

# Winning Strategies

---

## *Developing Your Master Planning Team*

### **Hey! It's Only Money**

So what is the right way to develop a comprehensive master plan and then implement it? Well let's start with the money.

There are several ways to generate a master plan. Each has financial consequences. We see clubs foolishly waste tens of thousands and sometimes hundreds of thousands of dollars unnecessarily in the process. Let's look at the four primary methods and address financial issues associated with each one.

1. **Selection Based on a Previous Relationship** – Many clubs have gone through renovations / expansions in prior years. They have developed a relationship with a quality architect or interior design firm. The previous program turned out well and the club was happy with the finished project. The club believed they received high value and wish to work with that team again. Another example is that the present manager of the club worked with this team at another club with great success. The manager team relationship is carried to the new club.

**Financial Considerations** – Are the fee structures (both master planning costs and future architectural and design fees) competitive in today's market? Why should you just hire firms without negotiating? You can't negotiate unless there is competition.

2. **A Design Competition** – Some clubs, especially those in the higher end markets, will select the team based on their architectural / interior design vision. A group of architects may be selected based on their industry reputation. They are then given some seed money to design options and then asked to present their vision of the expansion or new building. The selection is made by the based on the creativity and overall vision.

**Financial Considerations** – This method of team development has a similar downside as our first example. This is a case where the club should also bid fees and future fees as part of the process. Remember, the initial cost of developing the master plan is very small in relation to the overall cost of generating the contract documents and running the project to completion. Clubs should know the end game.

3. **Presentations and Interviews** – The most common way a team is selected is that the club will interview selected architectural and interior design companies and then make a selection based those interviews, a review of their work and reference considerations. Many clubs hire a consultant to assist with this process.

**Financial Considerations** – What is the overall fee for the schematic design and master planning process? What are the architectural and interior design fees if the project progresses.

#### 4. Independent Design

There are companies that provide independent master planning, architecture and design services. The benefit is they do not build the project or have any stake in large fees later on. The problem is that they must hand the design off to other architects and interior design professionals. Once that occurs, the new professionals will bring their creativity to the project.

**Financial Considerations** – You will be paying for the initial design from the planning company. Sometimes these fees are substantial as they charge a percentage for the full master plan even if it is to be implemented in phases over several years. These fees can reach to \$100,000 or \$200,000. Once the project is turned over to another architect and interior design firm to complete things can change, sometimes drastically. If you have selected the right architect and interior design team they will have a certain amount of competence and will bring their creative juices to the table. The club will end up paying the initial planner for design and then pay again to the architect and interior designer. In essence the club would be paying for the schematic design portion of the project twice.

If the club is planning on implementing the master plan it may be more effective to select the architect / design team that will be building it. There resumes and the selection process can be vetted with the membership in the hope of building trust that the club has competent design professionals. Once the project has been passed there is a seamless transition into design development as the team is in place and contract specifics have been worked out in advance.

#### Understanding Fee Structures

In each of the above scenarios it is important to understand the overall fee structures for team members. Usually the cost of the planning process is minor compared to the future fees that will be charged for architecture, interior architecture and interior design. The time to negotiate these fees is before you hire the company for master planning. Consider the planning process. The team is working with the owner designing exciting and creative solutions for the facilities. A working relationship is developed. If the project passes and it is time to sign contracts without having a good understanding of the fees structures then the club is in a poor negotiating position.

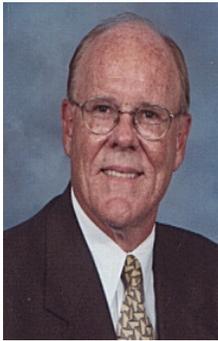
**Financial Issues to Consider** – Many clubs will hire a professional consultant to manage the process. There are significant dollars at risk. We have seen that the difference in fees structures between architects bidding the same job have be in the six figures plus. By bidding fee structures the club can get an idea about the costs for hiring certain firms. This is not to say the lowest cost is best. It is common that when a firm is asked to be ready to answer this question at the interview they have a tendency to be more competitive. Fees may drop if the companies understand that selection decisions may be affected by fees.

### What is a Good System to Develop Your Team?

1. **Selection Based on a Previous Relationship – PROBABLY IF NEGOTIATED**
2. **A Design Competition – IF EXPANED TO BIDDING FEES**
3. **Presentations and Interviews – DEFINITELY WITH A CONSULTANT**
4. **Independent Design – PPROBABLE NOT BASED ON COST**

For more information on master planning, construction and renovation see the new Facilities and Amenities Texts Volumes I & II now available through CMAA's Bookmark.

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 Bookmark. He can be reached at [www.clubwiseconsulting.com](http://www.clubwiseconsulting.com) or [CMAAMCM@msn.com](mailto:CMAAMCM@msn.com)



***Jerry McCoy, MCM  
is CEO of  
Clubwise, LLC***