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COVER PHOTO BY BRENT CLINE

What Makes Good Clubs Tick And Struggling Clubs Tock?



LARRY HIRSH

When you visit as many clubs as I do, and I've been consulting to them for more than 25 years, the traits of successful and struggling clubs come clearly into focus. Even a novice can notice facilities in decline, but glaring clues like these are rooted in these traits:

- Excessive cutting of expenses
- Indifference to member satisfaction
- The imposition of onerous rules
- Compromised golf course maintenance
- Decline in food and beverage quality
- Limits on club services and hours of operation
- Neglect of reinvestment in the club
- Focus on cost versus value
- Resistance to change
- The accumulation of excessive debt.

This last one is the ultimate indicator. If members aren't willing (or able) to pay for the improvements they want (and the club likely needs), debt will result and that resulting debt load can sink a club.

Taken together, these traits add up to something else: members who act more like 'customers' than owners, meaning they are content to pass the costs of enhancements and revitalization on to the next generation.

During the recent recession, many clubs exercised unprecedented belt-tightening as memberships declined and boards struggled to avoid dues increases and assessments. However, these cannot be avoided forever. As the costs of club operations rise, unfortunately, so must dues. Otherwise, there is erosion of those amenities that attracted members in the first place.

Conversely, there are traits that most successful clubs exhibit:

1. They routinely maintain and upgrade their facilities
2. They boast strong, effective and unselfish leadership
3. Board leadership has invested in strong, capable management

4. There is a mutual respect between club leadership and club management, meaning the former allows the latter to do its job. The latter is also encouraged to 'speak up' – clubs invariably benefit from management's candor and expertise.

5. They move forward, envision the next generation of members and aren't afraid to change in order to improve (and meet the needs of that coming generation).

Many things enable these positive traits, but we can boil them all down to one seemingly mundane but still heroic capability: planning.

Boards determine these long-term plans, then get out of the way, so that plan can be implemented by succeeding iterations of board, management and staff. It takes a special sort of person to serve as an effective board member. Here are some traits that special person should possess.

- Experience on non-profit boards
- Legal expertise
- Financial expertise
- Hospitality expertise
- Expertise in technology or social media
- Experience as a business Leader
- Expertise in real estate and local zoning regulations
- Experience in construction and building maintenance issues

These are not prerequisites. There are lots of doctors who serve very effectively on private club boards. More important, to the club, is that prospective board members buy into the primacy of those five successful club traits, and the ability to achieve them through prudent, long-term planning.

After all, a board's makeup can and should vary over time (three to four years is a good term target). But club goals should change very little over the long term, even as board makeup changes over.

While club goals should remain constant, the means to achieve those goals will surely change.

This sort of flexibility and perspective requires progressive leadership, even in the service of longstanding goals. The primary enemy of progressive leadership is not conservatism. It is ego.

At many clubs, long-term members can sometimes control boards to the point of resisting all change and progress, creating a stagnancy that is not only difficult to escape, but unduly expensive. If maintenance is deferred or necessary upgrades are delayed or simply not done, it always ends up costing more down the road. Always.

Many clubs balance the budget by eliminating annual contributions to capital reserve funds. This is not progressive. It's a recipe for disaster, actually. I know of one club where in order to save money on golf course maintenance, the decision was made to relocate sand from fairway bunkers to greenside bunkers to avoid the expense of purchasing sand!

So, the two most important attributes of a board member are progressiveness and selflessness. The latter means they will place the long-term best interests of the club ahead of their own personal desires. It's not the individual who must be served, but the entire membership.

It's not only the current members who must be taken into account, but also future members. It is critical to ensure that club leadership is committed to stewardship of the club.

Successful clubs start with a plan for that delineates what 'success' means. Only then can steps be implemented to instill confidence in the membership – confidence that their investments are being protected.

Remember, members don't join clubs for status or prestige anymore. The club is their place to relax and have fun. Members today want their fun and relaxation to be accompanied by a sense of stability. They will pay for that. Indeed, they will act upon that in another important respect: They will actively bring others into the club, to share in that value and stability.

The best clubs have identified their own individual formulas for creating value in membership. There's no single recipe for all clubs – so long as they result in value and broad member satisfaction. **BR**

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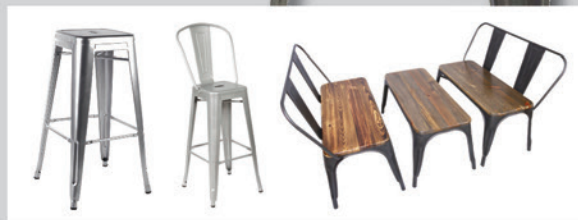
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