

CMAA's Past Presidents Pass Along Lessons Learned



JOHN G. FORNARO PUBLISHER, BOARDROOM PRESIDENT & CEO, APCD

It's Not Your Daddy's...or your Granddaddy's Club Anymore!

PRIVATE CLUB AND THEIR BOARDS CAN LEARN FROM THE PAST...THE INSTITUTIONAL MEMORY OF THEIR CLUBS, AND THE PAST PRESIDENTS WHO HAVE BEEN SO ACTIVE IN THE PRIVATE CLUB INDUSTRY, FOR OH, SO MANY YEARS.

The Club Managers Association of America's past presidents are a group of private club manager immersed in the industry and who share a wealth of history. But in the same breath as we look to the future...and we quickly realize, 'It's not your Daddy's club anymore.'

Some of the associations in the private club industry representing management have prepared their members to deal with many of the today's club issues...issues that past board presidents may not have had to deal with. In my opinion, CMAA definitely has prepared its members well.

To move forward we can't forget the past. I enjoy my many conversations with general managers that have retired or perhaps will soon. Talking with them I sense they're different from other managers within a club. They truly understand the meaning of service...the member experience.

They understand what members want...that when a member joins their club, they're entrusting their future happiness, often for the remaining years of their lives to the club, its management and staff.

These managers have 'got it right'...they give members the experience they crave, members who have worked hard for 30 to 50 years and who now want to be looked after and enjoy their lives.

So what can private club boards of directors and general managers/chief operating officers today learn from past presidents? What do they see as challenges for the upcoming CMAA generations, and of course future club board of directors?

The Club Managers Association of America has had a huge impact on the private club world, for myriad reasons. And reason number one in the opinions of many of its past presidents is the educational opportunities CMAA has afforded its many members including club managers in many different countries.

"The bar was raised and the standards set" for general managers with CMAA's educational programs, *George*

Carroll, CMAA president 1996, general manager/COO, Interlachen Country Club, Edina, MN says.

No question, this vast educational program has had a huge impact on private clubs and their members. This of course, includes CMAA's Business Management Institute (BMI, the 'baby' of Joe Perdue, recently honored with the BoardRoom Lifetime Achievement Award for 2012), which focuses specifically on education for private club managers.

And along the way CMAA has raised the standards for certification helping educate and develop the next generation of club executives, especially with the growing acceptance of the general manager/chief operating officer concept, which certainly has benefitted clubs and club managers in this industry.

As well there's CMAA's work with its university partners in defining a curriculum that's relevant in today's ever-changing club world.

Probably just as important, from a GM's point of view, there's the networking factor, which makes it relatively easy for CMAA members to network with one another, learning and understanding best practices, and solving problems and offering ideas and suggestions.

So here are some thoughts and opinions from some of the CMAA's past presidents about the past, present and future.

"The phenomenal progress that has been made in the past 50 years has been miraculous. I'll leave the legacy life lessons to younger active past presidents, but I want you to know how much we appreciate all you are doing for the CMAA and the club industry," said *Mead Grady, CMAA president 1988*, now retired.

CMAA has played a key role in helping clubs adopt many of the successful practices found in the corporate business world says . and today a strategic planning and consulting specialist with Kopplin & Kuebler

"But," he cautioned, "providing high-tech services with a high-touch approach, in a casually elegant family environment will be critical. We must also do so in a most efficient manner." Clubs have to be run like a businesses, "while



JOHN R. 'JACK' SULLIVAN, CCM, CMAA PRESIDENT 1992



BILL SCHULZ, MCM CMAA PRESIDENT 1994



GEORGE CARROLL, CCM, CCE CMAA PRESIDENT 1996



SANDY FRAPPIER, CCM, CCE CMAA PRESIDENT 2001

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understanding that meeting the needs of its membership will be critical to their success," Sullivan suggested.

"Today's country club is not the gentlemen's club of your grandfather or father, it is the club for the entire family. The private club industry has changed dramatically since I retired eight years ago," said *Richard Kolasa, CMAA president 1993*.

"Today the decision to join a country club is a family decision, and the club has to offer more than golf," remarked Kolasa, for 17 years the general manager/COO at Skyline Country Club, Tucson, AZ.

He says club must offer golf, tennis, fitness, swimming, dining and additional activities such as family barbeque and camping out on the driving range, evening pool parties for the family with hot dogs and hamburgers, photo clubs, hiking club, bowling, bridge and even book clubs.

