakdi is also the founder of PGA Thailand and he served as its president in the organization's early years. He is owner of three exquisite golf courses in Thailand, and placed his people into leadership positions within the Thai Golf Association and the PGA Thailand. Singha Beer is the primary sponsor of golf tournaments at every level and a key sponsor of many sporting events throughout ASEAN.

8

Brian Curley
Partner,

Schmidt-Curley
Golf
Design
Arizona, USA
(Offices in China)



Brian Curley, the lone American on this list, lives in Scottsdale, Ariz. But he has made his fame and fortune in Asia. With partner Lee Schmidt, he has opened more courses in China than any other

architect. Working for David Chu, the partnership designed and opened 10 courses at Mission Hills Haikou. They have another 10 projects under their belt for the other Chu properties. Curley has become to most respected architect in Asia, and he set up an office in China to handle the extensive workload.

9

Masato Mizuno

Japanese Olympic
Committee
Japan

Masato Mizuno is the man behind the 2020 Tokyo Olympics. He is not only one of the most powerful people in golf, but also in all of sports. He's truly an international power broker.

In September of 2011, Mizuno resigned his position as head of Mizuno Corp. in order to avoid conflicts as an International Olympic Committee supplier so as to devote his full time and attention in the effort to secure the Olympic Games. While Mizuno's younger brother took over as chief of Mizuno, the move for Mizuno to head up the Tokyo Olympics effort was a clear recognition of

We know how to play



Our attorneys are experienced in the sale, acquisition,
development, financing, workout or repositioning
of golf & resort properties.

TROUTMAN SANDERS

Learn more at troutmansanders.com
or contact Michael Whitton at 858.509.6000.

his influence in sports. It was a gain for Japan and golf.

Mizuno Corp.'s history and success are intertwined with golf's history. Founded by his grandfather and great uncle in Osaka in 1906, Mizuno Corp. began plans to make golf clubs in 1921, was the first manufacturer of Japanese-made golf clubs in 1933, and opened the world's largest golf retail showroom in 1935. The company began its sponsorship of competitive golf events and opened the world's largest golf-equipment factory in 1965. Its golf commerce has engaged nearly every aspect of the game and business, including club management. By 1975 Mizuno began sponsorship of the LPGA Japan Golf Classic, and the LPGA Mizuno Classic remains an annual tour stop at Kintetsu Kashikojima Country Club

in Shima-shi with a \$1.4 million purse.

Masato Mizuno studied at the Carthage College, in Kenosha, Wis., back in the 1960s. He then took the billion-dollar company global during his tenure as a not-so-typical Japanese CEO. He is one of the best-connected people in sports and certainly in the business and game of golf.

10 Conrad L. Benitez II Founder and President,

The Orchard Golf & Country Club, Federation of Philippine Golf Clubs Philippines



Conrad Benitez is founder and president of the 36-hole Orchard Golf & Country Club, designed by Gary Player and Arnold Palmer. He built the golf courses on what was a family mango orchard property. Benitez is very active in the Philippines golf business and little gets past him that is going on in the Philippine golf industry or Southeast Asia. He's served as a director of the Asian Golf Course Owners Association and a director/vice president of the Federation of Philippine Golf Clubs Inc.

11 Ryusuke Kamata Accordia Golf President and CEO, Japan



Ryusuke Kamata has been heading

Accordia Golf Co. since May 2012. Accordia, which was established in 2002, went public in 2006. It manages 137 golf courses (134 owned, three leased) and 24 driving range centers (19 owned, five leased). During the last year, Kamata fended off a hostile takeover bid by Pacific Golf Management. However, his successful defense was only a temporary reprieve and now he is under pressure from shareholders to redirect Accordia to overcome weaknesses that Pacific Golf Management may attempt to exploit.

12 Jin Roy Ryu Chairman and CEO, Poongsan Corp. Korea

Jin Roy Ryu is the man who secured The 2015 Presidents Cup for South Korea, spending millions of his own money to make it happen. Ryu wields an



influence on political and business circles that extends from Korea to the highest levels of industry and government.

His father founded Poongsan Corp., one of the world's largest manufacturers of metals for military munitions and money coins. Ryu took over as chairman upon his death.

Ryu is an active member or leader in several global business and political organizations. He serves as a trustee of The First Tee, a World Golf Foundation initiative.

13 Paul Burley Vice president, IMG Golf Course Services, Asia Pacific, Based in Singapore

Paul Burley runs the largest third-party management company in Asia, with 20 18-hole equivalent golf courses strewn throughout the region. And while his portfolio is a fraction of the size of the world's largest, it is growing at a solid pace, especially in China.

Burley is bringing professional standards and management practices to a region that is still learning about golf as a business. He has more than 20 years

of experience in the golf industry to rely on to help him transform Asian views on management. Prior to joining IMG, he was responsible for managing golf at Turnberry Resort, in Scotland, the U.K.'s No. 1 golf course, and venue for The Open Championship in 2009. He also oversaw all golf properties in Europe managed by Starwood Hotels & Resorts Worldwide.

14 Dilip Thomas Secretary-General, Asia-Pacific Golf Confederation India

Dilip Thomas is the most connected and visible face of golf in India. As the secretary-general of the Asia-Pacific Golf Confederation, he heads up an organization that represents 36 national governing bodies of amateur golf throughout the entire region of Asia and the Pacific.

In India, Thomas is an influential council member of the India Golf Union, where he serves as chairman of the international affairs committee. He's an active member of the administrative committee of the International Golf Federation, which is in charge of golf's participation in the 2016 Olympic Games. He has also served as the technical delegate for golf at the previous Asian Games, in Doha.



Nguyen Van Hao Secretary-General

Vietnam Golf
Association
Vietnam

Nguyen Van Hao is the key person in the Vietnam's young and developing golf industry. He serves in a challenging role as the nation's unofficial liaison for those who have interest in growing the game — the government, the Vietnamese people and the tourism industry — all the while balancing Vietnam's golf interests with its neighbors throughout Asia.

Nguyen was instrumental in Vietnam capturing the International Association of Golf Tour Operators' Asia Pacific Golf Destination of the Year in 2012.

