## Club management

# Managing change

### A LOOK AT THE CLUB MANAGERS ASSOCIATION, ITS MEMBERS AND THEIR RELATIONSHIP WITH GOLF COURSE SUPERINTENDENTS

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## by Explain the biggest changes in club management during JOHN the past 20 years.

WALSH The biggest change is the realization that a club is a business, not a hobby or something for committees to spend time on when they have time to do it. It's a huge multibilliondollar business, and it needs to be managed as any multibillion-dollar business would. You're talking about small operations and millions of dollars. There needs to be a governed struc-

ture - a place that has checks and balances and accountability.

As a whole, the industry helped to better identify not just golf course management but the management of clubs as thriving, successful economic engines. They have been there, and they

will be there for decades. They don't come in for short periods of time and move on.

When did this change occur? It occurred primarily during the '70s and '80s after clubs, for decades, were governed in many different forms by whoever had the time to do it. To a great degree, our individual professions, the CMAA and Golf Course Superintendents Association of America specifically, were focused on the professionalism of their individual members. Colleges and universities recognized this as a mode of professionalism that warranted degree programs. Significant dollars were committed to research, surveying, looking at trends and seeing the industry as futuristic rather than something that people did on their way to someplace else.

#### What's the percentage of members that belong to a club that has golf?

More than 80 percent of our club managers work at golf-related facilities. There's a strong focus on golf that's grown during the past 30 years. The number of city clubs that are represented by our members hasn't diminished, but there hasn't been any growth. The growth has been within the golf industry - going from 1,500 or 1,800 clubs to close to 3,000 clubs.

Our focus has never been on the number of members. We look at programs that drive membership. We want the entire industry to be able to look at the CMAA as that corporate office, as that resource that helps them do their job better.

We have members who are also members of the GCSAA, PGA of America, Hospitality Financial Technology Professionals and American Culinary Federation. Our membership base comes from allied associations in addition to those that have a core competency in the field of professional club management.

#### How many members belong to the CMAA and GCSAA?

We don't pull that number because we don't ask the membership to tell us what other organizations they belong to. If they're members of the CMAA and jointly a member of the GCSAA, PGA of America or the American Culinary Federation, the CMAA is a secondary or support structure to them in almost all cases.

What's the biggest need the association has to address?

The greatest need is to stay ahead of the curve and anticipate, through research and surveying, what the needs are going to be two to three years in advance of when that need actually surfaces. Strategic planning and direction of our programming is vital to the success of this organization.

## What are needs you've seen change through research?

The most recent would be our health benefits program that benefits all employees at the clubs. It's the first national association program that covers all 50 states. It's available to every employee at a club as a health care program as if it were offered through Blue

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Cross or any other agency.

For five years, our members have told us their greatest concern for the operation and management of their clubs was the ability to provide health care to their employees. So we responded to that. It took us about four years to put together a program that's verified by the U.S. Department of Labor. It's a federally overseen program.

For years, we've said benefit programs within the golf industry have been something that weren't necessarily a given to many people who work in it, but they are a requirement for everyone's quality of life. If you couldn't continue to offer quality health benefits to your employees, you become secondary to another job opportunity. Therefore, we had to be sure we had a health benefits plan that was going to be available to them and not be withdrawn or diminished because of the cost that was fostered on us by factors we have no control over.

#### How will the program impact Retention and recruitment?

It's been received positively by our group. It's for the members or the clubs that have a member of the CMAA. The program doesn't benefit CMAA members only. It benefits every club employee the club wants to cover. It's at a rate about 10 percent less than what's being offered by health-care providers.



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#### How did you see relationships between club managers and superintendents develop?

When I came to the CMAA, I saw individuals who operated in their own little vacuum. In many cases, they operated independently of other professionals. That's what I felt I brought to the table here – looking at the association as a business, and from that, seeing you can't operate independently any longer. Now, individuals have too many aspects of their jobs that overlap.

