

MATERIAL MATTERS LTD

Can any club afford not to talk to Paul Mould?

Paul is the founder of Material Matters Ltd and is a very interesting man to know. His company is focused on making substantial savings for golf clubs, course maintenance, ranges and resorts by centralised buying. Material Matters Ltd have recently formalised a partnership agreement with the UKGCOA.

Jerry Kilby, Executive Director of UKGCOA is delighted with the new agreement:

"UKGCOA is pleased to announce the appointment of Material Matters Ltd as the Official Purchasing Partner of the UKGCOA. After looking at a number

of possible purchasing companies, Material Matters have been selected as they can assist golf course owners with all sectors of purchasing – including the golf course maintenance supplies, clubhouse bar and restaurant supplies, utilities and all other clubhouse consumables. In recent months, Material Matters have conducted purchasing reviews at 85 golf courses, and have achieved average savings of 11.2%, with the highest saving being 25.6%. There were only three occasions when it was found that Material Matters could not make any significant savings. In addition to saving you money and improving your bottom line, Material Matters are offering to



Left: Material Matters founder Paul Mould.

reimburse UKGCOA members their 2012 annual membership fee, if they place a minimum of £10,000 of purchasing with them during the course of 2012 – making their membership free of charge - as well as adding to your bottom line! You will lose nothing – and potentially gain a lot – by inviting Material Matters to conduct a full purchasing review at your golf facility.”

GRN-OGRO recently caught up with Paul Mould and asked him about the business.

GRN-OGRO: What is your background in business and how long has Material Matters been going?

Paul Mould: In my early career I trained and became professionally qualified in civil engineering, whilst working for Wimpey Construction.

I am passionate about golf and have been lucky enough to work in golf for the majority of my career, working in golf course construction through the 90s, and running a very successful specialist hotel booking and event management company through the last decade before 2000. We ran the accommodation for over 125 golf tournaments per year in the UK for the European, Ladies, Seniors, Mastercard, Tartan, Hippo etc. Tours. We also looked after SkyTV, IMG, Callaway, Titleist, Taylormade and all the other manufacturers. After building that business up from a new start-up I sold the business in early 2001. I have been working in the city for the last few years in finance and started Material Matters early in 2010 to get back into golf! At the end of 2009 I saw the opportunity to build a buying group for golf course and clubhouse expenditure. Technology and buying behaviour had moved to such a point that I felt that there was huge potential in saving golf clubs money by combining together similar buying volumes. In the current economic climate I believe it is vital that clubs have a clear and effective buying strategy and I formed Material Matters to be their partner in that arrangement.

GRN-OGRO: How can you achieve savings for the various clubs and ranges?

Paul Mould: We have used economies of scale by combining together a very large volume of golf course purchasing, in order to establish discounted price agreements across virtually every area of club and course expenditure. For example, rather than a single club negotiating for their own laundry or cleaning supply, we have setup supply agreements for approaching 100 clubs.

GRN-OGRO: Can clubs mix and match – i.e., go with you for some products and retain existing suppliers for others?

Paul Mould: One of the foundation blocks of our business plan and approach was to make the support that we offer menu based. We do not feel it is possible or even right that we would look after 100% of purchasing at any club. We always negotiate our supplier arrangements against the principles of quality, service and price in that order. We are totally confident that we can meet the requirements for any golf club, but we are always conscious that at every club there could well be relationships and other specific reasons why a club works with a particular supplier. We would not want to change that – our role is to ensure that we help the club in the appropriate areas of supply. We work really hard in benchmarking and assessing all existing supplier set ups so that we can tailor a purchasing plan for the club maximising the benefit to them and retaining all suppliers that it is right to do so.

GRN-OGRO: How much money do you normally save a golf club – in both percentage terms and hard cash?

Paul Mould: It varies substantially as you would imagine, but at the moment our average saving for an 18-hole golf course and clubhouse is £25,000 per year so it is significant. That is calculated against an overall expenditure budget of around £250,000 so we are really proud and pleased to be saving clubs 10% on their overall

costs on average. For some clubs that is the difference between breaking even or making a loss and in fact making a substantial profit. It is great when we get feedback from the clubs clearly showing that we are impacting on the GP margins and increasing their bottom line.