And he offered this poignant reminder to boards of directors... "The board should determine policy with the manager implementing that policy. The boards can't micromanage their club manager." In other words, keep your fingers out of management's pie.

"Wow, where do I begin?" *Bill Schulz, CMAA president 1994*, queried. Schulz, recently retired from the Houston Country Club, TX after 22 plus years as general manager, see these challenges today:

- · Cost of healthcare: Clubs satisfying the health care reform law requirements
- Compliance and legislation: States looking for increased revenues; tax income etc.
- Personalized service: Greater customization of members' wants and needs

• Environmental issues: Greater focus on the environment, water resources and 'going green' initiatives

• Upgraded facilities: Improved facilities as clubs compete for new members and satisfy existing members' desires, along with 24-7 access to the club for members.

Along with educational programs, the CMAA's Club Foundation – providing in excess of \$5 million in individual scholarship programs, student chapter grants, and faculty internships, continues to have an impact on the industry.

Better educated club managers "directly benefit our club members and adds credibility to our profession," Schulz added. But with challenges of the 21st Century on the horizon, aspiring, well educated managers will need to seek innovative solutions to ensure the viability of not only individual clubs, but also the industry.

General managers might find some relatively easy solutions for some of these challenges, but many require thoughtful, innovative and practical solutions to avoid costly decisions that can adversely affect a club so quickly.

In *George Carroll*'s opinion, "the greatest challenges facing our industry are the government's regulations, and water, with its shortages and restrictions will make us change the way that we operate.

"Future managers will need to educate the club leaders on water usage. We cannot be the Masters at Augusta all the time. And is there a new brown to the future decades of turf grass management?" he queried.

But, Carroll suggests club boards are "waking up to the number one topic at private clubs...fitness. A majority of people joining clubs today is in their mid-30s and 40s, and fitness is their number one concern.

"We need to supply fitness centers, classes and healthy meals and programs. Keeping seniors in shape and flexible will keep their golf games continuing...an important selling point in today's club world," Carroll explained. All of which goes back to my earlier point, that these members are entrusting themselves to our club managers to look after them for lifelong happiness.

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PETER TUNLEY, CCM, CCE CMAA PRESIDENT 2002



JESSE THORPE, CCM CMAA PRESIDENT 2004



BILL WAGNER, CCM CMAA PRESIDENT 2005



BURT WARD, CCM CMAA PRESIDENT 2006

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Carroll remains an optimist. "I'm sure that future mangers will be able to master these concerns. The club business has seen two World Wars, a Depression and government regulations and clubs still prosper in the world today.

Sandy Frappier, CMAA president 2001, general manager/COO, Fort Wayne Country Club, Fort Wayne, IN also acknowledges that 'change' raises challenges clubs face.

"Lifestyle value is the current challenge to membership. Golf and social exclusivity are not the same driving forces they once were. Also, following the economic downturn people have become more value driven," Frappier said.

So how do clubs add value to their members' lifestyles? "Understand your market and your brand, and personalized service still remains key." Again...member experience!

"Clubs have lived year-to-year based on the political capital of the current board," she said. "In today's thriving clubs, boards and their general managers have unified, sustained direction based on sound business projections to maximize their resources, and strategic planning has never been more valuable.

"The life lesson I have come to appreciate is that 'change is the only constant.' So, the ongoing education path CMAA has developed has been very valuable for my club, my staff and me. It takes a constant flow of ideas to keep our club fresh, relevant and economically sound," Frappier opined.

Peter Tunley, CMAA president 2002, general manager/COO, The Stanwich Club, Greenwich, CT feels fortunate to live in an affluent area of the country, but he has still seen the effects of the economic downturn.

"You only have to go 30 miles from here to see that clubs are really struggling to keep their heads above water," Tunley says.

Often club boards create their own problems. "Some of the greatest challenges come from the reluctance of certain boards to change policies whether it be dress code or electronic devices. The culture of clubs has changed dramatically in 20 years," he offered.

"Now it is all about families," Tunley asserted. "The modern family has a lot to choose from in our area when joining clubs, and if one does not keep up with the times whether it be keeping the property in great condition, to current trends or to making sure that the food and beverage is on par with local restaurants, they (members and potential members) will seek out the clubs that do have these different activities," Tunley explained.

"People don't feel as secure in their jobs and are afraid to leave the office behind in case something dramatic happens. They feel the need to be in constant communication at all times.