So if you run a good operation, it goes back to my philosophy of strategically planning how you operate. We saw clubs needing a senior or designated individual. It didn't make any difference whether it was a club manager, golf course superintendent or golf pro, but someone had to be the team leader within that organization. It was natural in most organizations for the general manager to be that leader within the management team, if you had all of the amenities available to the members of the club.

We also saw a need for there to be a greater appreciation among the members of the CMAA for the technical knowledge and professionalism of individuals they worked with. If they were operating independently, never getting together and talking, there was little that one could learn about who he's working with and what that person's professional background or knowledge was.

That's where we started to work much more strongly, making sure general managers had an appreciation for the other professions. Not to become experts, not to be able to do the job of the professionals they work with, but they needed to appreciate what background they have and identify the strengths and weaknesses of the people they work with. Then you can develop your organizational governments and structure around those strengths and weaknesses.



## Explain how the CMAA and GCSAA became closer?

I can only speak to the 15 years prior to our announcement of being part of the Golf Industry Show. Steve Mona came on board the GCSAA after I was hired at the CMAA. The hiring of Steve as c.e.o. was a huge move because of the strength of his background with the U.S. Golf Association and the Georgia State Golf Association. He was a great addition to the profession and the government structure of the GCSAA. From the first day on the job, Steve and I have communicated based on a candid, trusting relationship. He never has done anything that would lead me not to have the highest regard for a decision he made, knowing it was made with all of the information in the best interest of everyone. He probably has the same feeling with me. We always get together and talk about issues and initiatives we have. Neither of us is surprised by the other.

When the CMAA and GCSAA first started talking about the Golf Industry Show and the ability to bring the decision makers to the same location at the same time, we knew there would be an opportunity to share educational knowledge and programs to a greater degree. If we could bring decision makers together to traverse the trade show floor and visit with vendors on a one-on-one basis, it expedites and simplifies the decisionmaking process. It didn't leave anyone in the dark. You can come together and talk to the top professionals in the world at the Golf Industry Show.

# What are your thoughts about superintendents becoming general managers?

The obligation of our two associations is to make sure the professionals belonging to our associations make those decisions with their eyes open. The scenario the grass is always greener on the other side doesn't always play out. Individuals need to know they're talking about a lifestyle change in many cases. They're talking about a change in responsibility.

You have to have a broad-based peripheral knowledge about every aspect from accounting to finance to balance sheets, as well as operational expenses. You have to understand mortgage financing and depreciation values as they relate to the equipment purchased and many of the furnishings and fixtures around the facility. You have to have a basic knowledge about everything from the tennis courts, Jacuzzi and spa areas to the kitchens, locker rooms, dining facilities, and parking and common areas. You're also dealing with town councils and state and local govern-

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ments who have control over your operation when it comes to right-of-ways and easements when you're doing internal and external improvements.

Individuals should be sure they understand the face-to-face time needed to spend with members. When moving to that management role, you need to be able to have that human exchange with a lot of happy people and some unhappy people. You need to work well with members when trying to convince or explain to them something they have no knowledge of. Do you attempt to get them to understand things better, or do you simply take the approach that you're going to tell them this and because you're a professional they better believe you? Members don't buy that.

Then you also have that exchange from a club manager's perspective in which you're dealing with entry-level employees on an hour-by-hour, minute-by-minute basis, and then within seconds, you're dealing with the c.e.o.s of Fortune 500 companies. You need to transition quickly.

If that's something they're comfortable with daily, superintendents should look at becoming general managers. As an association, we need to be sure that they're able to make those decisions with their eyes open rather than making a spontaneous reaction to what a club officer or member might suggest would be a great opportunity.