GRN-OGRO: Are there any catches?

Paul Mould: None. We have a completely transparent approach. The most important thing for me is that we work as a partner to the club. Our objectives are totally aligned with that of the club. No contract, no fee, no catch.

GRN-OGRO: Will the range of product areas expand over time?

Paul Mould: Yes, definitely. It is great that we are able to save clubs as much money as we do immediately. However, I am looking at a 10-year and beyond business plan that requires us to constantly develop and evolve so that we continue to add value and benefits to our clubs year-on-year.

GRN-OGRO: - What should be the next step for any club, resort or golf range?

Paul Mould: Club, resort and range owners are all very busy people. It is virtually impossible for an owner/manager to stay on top of every aspect and area of purchasing. We provide a comprehensive benchmarking report as the very first step. This is provided without cost or obligation and is totally confidential – why would any club not want to find out? For me, the first vital step is to analyse the current purchasing make-up and business objectives of the club. Then we can build a purchasing plan and strategy that will lead to the most effective and cost controlled result for the owner.

For more details please call or email Paul Mould on 01252 621114 or paul.mould@materialmattersltd.com

This is potentially a very good way of doing business for clubs over the coming years, so we got a few additional quotes to ensure that the end customer was happy too. We started very close to home!!

GRN-OGRO's editor Colin Jenkins thought he had better have a full audit from Material Matters at his Staplehurst Golf Centre and was surprised by the findings:

"Having been involved in the golf industry for many years, I rather prided myself on my buying savvy. I was really quite surprised when I realised that I could in fact save well over £4000 in the next year by switching just a few supplier agreements. We are currently locked into a less beneficial energy agreement and will be switching as soon as our contract finishes to make additional and more substantial savings.

"The process itself is painless and we just supplied our purchase ledger and a table for Material Matters and they performed their audit and scanned a few invoices within a few hours.

"My concern was that our little club, with a fairly low turnover would not really benefit from the savings, but we were very pleasantly surprised. Perhaps best of all is that I now know that we are buying very efficiently and I can thoroughly recommend Material Matters to anyone in the golf industry."

Ian Yates, General Manager of Worldham Golf Club:

"We have seen both our food and beverage margins increase since the change over so I am very pleased."

Peter McMorran, Course Manager of Farnham Golf Club said:

"The combination of savings for both club and course are considerable, although Material Matters will not sacrifice quality in the long term in order to gain short-term profit by purchasing poor quality goods. Although Material Matters are able to meet all the needs of a club, there will be instances where it cannot supply a particular product at the best price and the company fully respects the client's right to purchase outside the group if no suitable alternative can be found. However, as the group has grown in size then we have been supported more and more across all of our purchasing. I have had the opportunity to work with Material Matters over the last year and fully appreciate the support, commitment and the savings that have been delivered. I look forward to the concept of the buying group being developed to its full potential and the ongoing savings that can be achieved."

Tony Trueman, Director of Windlesham Golf Club made the following comment:

"We were introduced to Material Matters through a mutual colleague. They were invited to do an overall assessment of our business. They did this very professionally and provided a thorough yet simple set of results to review, which clearly highlighted positive opportunities for us. The manner in which Material Matters have approached us has been very professional, with complete engagement rather than any form of "sell" which would be unattractive. They have looked to very much work with us and recognise, clearly, that there will, and are, areas that they will not be able to assist. The honesty in the relationship is very reassuring. The manner in which the relationship is progressing is excellent, and nothing appears to be too much trouble with an honest and professional response."



Official
Purchasing
Partner of the
UKGCOA



www.materialmattersltd.com

**For all your clubhouse and golf course purchasing needs.
Working with Material Matters as your purchasing partner
our buying power could save you more than £25,000 per
year**

Contact us now to find out how much we can save you



Call us on: 01252 621114 or: 07894 16 02 07 or email us at: info@materialmattersltd.com