

Making a *private club* SUCCESSFUL

Nine key factors that push clubs forward and enable them to weather hardships. by Laurence A. Hirsh

A veteran course superintendent recently asked me a broad question: What makes clubs successful? With so many clubs struggling, it was, and certainly remains, a fair question. And it was meant to be broad. The courses this superintendent and his peers manage are the biggest assets club have — but he deals with a power structure that oversees the course, the membership, the entire club staff, the F&B operation, and the infrastructure. He was talking big picture, as that picture affects everything he does, in the context of club “success.”

Without question, the most significant observation I’ve made during the recent recession is this: Those clubs that continued to move forward, that kept enhancing their facilities and improving their clubs intelligently were able to weather the storm. Conversely, those clubs that played “Rope-A-Dope” and did nothing more than cut expenses, after a while became unattractive and unable to keep or attract members. They had diminished their value, in essence. There was, thanks to this undirected cost-cutting, inherently less value in membership and many such clubs simply failed, or at the very least began allowing public play and dining, much to the chagrin of the members who stayed on.

A broad discussion should include many specifics. Here are a few specific things that successful clubs have in common.

1 GOOD, STABLE LEADERSHIP. How many successful businesses change leaders every year and have as many as 15 bosses? Not many. The best and most stable clubs have presidents for three, four or more years. Many of those clubs have benevolent dictators who unilaterally make decisions and don’t have to answer to a board of directors with multiple agendas (and too many board members, in my view). That’s the ideal, and let’s be clear: Benevolent dictators are tough to find. However, it has always struck me, and continues to strike me, how many successful clubs have found them and keep them around as long as possible.

2 PRUDENT, REALISTIC PLANNING. It’s often said that a failure to plan is a plan for failure. This is very true with clubs, especially since oft-changing leadership means oft-changing philosophies. Without a plan that is adopted and embraced from one regime to the next, it’s difficult, if not impossible to continue moving forward. It’s also difficult to develop membership on a continuing basis. Every club should have a plan and club statute should mandate the regular review of that plan.

3 LOCATION. Location is a key element for most clubs. Even those in more remote locations, if they are designed as destinations or retreats, require locations suitable to their mission. We all know in real estate the three most important things are location, location and location. With clubs, the nature of the club must fit its location and be market sensitive. What club leaders don’t often recognize is that mission can be adjusted. If a mission doesn’t match the location, adjust the mission accordingly. See planning above.

4 FACILITIES MANAGEMENT. Nobody wants to join a club with lousy, outdated facilities. Even the best quality facilities require maintenance and periodic refreshment. As part of any long-term plan, clubs need to ensure that not only is the continuum of club leadership (i.e. multiple future regimes) willing to update and upgrade facilities as necessary, but that it’s prepared to pay for those updates and upgrades, without fail, over time.

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5 AN ENVIRONMENT OF MUTUAL RESPECT. There are some clubs where members don't merely disrespect staff, they simply don't respect each other. Such clubs become a revolving door. Members come and go. Facilities decline and sometimes the club fails. It's essential for all clubs to foster a pleasant and friendly environment so that new members (and guests) feel comfortable. This is the job of both club leadership and staff, and it's the backbone of effective club programming. Club leadership needs to be willing to get rid of the rotten eggs – even in times of challenging membership development. But here the financial planning aspect come back to the fore. Mutual sacrifice and investment engenders esprit de corps among members. They're in it together. By the same token, cost-cutting engenders an "every man for himself" mentality, which makes mutual respect almost impossible.

6 QUALITY, PROFESSIONAL STAFF. A great club has a great staff – PERIOD. Without good food and beverage staff, members won't eat there. Without good course conditions (superintendent and crew) the club gets a poor reputation, internally and externally. Without a good golf pro, that operation suffers. All of these require a capable and diligent General Manager – without one, you don't have the makings of a good club. Clubs need good facilities but they are really about finding, training and retaining good people. The prospective member sees the staff long before they get to know the members.

7 QUALITY FOOD & BEVERAGE. As soon as the food and beverage quality at a club declines, so does the members' use of the golf course. It really doesn't take rocket science to figure this one out.

8 STRONG FAMILY PROGRAMS. The club of the 21st Century is for the most part a club for the family. Without attracting Mom and the kids, Dad can't/won't join, can't/won't view his dues as a long-term investment on behalf of his family. Fitness, kids programs and a sound family environment (not the elimination of adult fun, but the maintenance of clear boundaries between the adult, family and kids' environments) are essential to the success of most clubs today.

9 FINANCIAL MANAGEMENT. This is where I started, and it's where I'll finish because it's really the most important building block for successful clubs. Some clubs simply think avoiding spending money is sound financial management. It's important to know when not to spend – but also when to spend/invest. I've observed many clubs that, in an effort to keep dues low, have neglected facilities, equipment and quality staffing. They've initiated a long, slow death spiral. Board members hate going to the grille room after a dues increase but that's no reason to kick responsible decision-making down the road.

Four years ago, just when the economic climate was nearing rock bottom, I wrote an article on this subject for the National Club Association, "It's All About Value." Check it out. The prescription hasn't changed much and, unfortunately, the behavior of many clubs hasn't changed enough.

What has changed? It's simply more incumbent on clubs today to ensure their future success. The economic climate and competitive situation demand it. The modern member demands more value for her/his recreational dollar. **GCI**

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