"Clubs and boards need to be aware of this, and offer areas where one can check in on their offices etc. This will help keep and attract new members," Tunley expressed.

Jesse Thorpe, CMAA president 2004, general manager/COO, Hammock Dunes Club, Palm Coast, FL agrees that clubs not willing to change face many difficulties. The solution, he says, lies in hiring professionals to do the job.

"There is a lack of flexibility in adapting the club to meet new and ever changing conditions in the local markets. Clubs have long enjoyed traditions steeped in the club's past, but such conditions have also created obstacles to the timely adoption of new policies and practices.

"Club volunteer leaders should hire professionals to do the job, allow them to adapt the operation as necessary to meet the changing business environment and make and support policy change to expedite the process.

"With the collapse of real estate values, facilities need to modify membership recruitment practices, since new move-in traffic may not generate sufficient volume of new member," he outlined.

"Back in the day CMAA was more of a place where general managers could go to lick their wounds from the daily battle with boards, members, employees and even spouses. This was JBS. (Just before Singerling)," *Bill Wagner, CCMA president 2005*, general manager, Shadow Wood, Bonita Spring, FL recalled. But as that began to change so has the educated, aspiring professional, which bodes well for the future.

"Club executives of 2013 are the most professional group in our history and they are also the most educated. The spotlight of the club industry as a whole, nationally and internationally, has brought more respect to club management and has lured the brightest and the best of hospitality graduates into our industry.

"The BoardRoom magazine's inclusion of club board members into a stream of club industry news and trends has created a dialog that improves the harmony between management and good governance," Wagner added.

But suggests Wagner, "The single new challenge facing private clubs today is the temptation to reinvent the wheel," mainly because of a fluctuating economic business cycle.

"Each time the low cycle produces prognostications, they tend to say that 'private clubs are a thing of the past' or 'The game of golf must be altered or perish'... The same pronouncements heard after the economic crash of 1929.

"However, the game of golf is still going strong and people who are searching for friendship, social interaction and golf, tennis and other recreation in a quality setting will continue to join private clubs.

"The club community needs to go back to the basics every once in a while and think of the big picture which goes beyond the next business cycle. Keep your standards high, your costs reasonable and respect tradition," Wagner intoned.

Wagner, a long time general manager, is retiring from active club management, and he turns his interests to the world of consulting...offers this advice:

"Know what business you are in. You are in the entertainment business! Great service is just another word for great entertainment."

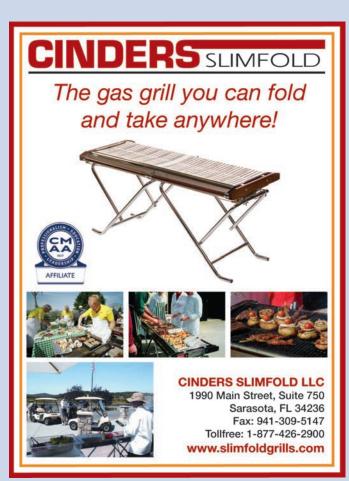
Burt Ward, a 30-year member of CMAA, has seen a lot of change in this industry. At his first CMAA conference in 1982, there were eight educational programs, compared to the over 60 programs today. "Every program benefits the clubs we manage," *Ward, CMAA president 2006*, and general manager Century Country Club, Purchase, NY said.

And challenges today? "I could easily say that answer lies in all of the governmental rules, regulations and programs that we are required to deal with. But I think the biggest challenge will be to find and keep young people in our industry.

"I see a change in the commitment to the time requirements of working in clubs. As a second generation club manager whose father and stepfather were both club managers I think I may be more sensitive to this issue.

"We need to find a way to balance the work commitment with the commitment to family and other outside interests. It is a challenge that we as managers must take on and that clubs need to embrace if we are to keep the best and the brightest. A well rounded individual will make for a better manager."

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MIKE LEEMHUIS, CCM, CCE CMAA PRESIDENT 2012

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As *Linda Carroll, CMAA president 2007*, general manager, White Bear Yacht Club, White Bear, MN sees it, private clubs need to get into the 21st Century.

"That starts with the education of our boards. BoardRoom magazine is an excellent example on how to do this. It's the one publication that my executive committee reads from front to cover. It brings issues and solutions that affect the club directly to my board members.

"Clubs are being challenged more today than ever before. The economy has made it necessary to operate as a business", something a lot of clubs simply neglected in the past, and many more continue to do so today.

