

The Private Club Advisor™

A PUBLICATION FOR THE DIRECTORS, OFFICERS, OWNERS, AND MANAGERS OF PRIVATE CLUBS

• SAYING NO TO PRIVATE EVENTS? •

May 2022

While the focus of clubs has always been on members, many functioned using outside events to subsidize operations. COVID forced clubs to be more member-centric, as private events and large gatherings were canceled. Even though many clubs lost significant revenue from the lack of banquets and private events in 2020 and 2021, the silver lining was clubs discovered that the key to success is a member-centric experience and member-centric budget. In other words, they found other ways to support club operations without outside events. Today many clubs have transitioned to a new model where they do not hold private events, or hold very few. Instead of the once common 65 percent banquets and 35 percent a la carte financial model, the focus is solely on servicing members and using dues dollars to cover the cost of operations.

According to the Club Leadership Alliance, clubs thriving today reset their financial model by stepping away from outside banquets and golf events and no longer need revenues from those sources to balance their budgets. “If you must have outside events to make your budget work, it could mean that your members are allowing their dues to be subsidized by outside events (nonmembers). As stewards of the club, you must build a member-centric financial model that ensures dues cover your cost of operations. It’s the only way to be sustainable,” Tom Wallace, a partner in the Club Leadership Alliance, explained.

Should clubs start turning down all private events? Well, not exactly. The alliance agrees that hosting certain milestone events for members (such as a wedding for a member’s child or member’s funeral reception) should remain an active part of a club’s operating plan as private parties play an important social role and are a significant member benefit. “We recognize that clubs might not be able to cut events out overnight. But the key is to not make events a commercial venture where the club is chasing events to generate revenue to subsidize the membership experience.” Frank Vain of the Club Leadership Alliance concluded.

• THE FUTURE OF CLUB INDUSTRY TECHNOLOGY PART II •

In the April *PCA*, the benefit of adopting disruptive technology in private clubs was explained. Jeremy Hoch and John Goodman urged audience members at the World Conference on Club Management earlier this year to be open to new forms of technology, although they may be different and difficult to comprehend. The use of robots in several departments of private clubs was one such technology addressed in the April issue.

The duo discussed several other opportunities where clubs could evolve by increasing effectiveness, adding to the member experience or saving time for employees:

- Online ordering is the wave of the future. Members want to order food and beverages from their mobile devices and that applies to curbside pickup, at home delivery, on the course, holiday meals, or just ordering food or drinks at their table when the server is busy. Online ordering enhances the service experience and is efficient. Other restaurants and establishments are already doing this—clubs should be too.
- Instead of employees clocking in with punch clocks or biometrics, Hoch and Goodman believe geofencing (employee tracking) based on GPS on employee phones will be the future. It is convenient (every employee has a phone), is extremely accurate (within a couple of feet) and is simple to use.
- According to Hoch and Goodman, clubs will likely be accepting cryptocurrency as a form of payment in the near future. As farfetched as it may seem, cryptocurrency has become increasingly popular. More hotels and large businesses are accepting this form of payment and members will expect clubs to follow suit.

- Where many clubs are using key fobs to control access to facilities, the duo says the future is facial recognition. While there are concerns over privacy and cost, the speakers pointed out that most members already use facial recognition to access their iPhones. This technology allows clubs to offer more secure services after hours (such as pool, fitness, etc.), increases member recognition for employees (especially with high turnover of staff), enables personal preferences to be shown under the member profile (what the member likes to drink, allergies, special requests, etc.) and ensures utilization statistics and more accurate billing.
- Today most clubs use apps so members can access club information and make reservations, tee times, spa appointments, etc., using their mobile devices. According to Hoch and Goodman, the future is Alexa, a virtual assistant technology that works through voice activation. Consider the convenience for members who could say, "Alexa, make me a dinner reservation, sign me up for a tennis lesson, make me a tee time, ask the club for a copy of my bill, etc." The possibilities are endless. While cost, concern over privacy, the inability for staff/members to use the technology accurately and lack of member personal touch can cause hesitation, they believe the pros far outweigh the cons.

