

WINNING **STRATEGIES**

STRATEGIC PLANNING

Why Operating Expertise is Important

“We are confronted with insurmountable opportunities” -- Pogo

Our little cartoon friend has somewhat of a defeatist attitude. Certainly there are a lot of opportunities in strategic planning. By using the right tactics, clubs can take advantage of those opportunities.

There should be great interest in insuring that a strategic plan is an independent document with member driven initiatives. Too many times clubs enter into the process with a preconceived agenda that the purpose of the plan is to complete a capital improvement program. It is most important that any plan be member driven if the club expects the members to support the final plan. There may be many options for future capital investment. However, we must show that any capital improvement programs were given birth through member input in the strategic planning process. We don't complete strategic plans to justify capital programs. We complete a strategic plan to determine where capital initiatives need to be accomplished.

With this goal in mind it becomes paramount that any plan be based on sound operational criteria. Understanding the intricacies of the club business is going to be a critical part of developing a successful plan. Club volunteer leaders need to be thoroughly educated in club industry trends and how best to accomplish operational priorities based on member expectations. This places the major responsibility for education on the shoulders of the GM/COO. Many times they can have difficulty. Sometimes it is hard to get buy-in to the GM's vision of operational needs. This is when the right strategic planning consultant can pay big dividends.

Strategic planning in clubs is different than corporate planning. In corporate planning the strategic facilitator is sitting around the table with experts in the specific business. It would be like having 12 GM/COOs around the table. They have the full authority to make the decisions about their business and do not have to answer to any other group. The final plan has to be an effective solution if the business is to grow. However, there is no one better to analyze the issues than a group of experts in that business. In this case the facilitator just needs to be an expert in the process to keep the group on track.

Clubs are different. The strategic planning group has only one GM/COO and a group of unpaid volunteer leaders. Although these leaders may have been successful in their

own given careers they are not operating experts in the club business. Also, the plan must be validated by the membership who must support potential initiatives that they will be required to fund in the future. Therefore, it is important that the strategic planner know the club business from an operational perspective to help lead the group in a manner that can generate effective operating solutions and build membership consensus.

The strategic plan should be a living document that is the source of planning on an ongoing basis from year to year. The planner, working with the GM/COO from an operating perspective, can insure that the process provides that continuity. The following is a summary of the five key strategic initiatives that need to be addressed in the planning process. A thorough evaluation of each initiative requires a clear operating perspective.

Five Key Strategic Initiatives

1. GOVERNANCE

Continuity of leadership is important if the club is going to make progress. In private clubs the Board and committees change. There is only one stable element in the club business. That is the GM/COO. To this end the club must have a clear and effective system to harness the energies of volunteer leaders. Volunteer participation is an important part of successful clubs. However, there must be a delineation of authority and responsibilities so the volunteers are effective and not disruptive to success. This is why a solid governance structure is so important.

If you look at the great clubs in the country they all have sound continuity from year to year in their leadership. Establishing sound governance practices is important if strategic plan is to become the driving force it should be in the future. The strategic planner must be a club governance expert.

2. PRODUCTS AND SERVICES

Any strategic plan must include an evaluation of products and services. It is important to strike a positive balance between affordability, quality and value which have been the main focus of any successful club. The more the planner can help establish key goals and benchmarks, the more comprehensive the plan will be.

Within this evaluation should be a general human resources and service program review. The organization should have a commanding service mission and strategy for delivering on expectations. Department heads need continuity in direction so performance standards can be monitored for compliance. Such a program would include strategies for orientation and training initiatives that will enhance the overall club service. Your strategic planning facilitator should be able to bring a lot to the table in these areas and help facilitate the process with cutting edge ideas and implementation options.

The club is a unique service business. The member is a combined customer / investor and needs the organization to find the right balance that maximizes services within the best use of club resources. Action items must be well thought out with a logical approach for the future. A planner with extensive club experience can help navigate the politics involved in the process.

3. MEMBERSHIP INITIATIVES

Strategic planning must deal with membership initiatives with a focus on attracting and retaining good members in the long term. Many clubs are blessed in this area while others continue to struggle to attract and retain members. As competition and financial circumstances change within club markets, it will be important to make sure membership categories and costs relative to these areas hit a positive balance. The strategic consultant needs to have a clear understanding of the industry to help the committee dissect the options and develop the best action items for the respective club.

4. FINANCE INITIATIVES

Experience in dealing with the financial structure of clubs will help the planner in working with the club on financial initiatives and action items regarding capital investment strategies. There is no substitute for actually operating a club and working with budgets, developing the chart of accounts, initiating technology upgrades and managing capital reserves. This is when an experienced planner can help develop reasonable expectations for financial performance.

5. CAPITAL INVESTMENT STRATEGIES

Whoever completes the strategic plan will be well positioned to provide assistance in the development of future capital investment strategies. The strategic plan will have investment initiatives that will be key elements to the club's future. When the plan is presented to the membership, they will have questions in these areas. A planner with master plan experience can help the committee navigate the politics to undertaking a master planning process.

Other Issues

6. OPERATING EXPERIENCE

Certainly your consultant with operating experience can bring more to the table in the strategic areas of governance, products and services, membership issues, financial issues and capital investment strategies than will other facilitators. They can also offer major revenue producing or cost cutting programs during the process. One club recently implemented two ideas offered during the planning process generating over \$100,000 in

initiation fees, \$125,000 in ongoing dues revenues and a \$40,000 savings to the food and beverage bottom line. This is the value of operating experience during strategic planning.

7. MEMBER COMMUNICATIONS

Operating experience will also pay big benefits in dealing with member focus groups. Normally there are a lot of technical questions to the facilitator. Someone with extensive operating experience can answer those questions effectively and have a positive affect on the participants.

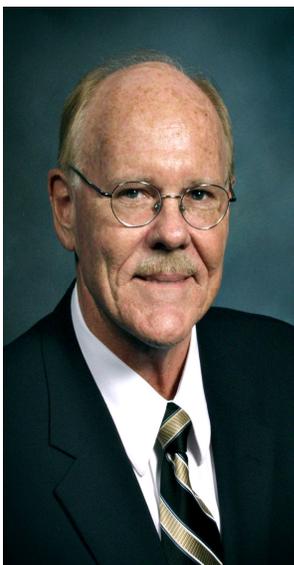
Communication concepts and marketing of the plan can help in building consensus within the membership that the club is moving in a positive direction. Understanding members and dealing effectively with them can bring a positive approach to marketing and communication that is unavailable from other companies.

8. UNIQUE FACT-FINDING TOOLS

Unique fact-finding tools used during the process can insure the committee has all the necessary information to make quality decisions. An employee survey and leadership strategy survey can identify key issues that need attention and help develop consensus within the leadership on strategic directions. Although the Strategic Planning Committee is charged with developing the plan, it is the Board, through the staff and committee system, that will implement the plan. To that end it is critical that the Board sees any plan as their plan with unanimous agreement and buy-in.

In Summary

It appears that clubs can complete strategic planning using a planner with operational expertise or using a planner who is just a facilitator. If the club should choose the latter, then another Pogo saying may be appropriate. It goes “We have met the enemy and it is us.”



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