

Excellence in Club Management

CLUB LEADERS SHARE BEST PRACTICES

BY AMY RIGARD

A best practice can be defined as a technique or methodology that, through experience and research, has proven to reliably lead to a desired result. Club managers are faced with finding best practices to operate their clubs on a daily basis. The winners of the 2009 Excellence in Club Management Award consistently use best practices, resulting in their nomination for the award. The award, now in its 13th year, is sponsored by McMahon Group, Inc., and *Club & Resort Business* magazine. A committee of club industry leaders judge entries submitted by club presidents and select winners in four different categories. The 2009 winners share insights into best practices that have worked at their respective clubs and that can be adapted by other general managers and clubs.



John Schultz, CCM, ECM

**General Manager
Carmel Country Club, Charlotte, N.C.**

★ *country/golf clubs with 600 or more full privilege members*

FINANCIAL STABILITY

John Schultz joined Carmel Country Club at a time of financial distress due to the national economy and reduced member usage, but through the use of some best practices, he was able to turn the club's financial status around. Schultz joined the club in 2003, following an extensive expansion in which Carmel incurred significant debt. His charge from the board of directors was to focus on running a fiscally responsible club.

After reviewing the club's operations, Schultz decided on a dual approach—first, to determine whether the club was charging appropriate fees for its services and activities and second, to evaluate how the club was spending its income. Though Schultz determined that the club was not charging appropriately for some of the club amenities, he also wanted to “get in the weeds” and watch every nickel to ensure the club was making the best use of the dues income. He began reviewing every bill, down to each line item and signing every check, which he still does today. Over the years, this “command and control” approach, as Schultz learned from his Marine Corps days, has proven beneficial in making sure club management understands the club's cash flow.



2009 Excellence in Club Management Award. From left to right: Bill McMahon Sr. (McMahon Group); Phil Keister, ECM (Award Committee Chair); John Schultz, CCM, ECM (Carmel Country Club); John Corey, CCM, ECM (Genesee Valley Club), Richard Lareau, CCM, ECM (The Briar Club), Zen Mikulski, CCM, ECM (Lehigh Country Club), Frank Vain (McMahon Group).

PHOTO COURTESY OF McMAHON GROUP

Schultz says establishing a financial discipline with the board of directors to address the club's debt repayment was equally important. After extensive analysis, a plan was created that directed 50 percent of initiation fees toward reducing the debt, with the rest earmarked for capital spending. This plan allowed Carmel to eliminate its debt of \$7 million in three years.

An important element of this entire process, says Schultz, was to emphasize communication with the membership and transparency. He and board presidents worked hard to keep the members

informed of board decisions and issues, which helped them gain the members' confidence and support. "Members want to know what is happening inside their club, and I always keep them apprised of any aspect that impacts them," he says. The club upgraded its Web site and used weekly e-mails to communicate news and events during the process.

In 2009, the economic downturn had a particular impact on Charlotte, as it was the second largest banking center in the country. Carmel's response was to be proactive and not reactive. Schultz reached out to department heads, super-

visors and managers and engaged them on ways the club could trim spending without sacrificing any of the value for members. This resulted in more than 400 contributions to the bottom line; these ideas plus more efficiency all around resulted in a \$300,000 net income for the club last year. "This was an amazing feat in a year where we saw a significant reduction in dues revenue and membership average spending," says Schultz. "It's important to talk to your staff. Be honest about what needs to happen. They want to keep their jobs and help the club to be a success." >>>

More than 600 people attended Carmel Country Club's Memorial Day 2009 opening party. PHOTO COURTESY OF CARMEL COUNTRY CLUB





Carmel Country Club staff attended a leadership development course and then cooled off in the rapids during a staff team building trip to the U.S. National White Water Center in Charlotte, N.C.

PHOTO COURTESY OF CARMEL COUNTRY CLUB



HR Best Practices

Maintaining a Service-Oriented and Motivated Staff

John Schultz, CCM, ECM is known for implementing innovative human resources practices that include a number of programs for staff at Carmel Country Club in Charlotte, N.C. Below are some best practices that Schultz believes are crucial to maintaining a service-oriented and motivated staff.

Knowing the club's strengths and weaknesses is key, according to Schultz. When he first arrived at Carmel, the club did not have a person solely dedicated to human resources, so he hired a professional certified human resource director. Together, they initiated the following:

- ★ Management Process—An online system tied to core values/goal achievement, 90-day, annual and 360° reviews;
- ★ Performance-based compensation structure with annual compensation analysis;
- ★ Enhanced voluntary benefits;
- ★ Annual benefits fair with a wellness focus;
- ★ Employee retention plan;
- ★ Structured recruiting and hiring programs, including an employment Web site, a Web-based application process, and a standardized hiring process;
- ★ Improvements on HRIS, time and attendance;
- ★ Employee relations plan;
- ★ New hire orientation;
- ★ Seasonal staff orientation;
- ★ Friday huddle (monthly management training meetings)
- ★ Management training (includes all levels of management);
- ★ Leadership courtesies and traditions education;
- ★ Training, including anti-harassment, safety, vehicle safety, first-aid and blood-borne pathogens.