Using this kind of artificial intelligence allows better access in underserved areas of the club, provides service for members regardless of their location on property, provides the opportunity for members to "receive service" in off peak times or through staffing challenges, allows members to receive service faster (quicker than calling the club and being transferred and faster than tracking down a busy employee who is helping other members) and it could lead to an increase in sales. "Members can use Alexa to place easy food or drink orders, recite the daily specials, list the day's events and activities, provide the weather forecast and answer simple questions about the club," Goodman explained. "It is easy to see how this kind of technology can be a benefit to many clubs."

Stay tuned for *Part III* of The Future of Club Technology in the June issue!

• TECH TRENDS TO NOTE •

Speaking of technological advancements, what are the latest developments in products and services? Some interesting offerings featured at the business expo conducted in conjunction with the CMAA World Conference on Club Management are:

Miha Bodytec. Miha Bodytec is a whole-body, electro muscle stimulation workout that helps golfers improve their game or stay in shape in the offseason. Impulses are sent to muscles via electrodes on a specially designed training suit. The impulses target and activate all major muscle groups simultaneously making it more effective than traditional workouts. The suit, worn during a workout, puts less stress on muscles and increases strength in less time. One twenty-minute workout delivers the same benefits as two and a half hours of high-intensity training. Miha is gaining popularity in private clubs as players are seeing results in improving swing speed, agility and keeping stamina up in the off season.

Inrange Golf. Using a technology similar to Top Golf, Inrange brings an immersive software and unique experience to driving ranges and private clubs. Sensors are configured in hitting bays where players can sync their phones to receive live shot data, dispersion graphs and a range handicap. Players can experience a variety of games or virtual golf courses. Inrange "gamifies" golf to help players at all skill levels improve their game in a fun, relaxed way.

Qwick. Qwick is an on-demand staffing service platform that connects service industry professionals with food and beverage shifts in real time. Qwick sources and vets industry professionals so clubs, restaurants and hotels can fill available shifts with qualified professionals, even with just a few hours' notice. Touting flexibility, instant pay and gigs at a variety of high-end businesses, Qwick provides industry professionals the opportunity to make extra money on their own time.

Whoosh. Whoosh is a golf operations software that doesn't just act as a tee sheet service. It provides staff with detailed member information (including their picture) that shows their name, member number, location on the

golf course, whether they are walking or using a cart and their current score. The software is accessible on mobile devices so golf staff can use it from anywhere (like the first tee or driving range) and aims to improve communication and streamline golf operations. It has an integrated waitlist and caddie tracking solution to provide pertinent information to golf staff wherever they are.

Checkwriters. This software is a payroll and HR service that aids in applicant tracking, background screening, employee onboarding, employee reviews, attendance tracking and has an app for employees to request time off. Checkwriters can transition organizations to paperless in HR and payroll, and assists with compliance. This service also allows employees to receive part of their paycheck in advance of payday.

See Resources Box on page 4 for websites on the above products.

• ENDING BAD MEMBER BEHAVIOR •

There was a time when clubs weren't as busy, when members were harder to find and when the motto of "the member is always right" was predominant. During that time, rules might have been overlooked to keep members from resigning or from ruffling feathers. Today, with the increased demand in private clubs combined with the struggle to find employees, it is time to keep member behavior in check.

"Some clubs have gotten into trouble avoiding discipline in the past. Today we have to address it because more members are using the club and we need to create environments that are safe and comfortable for members and staff alike," said Kevin Kenny, attorney with Gunster Law Firm. He also points out that employees are less willing to tolerate bad member behavior. With the current staffing challenges, employees are overworked and less tolerant of members misbehaving, being disrespectful or creating uncomfortable situations for staff to handle.

