



HORIZON HOSPITALITY
ASSOCIATES, INC

BRINGING YOUR BOARD ON-BOARD

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How many times have you sat in your monthly Board Meeting with your board members from six o'clock to midnight...and when you left, you felt like nothing had been accomplished?

How many times have you discussed divot repair policies, guest policies or the quality of food at your Club without arriving at a solution?

How can you as a Club Manager or a Board Member move past the trivial and address the critical – Where do you begin?

It all begins by understanding the principle of Stewardship. Board Members and Club Manager you are entrusted with the Stewardship of the Club. You are Stewards given the responsibility of managing the Club's future!

Defining Stewardship!

The insight to the meaning of stewardship came to me later in my career in a very powerful way from a famous basketball coach, Jim Valvano. Many people may remember Coach Valvano as the miracle maker of the North Carolina State basketball team. They won the NCAA championship against some thought an invincible foe the University of Houston. He is also known for one of the most poignant moments as he addressed the ESPN ESPY Award program as he stood before a national television audience, dying of cancer, and encouraging us to never give up. But his message to me about Stewardship came at a gathering of Club Managers. It was at Pinehurst and I will never forget it because I was late per usual getting off the golf course. As luck would have it though by being late I was able to sit down in the lounge and have a drink with Coach Valvano. He was like sitting next to an electrical charge. I was a little taken back by his energy! The positive feeling I felt by just talking with him for only 5 minutes was incredible! But when I heard his presentation I learned where the power came from.

Coach Valvano presented to the Club Managers that day his great triumph, his career victory over Houston.

His presentation was fall down on your knee funny. All of us laughed till it hurt during the presentation. However this remarkable, hilarious man became stone cold serious when it came time for him to make his point about Stewardship! That great moment was achieved the Coach said because of knowing and understanding three things THE PAST, THE PRESENT, and THE FUTURE. Knowing where he and his team had come from, where they were at that moment and what the future held in store for them when they won. We have to know where we came from! We have to know where we are now! And if we do not know where we are going we are doomed to fail! You cannot make decisions in a role as a steward with out this knowledge! Thank you Coach, for that moment of inspiration!

Imagine that decisions made today, by a Board Member or the Club Manager, will affect the Club's history, the present operation, and the future health of the Club, financially, legally, and permanently. How can we become good stewards?

The Answer is Knowledge!

In order to get the Board on Board the first step is gathering information and intimate knowledge of the Club in order to make a meaningful and effective Mission Statement. The Genesis of these Mission Statements are derived from knowledge of the Club's past, the present state of the Club, and what the future of the Club should be. Once the Mission Statement is



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established it will give your Club, a uniting force for the Members and a cornerstone of knowledge from which to make decisions facing the Club.

The knowledge gathered, to establish a Mission Statement should encompass all aspects of the Club's, financials, the market place, facilities, human resources, services, and community. All of these should be reviewed in a past, present and future prism. Once the intelligence is gathered then a statement of purpose and mission can be derived.

Learn the Financials!

This is a main thrust of the Club Manager, the accountant and the Board's treasure. The important thing is to find out the economic health of the Club at the present. It should also look at the past financial structure and whether or not it was viable then. Then a strategy to secure or solidify the economic strength for the future must be established. The present knowledge should include a daily cost / member of doing business based on past 5 years financial statements average. In other words - it costs so much per day per member. This cost analysis will help you establish pricing guidelines and how much profit each revenue center needs to make to ensure financial strength for the future. This exercise will also give you a point of reference to make decisions on value pricing for the membership, cost of goods goals and compensation packages.

Many other aspects of a financial health of the Club should be given due diligence like investments, real estate, insurance, short-term borrowing, long-term debt and budgeting procedures. Also, financial reports should be reviewed. Have they been useful as a tool a management in the past? Are they something that can be understood by all of the Board Members now? Can there be changes made to the report's that makes decisions easier in the future?

Understand Your Facilities!

A total inventory of equipment, furniture, fixtures, art, china, glass, and silver should be done and kept perpetually. This gives the club a great understanding of what they had what they have and what they need and should be a major priority of the management

team. This is the only way to establish any type of capital expenditure or expansion plan.

The health and efficiency of all of the equipment should also be ascertained by asking questions such as: How is the HVAC? How old or ineffective is the kitchen equipment? Does the course maintenance equipment cost more to maintain each year versus buying new? Do the golf carts reflect the image of excellence to your Members and their guests? Does the golf course have areas that continue to give the Grounds Superintendent unsolvable concerns, like drainage or dry spots? How is the water supply? Does the Club need to look at new sources? How is the Clubhouse? Does it need painting? When was it painted or cleaned last? Is the carpet worn or just dirty? How old is the carpet? What about the interior?

These are all a part of a facility review and need to be assigned to each Board Member in their respective area. The Club Manager should enlist the help of the entire management team in helping the Board compile this facility review. Also an environmental impact study should be considered and is highly recommended.

Focus on Human Resources!