Carmel is proud to have many employees who have been with the club for 30 or more years. "When you invest in your employees, it creates a loyalty. Our staff truly enjoys coming to work and is passionate about what they do. When you have this type of atmosphere, it also ensures that the productivity and quality of service are improved as well."

IT'S ALL ABOUT THE MEMBERS

Once the club finances were in order, the economy was doing well (at that time), and member satisfaction was high, the club was then able to focus on membership growth. Carmel considers itself to be the premier family club in Charlotte, so they worked to enhance that reputation by reinvesting in the operations of the club. The club improved events, enhanced the dining experience, made the golf experience better, and created a buzz around the club. "It became the place members wanted to be, and with that comes members bringing their friends and colleagues," says Schultz. "Our members are our lifeline; they bring them (potential new members) into the Carmel family. We had great, positive momentum." Schultz says it was also key to invest in employees with training and incentives, ensuring that service levels always exceeded expectations.

This momentum allowed the board of directors to develop a 10-year strategic plan for improvements, changes, renovations, as well as addressing how to pay for the changes. The club held focus groups and conducted surveys with the members to gather ideas and input for the strategic planning committee. Again, communication was key to the membership. The strategic plans' first phase was the completion of a new resort pool complex, which helped the club bring in a significant number of new members. The club also is currently redesigning its South Course with Rees Jones.



To excite members, it was important to remind them this is “your club,” says Schultz. Carmel started using that phrase in most every communication or mailing, and it worked to create the idea that the club is really a member’s second home.

Increased usage and participation at events that excited the members became a great way to bring in prospective members. Schultz says one crucial way to learn about the members reactions to events, food and service is through surveys, which Carmel has done on a monthly basis. These surveys allow the club to react to what the members are saying.

It is also important to note that being financially healthy and popular are

attractive to prospective members. The club’s strategic plan shows that it is a progressive club looking to the future. Those, in addition to the new resort pool complex, were major factors in the club’s membership growth.

The only way Carmel grows is through its existing members, says Schultz. “They are truly excited about their club and want to share it with others. We don’t bring in members to meet numbers or some arbitrary goal. We want quality members who enjoy the culture of our club and believe in our traditions and values. It’s about exciting your base and inciting them to bring in their friends, colleagues and family.”

Richard Lareau, CCM, ECM

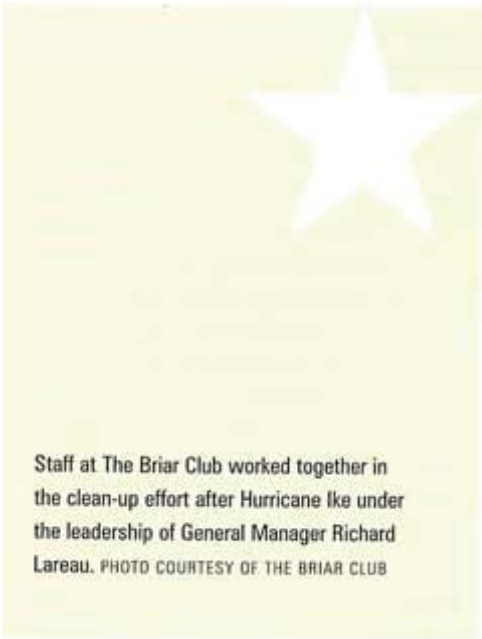
**General Manager
The Briar Club, Houston**

★ *city/athletic or specialty (non-golf)
clubs of all types*

SURVIVING THE STORM

Richard Lareau, general manager of The Briar Club in Houston, led his club through a devastating disaster—Hurricane Ike in 2008. Lareau shares some disaster plan best practices that helped the club to recover quickly to begin serving members again.

Lareau says the club was very lucky to have had power restored 24 hours >>>



Staff at The Briar Club worked together in the clean-up effort after Hurricane Ike under the leadership of General Manager Richard Lareau. PHOTO COURTESY OF THE BRIAR CLUB





Richard Lareau, General Manager,
The Briar Club in Houston. PHOTO
COURTESY OF THE BRIAR CLUB

after the storm bulldozed through Houston. However, it was the club's preparation prior to the storm that greatly assisted in its ability to clear the debris, mend the fences and restore the club grounds and clubhouse to operational condition in a day. The club's successful fast recovery was also only possible due to the incredible dedication and sacrifice of the club's caring employees, he says.

