

"The Next Major Trend for Private Clubs"

The recent Club Managers Association of America National Conference exposed participants to the newest product and service ideas available in the industry. The conference was also an outlet for the latest educational opportunities and creative ideas being implemented at the finest clubs in the world. It is important to share that vision that was presented to managers with club directors.

To that end we have decided to examine the status of our industry as presented at the conference and discuss what may be the biggest trend for the future. To help us with this examination we have tapped one of our own. Jerry N. McCoy, MCM, is President of Clubwise Consulting a firm specializing in membership surveys, strategic planning, master planning and capital asset replacement. As one of only a handful of individuals in the country to have received the designation Master Club Manager (MCM), Mr. McCoy is recognized as a leader in educating managers and club boards on the latest trends facing the private club industry.

Clubwise - Mr. McCoy, thanks for taking the time to visit with us.

McCoy - It is my pleasure.

Clubwise - When club leaders look at trends are they are looking for ideas they can implement that may help provide solutions to their problems? What exactly should leaders be looking for when they examine trends?

McCoy - It is great to find a good idea that someone else has already tested. But I don't think club leaders should be focused too much on individual ideas. An idea that works well at the club across town may be detrimental to their own club. Leaders should be developing systems that will allow the club to test ideas for value. Testing will allow them to accept and reject ideas based on the individual needs of the club. They then will be better positioned to deal successfully with the myriad of problems that they may face. The number one trend that will impact clubs in the future is the level in which Boards educate themselves about the club industry so they have the informational resources to make good decisions.

Clubwise - What has led you to this premise?

McCoy - To answer that question we need to review a little history. Our industry has never been a leader in adopting progressive management models. In the 1960's most clubs were still operating with individual department heads reporting to an unpaid volunteer Board that gave guidance, many times to an excess, and other times only on a part time basis.

As associations representing the club industry profession grew in stature, they helped promote the professionalism by offering opportunities for growth through continuing education. However, it wasn't until the seventies and eighties that professional associations really concentrated on education as the number one priority.

This education push promoted progressive philosophies to management professionals.

This group of managers took that new knowledge and put it to work to the benefit of their clubs. Individual managers benefited personally and professionally from the specific educational opportunities that were being offered.

At the same time general manager and chief operating officer concepts were being used regularly in the business community. Progressive leaders of the professional associations, like CMAA, promoted these concepts in private clubs. Young managers were joining the industry with a higher level of formal education than their predecessors. This new breed of manager had been exposed to successful organizational structures and expected no less in the clubs they were running.

A new type of director also became more of an influence on club boards. Directors who have spent their careers in the corporate environment were willing to give management the authority to act, as long as management accepted the responsibility for their actions and were willing to be held accountable. Clubs have since benefited from adopting these sound management principles and this progression has been a very positive one for private clubs.

Clubwise - Has the rapid development of golf facilities and the rise of management companies had an impact?

McCoy - Absolutely, and in a major way. One of the biggest impacts has been in their use of marketing. Private clubs now see that marketing can play an important role in member owned clubs. It is the job of a club to continually reinforce the fact that the member is making a good decision by paying dues and sponsoring new members. Advertising, marketing and sales were all dirty words to private clubs not too long ago. Today they all have a role to play in the financial success of the club. The leadership in the more progressive clubs has embraced a proactive approach to marketing.

Clubwise - You proposed that the next major trend is Board education.

McCoy - I believe there is a different type of individual sitting on club boards today. The directors of today understand that the economic times we are in require them to use all the resources available to make good strategic decisions. Board members want to know more about how the club functions. Boards are run more professionally. They see the value in outside consulting, they do extensive strategic planning and take their fiduciary responsibility seriously.

The Club Managers Association has developed written materials, targeted education sessions to the Board/Manager team and even promotes a magazine specifically for Board members. Newsletters like this one are very popular with club leaders. Managers have been an excellent conduit in getting this type of information to their Boards. Smart clubs are setting aside more funds for

education, even in these tough economic times. They see that the small expenditure involved can pay big dividends.

Clubwise - Is there anything else you see as reasons for this trend?

McCoy - Certainly. Board members have gravitated to wanting to know more about what they are doing based on the legal and legislative issues that have permeated our industry this past decade. Privacy, discrimination, liability, HR policies and governmental intervention have all made officers and directors more concerned in making sound decisions during their service on the Board. To combat potential problems in these areas, they demand more information.

Clubwise - Is this really a new trend if club Boards are already concentrating on educating themselves?

McCoy - My comments have been based on my experience with the more progressive clubs. Unfortunately, those clubs with the most resources are the ones that do the best job in this area. Smaller clubs, or those clubs in less populated areas, outside major metropolitan centers, have been slower to get the education that they need. Unfortunately, these are the clubs that are the most in need of good information.

But like anything, success will breed success. As educated club leadership, teamed with a GM/COO, lead the more progressive clubs to even greater successes, other clubs will attempt to copy their methods. The demand will then swell for more educational opportunities by club leaders. These leaders will also be more receptive to outsourcing specialized consultant services that should not be undertaken by the COO.

When manager education promoted during the 70s and 80s the club industry prospered. It has again prospered as more and more clubs adopt the GM/COO management models.

It will continue to prosper again as better educated Boards make effective strategic decisions in the best interest of the membership of their clubs.

Clubwise - We would like to thank Mr. McCoy for taking time to share his thoughts with us. Clubwise believes that educated directors can definitely make the greatest positive change to the private clubs that they lead. Mr. McCoy can be contacted at CMAAMCM@msn.com

About the Author

Jerry N. McCoy, MCM, is the President of Clubwise, LLC, a consulting firm specializing in strategic planning, master planning, operational audits and governance issues. He is the author of [The Director's Guide for Understanding Club Governance](#), [The Governance Checklist](#) and [The Board Resource Manual](#) all of which are publications of CMAA's Premier Club Services®, the new [Strategic Management Handbook](#) for private clubs and is an extensive contributor to the new CMAA [Facilities and Amenities Texts Volume I & II](#) which are available through Bookmart. He can be reached at www.clubwiseconsulting.com or CMAAMCM@msn.com