

Winning Strategies

An open Letter to Club Presidents

It is Your Time – Make the Most of It

Dear President:

For many years dozens of experts have been writing on the effectiveness of club Boards. How to provide a governance environment that not only delivers high levels of member satisfaction, but also manages change, keeping the club ‘ahead of the curve’. Over their long history some clubs have been able to develop a solid decision making structure that maintains the organization at the top of the industry. Unfortunately that is not the case in many private clubs today. Thus the multitude of articles dedicated to Board structure and education.

The problem in the club industry is that the service business that you are in does not necessarily translate to the expertise of individual unpaid volunteer Board members. Doctors, lawyers, accountants or marketing executives have a special understanding of their area of business. Managing a club at the operational and strategic level can be very different. This is why smart clubs have adopted industry ‘best practices’ in club governance

The following is a series of leadership steps for your consideration. Some items may be mute as they are already a part of your structure. If not, then please consider adopting them. It will pay long term benefits to not only the present Board, club committees and management team but also those that will follow you. It can be your greatest legacy to the club moving forward.

1. Remember Members are both Owners and Customers

Owners want the highest return on their investment value. Customers want the best products at the lowest prices. Neither one wants to pay more. Club leaders must provide reasons why their decisions are best for both the member as investor and the member as a customer. As long as a member is getting a high level of satisfaction and good value, based on the excellent service received, they will be happy to advertize, market, promote and sell the club to their friends and business associates. The club membership roles will be enhanced and long-term success should be a direct result. Remember you can’t continually cut service and expect enhanced value.

2. Have the right People on the Team

A Board made up of competent directors should result in good club governance. It follows then, that the development and selection of candidates is the most important aspect of providing good governing for the club. Traits of good board members include:

- ❑ A person that can be trusted to do the right thing without regard for external pressures or self interest
- ❑ Has clearly demonstrated the ability to work with others
- ❑ An individual with leadership skills who can accept criticism
- ❑ A well rounded person who is respected by their fellow members

It then becomes paramount that the nominating committee members understand the characteristics of good board members and does the necessary due diligence in their efforts as a committee.

3. Commit the Time Necessary

Too often managers have a difficult time getting the Board to commit the time necessary to plan effectively. In this case there may be a leadership vacuum at the top Mr. President. It is very important that the President lead by insisting on certain expectation from the individual prior to a member's election. Don't let people get elected that aren't dedicated to doing the job right.

4. Understand Member Needs and Expectations

The Club's product is not golf, tennis, swimming, fitness or food and beverage. The product is member satisfaction based on value. Unfortunately member satisfaction is a very fuzzy product. The only way you know what the majority of the members think is to survey them. Beware of the member who says they know what the members think. They only know what their own circle of friends think. There are a variety of ways to survey. The results will give you the ammunition you need to make quality decisions. Once benchmarks have been established then you can measure progress by comparing present satisfaction levels to those from the previous survey. Make sure that the club conducts a comprehensive survey at least every two to three years.

5. Plan Strategically

A comprehensive strategic plan requires a thorough knowledge of all stakeholders. A good strategic plan will dissect the club into four parts: membership, operations driven by management and staff, facilities and the system of governance. Each of the four parts must be analyzed as to their effectiveness in meeting the organizational mission and vision. Every strategy should be tested against the vision and mission.

Start the year with a strategic retreat to establish strategic direction and general initiatives. Manage the initiatives to track progress. Set aside a portion of every Board meeting to discuss the plan. Make a report card to the membership at the annual meeting. Once the program is initiated it becomes a living process. Each year the existing vision and mission is revisited at the beginning of the year and modified where appropriate. New goals and objectives are added and others modified or removed.

Please consider the following resources. Each director should read The Director's Guide for Understanding Club Governance. The Board should do an audit of the Club's best practices using The Governance Checklist. The materials are available through the Club Managers Association of America web site at the Bookmart tab. Get a copy of The Strategic Management Handbook as a guide to your strategic planning process. It is available at www.clubwiseconsulting.com.

Best of luck in your presidential year. I hope it is both fulfilling and rewarding. The most important thing is that I hope you leave the Club a better place for your leadership.