Regardless of status, position, tenure as a member or age, Kenny says it is important to recognize that the member is not always right. "Be consistent with the handling of discipline and communicate with the membership, in a positive way, the importance of club decorum," he advised. "Do not assume the problem will go away. It must be addressed. Employees need to know they are valued. Otherwise, you may be emboldening a hostile work environment and opening up your club to potential liabilities."

Kenny urges club executives to be familiar with club documents and follow them. If club documents aren't up to date or are no longer adequate, follow the process to amend them to make them more appropriate. Transparency and consistency are essential when it comes to disciplining members.

• GETTING TO KNOW YOUR TREES •

Looking for another excuse to get onto the golf course on a nice spring day, something that could improve your effectiveness as a club leader and might even be considered educational? Ask the course superintendent to take you on a tour of club property and explain the various functions and placement of trees.

Before dismissing the idea, please consider that the trees on the course and other parts of the property have been planted there for a reason—and the reason is more than simply for scenery. Tree placement is quite an elaborate process as John C. Fech, a horticulturalist and extension educator with the University of Nebraska-Lincoln, wrote about in an article. "There's a functional dimension to tree placement on a golf course," Fech stated. Understanding that can help if you are confronted by members who have questions (or complaints) about trees.

Fech wrote in *GCM First Cut*, an online publication of the Golf Course Superintendents Association of America, that there are no fewer than ten functional uses for trees on golf courses. If you've already given tree placement some thought, you probably know some of the functions. Trees serve as a backdrop for the greens, for example, giv-

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ing golfers better perspective on their approach shots. Trees between fairways, or between the course and adjacent property, provide protection.

Trees also screen undesirable views, reduce noise, identify doglegs and provide obstacles to raise the difficulty on certain holes.

Are any of your trees in a protection program? Do you know if any of your trees are protected by state or local laws, meaning you can't remove them without permission of a governing agency? It can happen even if your club is private. Trees can be in protected wetlands or buffer zones. A private country club in the Northeast has been in conflict with a local conservation commission after cutting trees to make room for healthier grass, then finding out some of the trees were under the protection of the commission.

• SIZE EQUALS VALUE •

In a recent issue of *Club Trends*, a joint publication of the National Club Association and The McMahon Group, a surprising finding from nearly 40 years of research about more than 2,000 clubs was highlighted: the larger the club membership, the higher the member satisfaction. What's the reason? Clubs with more than 1,000 members can afford to have the best management teams and clubs with the best facilities, more diversified programs and the best management teams generally result in better clubs.

The publication also included opportunities for clubs in 2022 and beyond. One such opportunity is to plan, build and operate full-service family clubs. This means they are more casual, have year-round activities for all family members, separate activities from more formal clubhouses, have casual but good dining programs and have both great in-season golf offerings and equally great indoor/outdoor winter and summer, nongolf activities. Progressive clubs "make sure nongolfers have an equally good reason to use their club as golfing members do. And when golf season is over, the club draws those golfers back with offerings like golf simulators all year long," the article reported.

Happy Memorial Day!

Jackie Carpenter, CCM
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TIDBITS & TAKEAWAYS

A NEW KIND OF GAME ROOM...
We've all heard of clubs building game rooms for kids but how about game rooms for adults? More clubs are creating game rooms where adults can play too. These rooms, often initially created for 10-18 year olds, feature simulators for golf, lacrosse, soccer, baseball or hockey. They also include ping pong tables, darts, pool tables, shuffle boards, skeeball and air hockey tables. Large screen TVs are available for viewing sports or playing video games. Clubs find game rooms are popular with adults during school hours or in the late evenings and are occupied by teenagers after school and on weekends.

RESOURCES

Club Leadership Alliance
www.clubleadershipalliance.com

Club Management Association of America
703-739-9500 - www.cmaa.org

John Goodman – CFO, Lost Tree Club – jgoodman@losttreeclub.com & Jeremy Hoch, Anchor Consulting Services – jeremy@anchors.com

Miha Bodytec - Miha-bodytech.us
Inrange Golf - www.inrangegolf.com
Qwick - www.Qwick.com
Whoosh - Whoosh.io
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