

The Private Club Advisor™

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

• STREAMLINING MEMBERSHIP CATEGORIES •

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As the world continues to evolve and change rapidly, clubs must do so as well. As many changes in the market have occurred over the years, the result has often been for clubs to add new membership categories to appeal to new groups of prospects or even to appease vocal minorities. “When structured properly, adding new membership categories can be an effective way to cast a wider net and appeal to different audiences,” wrote Bennett DeLozier of Global Golf Advisors in a recent company blog. “However, when this happens in an unstructured way over a number of years, a club may end up administering upwards of 15-20 categories at a time.”

More categories mean different access, different privileges and different pricing. As the number of members in each category goes down, it becomes too much to administer and too confusing for existing members, prospective members and employees alike. Global Golf Advisors reports that top performing clubs have fewer membership categories and urge club leaders to create a set of simple, straightforward membership categories.

According to DeLozier, to analyze your current membership categories, start by asking the following questions:

- Are the current categories relevant?
- Are they performing financially?
- Are category offerings causing issues with facility accessibility or compaction of activities?
- How do categories compare within the local market and relative to competitor offerings?
- What benefits will category changes provide existing members?
- What benefits will they provide the club?

“It is difficult to change members from one category to another but approach this with the intention of growing where the club has capacity to grow and establishing a fair playing field for all members,” he said. When it comes time to communicate changes, share how it will make the club more attractive to future generations and how it will support the club’s financial sustainability. “A proactive and streamlined approach to membership categories provides an easy-to-manage administrative process and clarity for everyone,” DeLozier concluded.

• GOLF CART LIABILITY •

As a result of technological advancements in golf, Top Golf-like facilities continuing to boom throughout the world and even Tiger Wood’s Masters win earlier this year, many clubs are seeing an increase in new players to the game. The more inexperienced players on the course, the more likely golf related injuries can occur. The most common golf related injuries include golf carts, as inexperienced players are likely less familiar with proper golf cart operation, path location, course terrain and club rules. Thus more inexperienced players on the course may mean a higher risk of liability for clubs and courses alike.

According to Michelle Tanzer a private club attorney with Gray Robinson, “An important factor in avoiding golf cart liability is to take proactive steps in developing an effective risk management plan. Consult professional advisors (insurance representatives,



legal professionals, etc.), form appropriate committees and place increased attention on common exposure points to mitigate risks,” she explained.

The most common areas of risk that should be incorporated in a risk management plan include poorly maintained carts and cart paths, inadequate or poorly placed signage, excessive vegetation impairing visibility and ineffective or outdated personal injury response protocol and training. In addition to establishing a risk management plan, Tanzer says many clubs are successful in avoiding or defending golf cart liability cases by annually identifying exposure points and implementing risk management strategies designed to prevent injuries. “These clubs established and enforced appropriate rules, performed regular inspections, considered alcoholic beverage policies and promptly responded to potentially risky situations before injuries occurred,” she said.

With more inexperienced players on the way, what is your club doing to reduce liability and keep both inexperienced and experienced players safe?

• **TAKE A CLOSER LOOK AT YOUR CLUB WEBSITE** •

Potential members of today think differently, communicate differently and connect differently. They are making decisions whether to buy or not buy differently than prospective members of the past. According to Kathy Heil of StoryTeller Media + Communications, when it comes to attracting prospective members today, your club website is key to whether the prospects join your club. It has much to do with the way that it looks and the information that is readily available. The bigger the purchase, the more research that is conducted when making a buying decision. Private clubs are one of those big purchases.

“If you keep your great club a secret, no one will know anything about you,” Heil wrote in a recent blog. “When shopping for a private club, prospective members don’t want to be surprised. In fact, they are spending a great deal of time online just to avoid being surprised.”

Heil offers this advice as it pertains to your club website:

1) **Make sure your website isn’t just built for your current members.** “Too many club websites deliver remarkable experiences for existing members but don’t do anything to attract new ones,” she explained. If your website has been designed only to take member reservations, access event information and to read internal communications, it’s not catering to the needs of your prospects. It’s likely preventing you from converting your website visitors into qualified leads.

2) **Add more content to your website.** Heil says younger prospects prefer to research the club on their own terms at their own time rather than speaking with a membership director to decide whether to join. According to StoryTeller data, the club name and membership costs are the most popular keywords searched for private clubs. While most clubs may not want to put their tax-exemption or private status at risk by making their membership costs public on the website, they can make certain to post other information important to prospects.

3) **Solve problems and answer questions before they ask.** When people are considering whether to join a club, they often first think of potential barriers, issues or questions that may arise. “Try to answer those questions on your website,” Heil urges. Consider questions like: What’s the difference between full and social membership? What does the club offer for single or retired members? “When it comes to private club websites, solving problems and answering questions create more opportunities to engage and connect with your prospects,” she wrote.

Your club website can be a valuable sales asset when it matches the way the membership candidate of today wants to engage and collect information. Create value to give prospective members the information they really want to know in order to join your club.