Preparations prior to the storm consisted of:

- Backing up all IT systems off site;
- Shutting down all computers/servers and relocating to a secure area;
- Shutting down all mechanical/HVAC systems except refrigeration;
- Securing all vulnerable furniture, fixtures and equipment throughout club property;
- Updating and distributing the staff, key board members and vendor contact lists, including cell phone numbers and e-mail addresses;
- Establishing a post-storm strategy with a predetermined meeting place and plan;
- Arranging an offsite Internet communication plan and procuring an old-fashioned (non-electric) phone; and
- Placing all freezable food items in the freezer.

All the above preparations put the club in a position to best adapt to the post-storm uncertainty. According to Lareau,

post disaster, members, staff and vendors were craving information. "Establishing communication is essential to gaining any semblance of organization. Reach out to staff, members and vendors using every available means: texting, e-mail, cell and land lines."

The club had power by mid-morning on the day after the storm, and staff and members converged at the club by mid-day. It was ambitious, but Lareau says the club was able to open its gates by 3 p.m. two days after the storm, serving a Hurricane Buffet, providing hot showers, babysitting services and youth activities, and distributing bagged ice, bottled water and essential toiletries for members to take home. The club also sent food and essential supplies home with all the employees who were able to get to the club so they could sustain their families while being available to serve the members.

SETTING SERVICE STANDARDS

High satisfaction requires every member feeling a personal relationship with the club, says Lareau. "It's all about communication, which is all about listening and observing and then taking action." It is important to be proactive to members' needs and wants and quickly reactive to member comments and concerns.

The Briar Club established the "WOW" initiative, whereby staff strives to provide a WOW experience for members when they visit the club. The essential component that makes WOW effective is

members are asked to report when they have experienced WOW and by whom. This initiative has assisted in developing a close relationship between membership and the club's front line staff. Staff is then recognized and rewarded.

WOW consists of:

- Anticipating members needs and wants;
- Being prepared to serve;
- Executing flawlessly;
- Being continuously enthusiastic; and
- Doing it now—having a sense of urgency about all they do.

This program is the catalyst that has established a very positive line of communication between management and membership, membership and staff and management and staff.

STRATEGIC PLANNING

In 2004 the club developed a mission statement that focused on achieving the "highest standards" in all areas of the club, from bricks and mortar and amenities, to programming and quality service provided by a highly trained professional staff. Strategic planning was the essential key that led the club on a six-year mission engaging it in three capital projects costing the club \$8.5 million. It is important to realize that amenities alone don't provide for a quality club. It takes programming, member marketing and equipping the club in all departments with highly qualified and highly trained



staff. The club then empowered its staff by providing a clear sense of direction, adequate resources and management and communication systems that enable them and their departments to achieve the club's "highest standards" mission.

The Briar Club strives to maintain consistently high service levels to the degree that members grow to rely upon and trust their club to become their "go-to" place where they can relax, recreate, satiate, network, entertain and/or impress. This consistency and breadth of service grows the members' sense of value in their club, which is critical to the success in member retention in this challenging economy. This highly desirable product becomes the foundation that sustains and energizes members to eagerly trumpet their

enthusiasm about their club to their family members, friends, neighbors and business associates. This personal invitation and recommendation for membership into "their" club is the most powerful component any club can have that is seeking to grow its member population.

Zen Mikulski, CCM, ECM

**General Manager
Lehigh Country Club, Allentown, Pa.**

★ *country/golf clubs with fewer than 600 full privilege members*

THE RENOVATION PROCESS

Zen Mikulski, general manager at Lehigh Country Club, utilized best prac-

tices to facilitate the approval, construction and re-opening of a \$4 million facility improvement project. The project began with a plan that included a membership survey, an all-membership meeting, and focus groups. The original plan was quite large and grand, and was proposed to be funded by the sale of some land adjacent to the club. However, some members opposed that plan, so it was reduced in scope and size, and the membership agreed easily for the project to be funded with a member assessment.

One best practice Mikulski offers to other general managers in a similar position with a construction project is to hire an architect with previous experience in the private club industry. They are more likely to understand the sensitivity >>>

Grounds Superintendent John Chassard, Golf Professional Wayne Phillips, General Manager Zen Mikulski, and Chef George Hardy pose for a photo for Lehigh Country Club's Centennial book. The club is celebrating 100 years this year. PHOTO COURTESY OF LEHIGH COUNTRY CLUB





John Corey, CCM, ECM

**Assistant Manager
Genesee Valley Club, Rochester, N.Y.**

★ *Rising Star*

John Corey began his private club career at the Genesee Valley Club in 1989 as a member of the service staff and was subsequently promoted to Food and Beverage Supervisor and Service Manager. Upon being awarded the Certified Club Manager designation in May 2008, he was promoted to the position of assistant manager.

