

Winning Strategies

Why Aren't You Doing That? **Trusted Concepts for Today's Clubs**

Sometimes it pays big dividends to take a look back. Mark Twain was heard to say, "Get your facts straight and then you can distort them as you please." So we went back in the archives and pulled out five of the best ideas from the past decade. As much as these ideas have been touted as great opportunities for the club to make progress, they are not as widely implemented as we should hope. So the question becomes "*Why Aren't You Doing That?*"

The ideas represent five major areas including governance, membership, planning, food and beverage, and capital funding. Each has a proven track record of success from those clubs that have implemented them. Why aren't these concepts universally used? Are people stuck in old habits? George Bernard Shaw once said "Progress is impossible without change. Those who cannot change their own minds cannot change anything." So let's look at the following concepts with an open mind.

I. Make Your Members Your Sales Force

Develop a membership enhancement program that cuts initiation fees temporarily without really cutting initiation fees – a program that energizes the members to act in a timely fashion, one that feeds member egos as it maintains the reputation of the club in the community. How does the program work? Follow the steps below:

1. Develop a voucher good for an initiation fee discount of a minimum 20%-25% or higher.
2. Provide a letter and gold sealed certificate for each member. Congratulate them for supporting the club and give them the certificate that they can use as a gift to give someone else.
3. Have a time frame attached. Zero to 90 days full value. The certificate would reduce in value 25% for each additional 90 days and would go away after one year.
4. Offer an F&B credit (\$250 depending on the club) to the sponsor so they can take the new member out to dinner at the club once they become a member.

The keys to the program are simple.

1. You never actually cut the initiation fees. If you started as a \$10,000 club you are still a \$10,000 club.
2. It gives members a reason to think about sponsoring a member.
3. The program has a time aspect that encourages immediate action while the voucher is worth full value.
4. It feeds the egos of members by providing them an opportunity to give someone something of value.
5. It is not a giveaway program that undermines operating income.

This program has generated new members for dozens of clubs who have implemented it.

II. Establish a Board Resource Chairman

What, you ask, is a Board Resource Chairman? Many times the GM has difficulty insuring the BOD completes critical governance responsibilities. They need a committed partner on the Board. We suggest the Vice President fill that role.

The duties would include working with the GM to insure:

1. The Nominating Committee meets at the beginning of the year and fully understands their responsibilities.
2. Insure a Board retreat is scheduled to plan for the year.
3. Work with the GM to schedule Board education programs.
4. Insure mandatory new board member orientation is scheduled prior to the first Board meeting.

If each element is accomplished, the VP who is moving up the chairs will have a much better presidential year.

III. Develop a Living Document

The most effective way to manage the elements of your strategic and operational plans is to develop an organizational document that provides an ongoing review of all operational and strategic initiatives. The document design is a form that would in essence be a living document that can be modified and updated on a regular basis. It will be able to monitor operational action items identified by staff as well as larger strategic objectives, giving the senior staff and Board of Directors a clear picture of the status of each item at designated intervals.

The plan management system must have timelines, resources needed, persons responsible, and a coding system to track the status of completion. In this way the Board and management will have a complete understanding of the initiatives at any given point.

Clubs take the plan to the membership at the annual meeting and tell them this, at a minimum, is what they can expect from the club this year. On a quarterly basis the members are updated on the progress. At the next annual meeting, a report from the leadership reminds the members of what was promised last year and what has been completed. At the same time the members are told what they can expect next year. Basically this becomes a living strategic and operational document that is the ongoing focus of the club from year to year.

IV. Find Out if the Club is a Top 3 Choice

Food and Beverage service is the glue that holds a club together, as the only thing every member of the club does is eat. Too often members write off the club as a destination location in favor of other establishments. I once had a member say "The club food isn't any good; that is why we haven't had dinner at the club in over a year." No matter what you do it is difficult to get members back after they write you off.

The measure of how the club stands in the minds of the membership is if the club is a top three choice of a casual dinner or a formal dinner. When a member decides to go out to dinner, a few

favorites immediately pop into their mind. The goal of a club is to be one of those favorites. Two critical survey questions include:

1. Is the Club a TOP 3 Dining Choice when you want a CASUAL Dinner?
2. Is the Club a TOP 3 Dining Choice when you want a FORMAL Dinner?

Good club F & B operations will get about a 65% yes on the casual dinner question. However, it is difficult for clubs to average over 50% on the formal dining question. Do you know where your club rates from a member perspective? You should. You should also have a plan to increase satisfaction ratings and monitor that progress.

V. Fund Major Clubhouse Projects for Two Steaks a Month

Many times clubs will develop clubhouse renovation projects that concentrate on improvements to the club dining experience. There is a boom in new casual dining opportunities in clubs. So how should a club fund the project?

The first question I ask the club is, “Do you have a food and beverage minimum?” More than not the answer is yes. My next comment goes something like this, “You are telling me you are going to spend \$5 million and you can’t build something the members want to come to.” A great concept is to take the part of the F&B minimum and roll it into capital dues. The net cost of the club does not increase. Members lose the food they would have gotten for the portion of the minimum that is now dues.

Let’s say you have a \$150 per month minimum. If that were reduced to \$75 and \$75 became dues for the debt service then the club can pay the debt down painlessly. What did a member used to get for \$75? You get two steaks a month. Your marketing program is set. We are going to do all this for you for only two steaks a month. It works. We have funded several capital projects on that concept very successfully.

We have summarized five solid ideas. Remember what Henry Ford once said, “If you think you can, or if you think you can’t, you’re right.” So I close with a humbling comment from Isaac Asimov who said, “People who think they know everything are a great annoyance to those of us who do.”

NOTE: More information on these concepts can be found in The Boardroom article archives or at Clubwiseconsulting.com/publications.



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