#### Are club managers threatened by superintendents?

I haven't sensed anyone who's unhappy with someone because of where they came from - the golf course, pro shop, accounting office, kitchen, hotel or resort industry. In few instances, people lose their jobs to someone else by happenstance. In most cases, you can see that coming, so it doesn't make any difference where the replacement comes from. It's human nature that you don't care for the person that replaces you if it's a surprise. But if you're a professional who's made a decision to move on to a better opportunity, you want to transition the new person into your position no matter what position they held before in the best interest of the club.

We're seeing more individuals transition into club management that come from a thoughtful perspective by boards and clubs than the surprise of a Friday night massacre when you're told to clean out your desk. That just isn't happening much anymore.

#### Is there acrimony among club managers, golf pros and superintendents?

I haven't seen acrimony growing between the professions. There's an enormous amount of respect from the individual professionals for a club with a proper governing structure where everyone's position and responsibility is clearly defined. That doesn't mean there isn't going to be any acrimony in which a facility doesn't have responsibilities defined and people are stepping on each other's toes. It's not a growing trend, and it's not a predominant issue.

## Will the golf facility structure change?

We've seen it change during the past five to seven years. Club developers or owners have established this as a business, and if you look at any other business structure in the community, seldom is it run by three people with equal power. It's just not an efficient way to run a business. So you determine who the person is, depending on the needs of the facility, that should be designated as the responsible c.o.o. of that business and then give them the responsibility. That way the board can come back and say if things aren't running the way they ought to be run to that individual no matter what their background. It would be fine if it were a superintendent, golf professional or club manager.

The undergraduate programs taken by CMAA student members are based on a multifaceted leadership role the professional club manager takes. They have to understand what the other professionals do and are responsible for. You have to make sure everyone is in the loop. Probably the greatest shortcoming within the business operation of most clubs has been not making sure the c.f.o. has an understanding of your job other than giving him the monthly financial statements.

We've worked closely with HFTP during the past 10 years, but more directly during the past five years, to develop the uniform system of accounting that's used by more than 90 percent of the clubs as the bases for their financial reports. It's only through the work of the CMAA and HFTP that it has been accepted by all major accounting firms as the benchmark for financial reporting.

#### What are your thoughts about becoming part of the Golf Industry Show?

We see no drawbacks. It was a strategic decision, but we wanted to make sure we didn't make a major decision that wasn't in the best interest of our members. So we worked through many challenges. One of the most thoughtful decisions by the various organizations was that we needed to have our individual conferences separate from the exposition. We needed to be sure our individual professions had their own identity.

Although we have always shared and had visiting speakers from our organizations and conferences in the past, they had to travel several times during the year. Putting these together maintains the identity of our individual members by having the conferences separate but brings together the decision makers to one location.

## Why is the CMAA coming into the GIS later than other associations?

All of us had planned and booked our conferences significantly in advance. Also, we diminished the venues where we could have a conference because there wasn't convention space or sleeping rooms available for us in many cities. When you take over most of a city, you have to make a significant commitment that carries penalties contractually if you pull out. If you drop out, the closer you get to the conference the bigger the penalty.

The National Golf Course Owners Association has a much smaller show, so it could make the decision spontaneously and join quickly. For us, however, we had contracts with cities and hotels in New Orleans last year and Honolulu this year that were made seven years ago. If we were to pull out of that, we would have to pay hundreds of thousands of dollars in cancellation fees.

We held off for three to four years making any more commitments knowing that we were in negotiations with the GCSAA about the Golf Industry Show. We hadn't signed any contracts so our window was dropped down to three years rather than five to seven.

#### Anything else?

People always ask about what I see for the future. Anytime you are talking about injecting change into the lives of thousands of individuals, you try to inject that change with as little pain and as much information as you can. The GCSAA and CMAA were cautious about getting information out to our members as best we could. Our industry is much stronger because of that alliance.

The vast majority of members of our two associations are working together. It's better for them as individuals and for our industry than working apart. The structure is in place, and all of the opportunities are there for us to continue to let those opportunities grow and see the challenges diminished on an annual basis for both of our associations and for the golf industry. GCN

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