Corey is directly responsible for coordinating all club special events, food and wine dinners, themed specialty dinners, family programs, guest speakers' series, and private functions. He serves on the Family Activities Subcommittee and Speakers committee and shared some of his best practices for working with committees.

"I like to believe that my most important responsibility in working with committees is to make the job of our committee chair and members easier," Corey says. He coordinates all administrative and logistical matters for the committee, thus freeing them up to concentrate on policy and programmatic issues.

Corey has also been successful at maintaining excellent staff and member relations in his role as assistant manager. Corey's best practices to achieve these results include focusing on ensuring that all staff members have what they need to be successful. He says this starts with hiring individuals with good people skills, a positive attitude, and a service mentality. Building off these traits, the club then trains to its standards and policies with a central theme of professionally and enthusiastically serving the members.

A survey completed by an outside consultant in 2008 found that 99.7 percent of Genesee Valley Club members are either satisfied or very satisfied with the friendliness and greeting of the staff. "We aren't resting on our laurels, but it is heartening to know that our members appreciate what we do for them."



**Assistant General Manager
John Corey serves Genesee
Valley Club's maître d', Genaro
Felix, during the club's holiday
dinner. PHOTO COURTESY OF
GENESEE VALLEY CLUB**





needed to work with a private club, the inconvenience caused to the members and staff, the disturbance, and the cost. The same applies for the contractor hired for job. Mikulski said having both an architect and contractor with previous experience working with private clubs made Lehigh Country Club's construction project a smooth one. A third element in ensuring a smooth construction process for the club was the creation of a small building committee. The committee consisted of Mikulski and two club members with previous construction experience. They met weekly to monitor the timeline, evaluate the progress, and work to keep change orders to a minimum.

A major construction project can be a disturbance to staff, and one way to mitigate that is to have constant communication with the staff regarding the progress and updates. For a major construction project such as the one at Lehigh Country Club, which closed the club for five months, the club paid for the staff's medical insurance during the time they were out of work. The club tried to find other means of employment through the membership for staff members that were displaced during the closure. The club expressed concern for the staff's well-being throughout the process, and the employees bought into the project and were supportive. Once the project was completed and the club was reopened, every employee returned to work at the club, which Mikulski believes is a testament to how the club treats its employees.

THE BUDGET BALANCING ACT

Mikulski has been successful at realizing a balanced budget and positive operating result in 30 of his 31 years at the club. He believes this is due to a very dedicated staff, most of whom have been with the club for a long time. He believes in treating everyone fairly and with respect, and that respect will be returned. That is one way to develop loyalty among employees. Another contributing factor to the success of maintaining a dedicated staff is recognition. Mikulski recommends responding to the successes of the departments or individuals in a sincere manner. Also, communication with the staff is paramount.

Working closely with the finance committee and the board of directors has helped Mikulski maintain a balanced budget for most of his tenure at the club. But, he says department heads support the budget process because they are involved directly in the process.

Lehigh Country Club's food and beverage operations have been hugely successful, receiving high ratings from club members, which has been a positive financial contribution for the club for more than 30 years. That is done without restaurant minimums. Mikulski has a philosophy about minimums. He believes they are counterproductive and create a negative feeling in a certain percentage of the membership. He says that rather than creating a minimum, which he says has a negligible contribution to the bottom line, he would rather institute a \$5 dues increase per

month. He is very proud of the type of food and the quality of the food that is served at the club. The club is also fortunate to have a reasonable amount of banquet business. That, coupled with reviewing menu prices, comparing food costs, providing the best possible service and staff training, all make for a successful food and beverage operation at the club.

"Our members feel like they're coming to a special place," Mikulski says. "Members feel that the club is their home away from home, and all guests are warmly welcomed. For nonmembers, the club dining experience could potentially plant the seed for them to become a member one day. You treat people warmly and welcome them, and they will remember that."

Every living past president of Lehigh Country Club wrote a recommendation for Mikulski's nomination for the Excellence in Club Management Award. Key staff including the golf pro, grounds superintendent and executive chef have been with the club for more than 20 years, and Mikulski shares some best practices that are important to maintaining outstanding board and staff relations. "Patience and being loyal to your position are vital," he says. "You have to find the balance between what is right for the staff and what is right for the club, and always be a part of the decision-making process."

To find out more about the Excellence in Club Management Award, go to www.clubmanageraward.com. ■