• **REDUCING RESIGNATIONS** •

A member resignation often makes club executives cringe. Losing a member, for whatever reason, has a negative impact on the club's financials and places an additional burden on the club to replace that member. Creative Golf Marketing urges its club clients to establish a resignation policy which requires a written request for resignation to be received from members a minimum of three months in advance.

“Allowing members to just resign at the drop of a hat was acceptable when club rosters and waiting lists were full. But today that's rarely the case and clubs deserve a reasonable amount of notice by the resigning member,” explained Steve Graves of Creative Golf Marketing. He suggests resigning members across all categories be obligated to a minimum three month resignation period. That gives the club the forewarning to recruit and replace that member and provides a cooling off period where the club has the opportunity to determine and rectify any issues or concerns the resigning member may have.

Graves believes resignations should be irrevocable after the 90 day period and if the member desires to return to the club at a later date, another initiation fee would be required. “Resigning from a club should be viewed seriously by both parties and with consequences for the resigning member. By implementing this resignation notice period, you will have fewer members believing they can simply jump out and jump back in to club membership, which is often a common occurrence at private clubs these days,” he concluded.

• **REMOVING THE RENEGADE COMMITTEE MEMBER** •

Do you have a clear policy for removing committee members who are working at cross-purposes with club leaders? The process for appointing committees in a member-owned club usually is specific; selection by the president with approval by the board of directors, for example. The removal procedure may not be that clear, which could be troublesome if a problem committee member is outspoken or controversial.

Clubs might consider adding the following language or an adaptation to the board policy manual or governance manual. It would cover a club's elected administration from beginning to end in its authority over the selection and removal of committees:

The president, (i) subject to approval by the board of directors, shall appoint all members of standing committees, and (ii) may replace committee chairpersons or other members at any time without cause.

Members may still object if you remove someone from a committee, but you can stand firm, assured you have the authority to take action. (Editors' note: The *PCA* thanks attorney Fred L. Somers, Jr., for his counsel on this item.)

• **BEWARE THOSE ANY-WARM-BODY MEMBERSHIP DRIVES** •

Bill McMahon, Sr., is concerned that many clubs, in the scramble for more members, have less regard than in the past whether newcomers are a good fit for the club.

“When new member admissions are just to get any warm body that will pay the price, a private club will self-destruct,” McMahon wrote in *The McMahon Report*, a publication of the facilities planning and research firm McMahon founded. “It (the club) no longer will be a place for friends, but becomes more of a commercial establishment.”

McMahon urged club leaders to hold firm to the club's mission and vision in selecting new members. “Be sure your membership policies protect your club's culture,” McMahon said.

• THE IMPORTANCE OF HUMAN RESOURCES •

As the shortage of line level workers becomes a reality for many clubs, the importance of creating a positive workplace culture and being recognized as an employer of choice in the community is reinforced. Therefore having a high performing human resources (HR) department is more crucial for private clubs than ever before.

In today's legal landscape there is a heightened need to make certain fair and consistent business practices are maintained. Constant changes require HR to stay updated consistently on county, state and federal legal requirements that may impact payroll practices, breaktimes, overtime, paid and unpaid leaves, and time off policies and then update the rest of the team accordingly. For many clubs, payroll represents between 50 to 70 percent of operating expenses. Managing this resource in a formal manner ensures the likelihood that the very best and most productive employees are hired and retained, and that legal liabilities and risks are eliminated or reduced.

“Clubs that don't have a dedicated HR professional are opening themselves up to potential lawsuits and inconsistent practices,” explained Anne Catherine Nielsen of EquaMagna, a boutique human resources consultant. “Without constant coaching, training and guidance from a trained HR professional, department heads can unintentionally put the club at serious risk.” She cites making verbal promises to candidates, not following legal requirements for documentation and termination plus compliance with the law as common occurrences in clubs without an HR representative. “HR is the gatekeeper function of your organizational culture and it will help you mitigate costly lawsuits,” she explained.

While many clubs do have a human resources department, some clubs do not. Nielsen has a warning for clubs that don't have an HR professional on site: “You can't afford to be without a dedicated HR professional. In today's ever changing legal landscape, a dedicated and trained HR professional must be fully focused on strategically navigating legal guidelines, people practices and keeping your team in compliance on a daily basis. If you are unable to substantiate a full time HR professional, you may want to consider a part time HR professional or out-source HR. This solution meets your club's needs at a fraction of the cost.”

Here's to a great summer!

Jackie Carpenter, CCM
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TIDBITS & TAKEAWAYS

If executives at your club are looking for some summer reading, consider the book: *The ABC's of Plutonium Private Club Leadership*. Intended to be an easy to read, real-world guide to private clubs, topics range from A to Z with leadership and management advice from authors Michael Crandal and Gabriel Aluisy along with expertise from 16 contributing authors including our own Jackie Carpenter, *PCA* Editor. To purchase a copy of the book or for more information, visit <https://plutonium.club>.

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