"It still remains difficult for many of our members and boards to understand. We are in the hospitality business. And I would suggest to any young person coming into this industry, the importance of a business degree.

"The changing lifestyle of our members is also another challenge. Today our competition isn't just other clubs; it is our 'member's time.' Our members and future member's lifestyles have changed.

"Clubs that can offer quality activities for the whole family, technology that keeps them connected, fitness, nutrition, casual dress and the ability for child care is the future growth of clubs." Many topics clubs have been taboo in the past.

"Golf doesn't need to be 18-holes." Carroll explained. "It can be four or six holes, activities on the putting green or driving range. Women are becoming the decision maker when it comes to joining a private club, and activities will need to change to fit their lifestyle and their families. Managers and boards need to 'think out of the box' now more than ever," Carroll opined, in pointing the way to the future.

"The nature of private clubs is changing and to that end private club boards and general managers and CEOs need to be able to change as well," explained *Mike Leembuis, CMAA president 2009*, general manager/COO, Congressional Country Club, Bethesda, Maryland.

"I'm not suggesting changing the core of who you are, but adjusting to encourage continued member usage of the club, and family participation.

"Technology, dress codes, cell phones, menus, children's programs, making golf more fun are all things that need to be addressed by boards and professional management. We need to be more 'user friendly.' If not, our members will choose to recreate elsewhere.

"Congressional has bought into CMAA (five staff members have their CCM designation) and into the outstanding education it provides to its members and in turn the outstanding service our members receive from these qualified individuals," Leemhuis enthused. "As the GM/CEO I have always believed in the power and importance of education and have been able to convince the board at CCC of that value," said Leemhuis who spent 10 years on CMAA board of directors, including his year as president.

Skip Avery, CMAA president 2012, of course, is in agreement with the value of CMAA's extensive educational program – BMI, and the online, CMAA university and a wide range of courses and learning opportunities.

And as others suggest, Avery feels competition for a club member's time and money is the greatest challenge facing clubs today. "In the post-recession, clubs need to prove their relevancy to their members, maintain their high standards of service and operate as efficiently as possible."

PUBLISHER'S FINAL THOUGHTS

Sometimes I wonder if this skill and talent of getting it right for a club's members can be taught...or is it a gene they have...a service gene. Our industry has many challenges but I do believe we are ready to take them on.

CMMA is training our future managers to becoming COOs, and operating their clubs as businesses. It's imperative that club set aside budgets for education of their management.

We have other associations fighting private club issues every day, such as the National Restaurant Association; and the USGA and GCSAA dealing with the golf course and

water issues; PCMA training membership directors; HFTP on the technology and accounting side, and the PGA is working on training its members to deal with tomorrow's issues and growing the game of golf.

This is all well and great, but your club's board has a role as well... STOP the micromanaging. Run your club like a business, replace your emotion with facts at your board meetings. Yes, the board has a role, an important role and interfering with daily operations *is not* one of them.

And yes the economy may be stabilizing, but there is no going back to business as usual for private clubs.

Start today with a board of directors that's accountable and establishing policies that are in the best interest of the club's members...not someone's hidden agenda.

Start with a board orientation process that has credibility and sets the standards for clubs by firmly stating the roles and responsibilities of each board member.

It is also incumbent on the board to create a strategic plan that faces many of the challenges these past board presidents are talking about.

• How will you and your board deal with Obamacare (Affordable Care Act), water shortages, membership recruitment, retention, usage, changing demographics, fitness and wellness both for staff and members.

• Focus on the golf course, and how to run it more efficiently. Can you make most of the staff on the golf course part time? Do you need to cut the fairways every day, can you share staff with other courses? Remove sod from areas that members don't use because it's costing the club far too much money to maintain, and

• Have a plan to control dues, eliminate or reduce assessments.

As you can see we have many challenges – city clubs and yacht clubs have similar issues without the golf course.

Yes, many challenges in the future that will be quite different from those of the past, but we can learn from the past. To truly solve our challenges today we need to know what people in this industry went though to get us where we are today. In many respects the people in the industry are amazing with what're they've done for members. Club members pay a lot of money and they expect us to look after them, to give them outstanding experiences that make them happy. Our members place so very much trust in those who run our private clubs, and we need to really appreciate the general managers who have committed their lives to making other people happy.

At least that's the way I see it! **BR**

John G. Fornaro, publisher

If you have comments on this article or suggestions for other topics, please contact John Fornaro at (949) 376-8889 or via email: johnf@apcd.com