Human Resource strategic planning and implementation should be a major priority for the Club Manager. Job descriptions, recruiting, employee reviews, contracts executed, training, legal hiring procedures, OSHA, safety compliance, sexual harassment policy, termination and exit interviews, family and medical leave, attendance, vacation and sick day accrual are all of the items that the Club Manager must be a Steward of. A total review of the compensation for the staff in relation to the past the current markets and the industry should be maintained as well. These items completed will give the Club a solid ethical and legal footing to go forward on?

Evaluate Your Services!

What was your food and beverage service like in the past? How is it now? How do members perceive it? What should it be like? Are the Club Members expectations being met?



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A lot of this information needs to be ascertained from an impartial third party. Either from a Member survey or from shopper mystery guest visits. This knowledge will help the Club Manager and the Board implement critical action plans to improve on the food and beverage. It will also give the Board a means in which to review the performance of key Club personnel. These measures should also be taken for the golf services, the pool, the tennis, or the locker rooms.

Embrace the Community!

What is the place of the Club in the community? What function has it served in the past? How should the Club interact with the charities and non-profits of the community? How does the people in the area perceive the Club? Is there a role for the Club to play in the community in the future?

These are all subjective questions. However a position statement towards the role of the Club and the Members in the community must be addressed as a part of the Club's Mission Statement. These gives the decision making process on all charitable requests easily handled by the Club Manager, with out a lengthy Board discussion every time the topic arises. The position the Club has in the community also gives the Members a sense of pride in their Club.

Know Where Your Club Fits in the Market!

The Club is a unique business. However it is a business. How many of you Board Members run your business without a Marketing plan? How many of you know what your position is in the market place? The answer is probably all of you. Your Club is no different!

A market study of the Club's market is essential for the establishment of a Mission statement. This study needs to encompass the demographics of the surrounding area depending on the area. The demographics of today should be compared to the past five years and the next five years forecast. The investigation of your market should also include a detailed competitive analysis of all Clubs and in some instances banquet or catering facilities.

That takes care of the external market. Now the internal market needs to be scrutinized.

What is the average age of your membership, five years ago, and what are the ages of the prospective new Members the Club is trying to attract? What is the average spending of Club Members at the Club? How many children under the age of 14 are there? Five years ago? How many children are joining? This internal Market will help you establish the trends of your Club compared to the external market. Has the external market changed from five years ago but your internal market is the same?

Use Your Knowledge!

This is crucial knowledge in helping the Board establish a Mission statement that is effective for the Club. Market knowledge will also give you a barometer for all pricing structures for the Club. One rule of marketing is that price establishes the Clubs position in the market. Under priced or over priced will be detrimental to the long-term survival of a Club.

Market studies are time consuming, tedious, and continually needing updating. A Club who has never done a market studies before are probable best done by an outside source. The outside source besides being unbiased will be able to give the focus, the time and the detail a good market study requires. A good outside source for a market study should also be able to present to the Board in clear and unemotional terms the critical success factors for the Club in the market place for the future. This pure intelligence is needed for accurate evaluation and decision-making. This initial, unbiased market information will be a crucial starting point for the Club. The Club Manager can easily maintain the study annually as part of the budgeting process.

Also from the market study a Club sales plan can be written. This would be a detailed plan for all events for the calendar year and how they will be promoted. It should also include a goal for the addition of new Members and how that should be accomplished. A thorough understanding of the Club's external and internal market is an essential process of good Stewardship.

Establish a Positive Culture!



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Another important aspect of this whole process and not yet mentioned is Club traditions and history. All Clubs are a mini culture attracting like-minded individuals or people who have a shared sense of ethics mores, traditions, and history passed on from one generation to the next. The Club no matter how young or old needs to nurture and continue to maintain the traditions and history of the Club. These are most often incorporated in special events, Club menu items, annual community events, and many other ways like picture of past Club leaders or events. A great idea is the addition of a committee that upholds and promotes the history and traditions of the Club. And for new clubs it could create and establish new traditions for the future generations. This culture and tradition is what attracts people to the Club. It adds a mystique and grandeur to what would otherwise be just a building with some recreation.

Bring Your Board On-Board!

The Board will be on Board once they finish these tasks. The reason is simple; they will have a clear

knowledge of all aspects of the Club past present and future. Armed with this new intelligence the Board can now establish a Mission Statement a statement of purpose, ethics, aspirations, and goals. This Mission Statement will be a solid backbone for decision-making and effective Stewardship for future Boards and Club Managers. Stewardship of the Club is perpetual. However, if you are always vigilant and always know where the Club has been, where it is now and where it is going.

Barry Peters serves as Regional Director Operations & Scott Samuels is President of Kansas City based HORIZON HOSPITALITY ASSOCIATES, INC., a Management Recruiting and Consulting Firm for the Private Club Industry. Send your questions or comments to: Horizon Hospitality Associates, Inc. 14516 Woodson Street, Suite 200, Overland Park, KS 66223. (800) 530-9875 FAX: (800) 530-9874 Email: careers@horizonhospitality.com. To learn more about Horizon Hospitality Associates, you can visit www.privateclubjobs.com.

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