

Elements of Success

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During the 2016 CMAA World Conference in San Diego, Terra S. H. Waldron, CCM, CCE; Calvin Bolling, CCM, CCE, and I moderated a discussion on the relationship between the general manager and Board of Directors. We had 94 participants in that session and have communicated actively since that time. We share issues, technical questions, situations, and any other club related business of interest. When someone sends me a question or issue, I format it and send it to the group. Participating managers and directors offer their own experiences or perceptions in their responses. I compile those responses and send out a summary which may or may not include an editorial by me. We have had 67 different issues over the past several months and our group has grown to 154 directors and managers.

Over the past decades, I've seen what I consider to be very successful clubs and not-so-successful clubs and wondered if there were any clear indicators of success. So I asked the group: "Please respond with *at least* one thing that is an important indicator of your club's success." I received 29 different indicators, which will be referred to as elements. I then listed those elements in a survey and sent it out to the group.

Below are the results of the *Elements of Success* survey. The responses were on a scale of 1-7 and are ranked 1-29 according to the highest to lowest average rating, meaning from the most important to least important. I used the Director responses as the standard by which to measure, because it would seem that what is important to Directors should be important to managers.

As the old business adage goes, "Beware of analysts bearing surveys." The survey below can be interpreted in many ways. I believe the key is to align this with what your directors are thinking. It appears from the top ten listing that directors are mostly concerned with the intangible items that pertain to pride and perception – which makes a great deal of sense, since club membership is about being part of a group with of people with similar characteristics. Of the top 10 director responses, nine pertain to pride and perception and only one is tangible (Financial break-even). It's very interesting that issues pertaining to member costs are numbers 12 (Tolerable dues level), 23 (No operating assessments), and 26 (Consistently low dues increases).

While the ranking differentials are pretty close, the one that stands out may be the one with the most impact – Financial Break-even. A nine-point differential is pretty significant and in this case, a misunderstanding of financial importance might mean the difference in the GM's holding a good job and the Directors "making a change." This ranking differential correlates to a previous survey response in which presidents gave incompetence as the most likely reason for manager termination.

The survey responses follow:

Dir	Staff	Answer Options
1	1	Positive word-of-mouth
2	9	Positive community reputation
3	5	Member retention
4	10	Member loyalty/low turnover

5	2	Facilities appearance
6	6	Full membership
7	16	Financial break-even
8	11	Member Satisfaction Survey Rating
9	7	Member Usage
10	3	The club Members agreeing the Club's identity
11	4	Excellent food
12	13	Tolerable dues level
13	15	Membership wait list for entry
14	17	Number of compliments on the cuisine and banquets
15	26	Number of members volunteering for committees
16	8	Member level is consistent
17	14	Net Operating Profit in line with Budgeted NOP
18	20	Average member spend increasing
19	18	Ratio of Dues to Revenue over 50%
20	24	Number of Members waiting to "get out"
21	28	Time it takes to "get out"
22	21	Cover counts increasing
23	12	No operating assessments
24	19	Unique Environment
25	25	Golf rounds increasing
26	27	Consistently low dues increases
27	22	Exclusivity
28	23	Initiation Fee
		Ratio of Initiation Fee to Annual Dues is greater than
29	29	1:1.

If you would like to participate in this group or would like a copy of the survey template to use at your club, please contact me at the address below.

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