

Educate Your Board Members! *It Makes A Difference*



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BOARDS OF DIRECTORS ARE A MAJOR REASON FOR THE SUCCESS OF PRIVATE CLUBS, ESPECIALLY IF YOU CAN BOAST ABOUT AN EDUCATED BOARD OF DIRECTORS.

And educated not only in the sense that each individual board members brings a wealth of education and experience to the position, but just as importantly each board member is well educated about their role and responsibilities as a member of your club's board.

cohesive board can give a private club the thrust, the drive...the impetus and the vision to achieve its – the members' – goal.

So how do you ensure that your club has a strong cohesive board, so that the board can address the many critical issues facing clubs today...to lead the way to a successful future?

A major thrust of course, is education...the direct education of board directors, which begins even before a club member becomes a board mem-

It's patently clear with club boards, as it is in many aspects of our lives today where we depend upon other people for what we do, that a board of directors is only as effective as its weakest members. If board members aren't

In today's private club world, the education of the board is a must. There's too much at stake to leave the governance and daily operations of the private club to chance or the whims of a "selected" few. Private club boards and the club's paid managers must work together for the betterment of their private club community, and that starts with the education of both the club's board and paid managers.

It's been a prickly subject during the lifetime of private clubs because private clubs that started out as the domain of a few are now appealing to a much broader market who definitely want a say in the direction of their club.

Yes, there's a legion of reasons, not the least being the fact that a strong

ber. The focus has to be on what is often termed "stewardship" where the objective is strong focused decision-making providing sustained leadership and stewardship for the club today and into the future.

This early preparation unquestionably can prevent difficulties further down the road.

doing the job they committed to and for, it unquestionably has a tremendous impact not only on the board, but also the entire private club.

This can be especially true if a board member is the weakest link because of their own choosing...i.e. a lack of

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commitment, little or no pre-board education or orientation, little or no pre-meeting preparation, being a disruptor or a failed team player. And make no mistake, these board members exist...you may have one in your own midst!

WHO FITS THE BILL?

How many evenings or board meetings have been frittered away with little being accomplished while someone harps on their personal agenda, or because an ineffective board member simply hasn't prepared properly for the meeting and items on the agenda? How often have you gone home with that empty feeling that little, if anything has been accomplished?

Is your board on board? This is where it all begins. If the focus hasn't been on club stewardship with an objective of strong focused decision making for the betterment of the club, with effective board members constantly guiding and cajoling, then it's time to refocus. And the education of your board members is an excellent place to start. Board members need to know what's expected of them.

Role clarification is essential, emphasizes Tarun Kapoor, CEO of Kapoor and Kapoor, a hospitality consulting firm based in San Marino, CA. It's a triple layer of clarification and accountability.

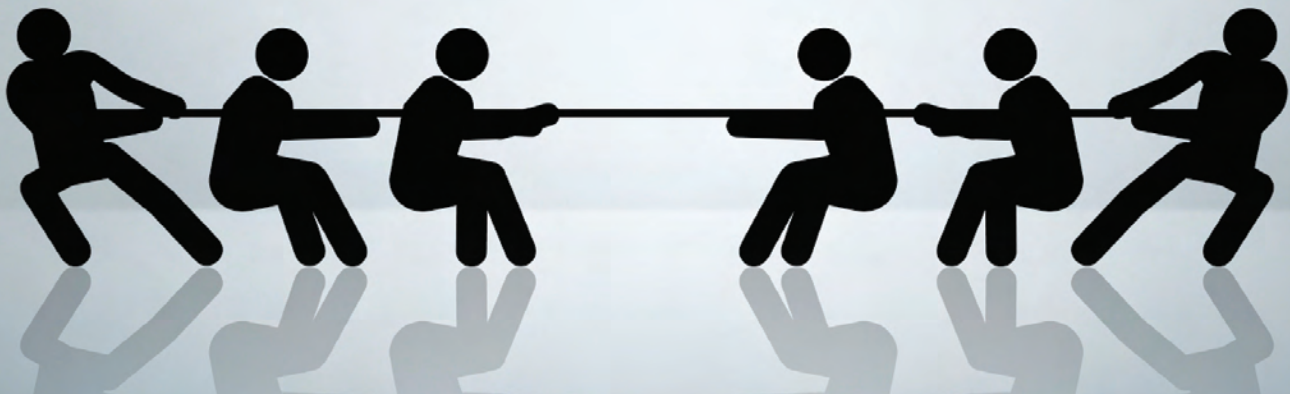
"The general manager, the executive committee and the board each must know what they're responsible for, have the authority to do what is necessary, and know what they will be accountable for." The lack of role clarification is where there is often confusion within the private club structure.

"Roles must be articulated and then enforced," Kapoor said. "Problems invariably come up when volunteers feel they have the right to execute decisions affecting the club's resources, yet they don't have the authority to make the decision."

What does Kapoor suggest? "The board and/or volunteers should be ones setting the strategic direction, establishing club operating guidelines then ensuring management and/or volunteers are operating within the guidelines, and supervising, auditing and managing the GM or COO."

The stewardship...the education and process of becoming an effective board member begins long before becoming a

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board member, and it's a process that needs to be well developed and defined to ensure the club's best candidates with the "proper" motives and skill sets are encouraged to run for directors' positions.

Board members are part time volunteers, who while they may mean well, often have little understanding about the operation of a club, and the parameters of their role, their responsibilities, behavior and limits of their power.

Often there's a lack of clarity of roles for both the board and its individual members. The board may see itself, and act unconsciously, as the club's management, something not in the club's best interests in these days of highly skilled paid managers.

That's a major reason why, at least as a minimum, a board orientation each and every year is vital. At least with a board orientation, the club's general manager and staff can impart vital information and knowledge about the club's daily operations, strengths, weaknesses, challenges and opportunities. It helps in the process of developing effective board members who in terms can help the board make diligent, insightful policy decisions affecting all members.

BoardRoom magazine, since its inception almost 15 years ago, has focused on private club governance, the club's board of directors and the need for boards and club GMs to work cooperatively for the good and benefit of the club and its members.

Our focus has been to inform and educate board members...a continual process because of the transient nature of club boards and committees with continual changes each year.

Early in the life of this magazine and our educational process, club managers showed some reluctance in briefing board members about some of the issues and solutions various writers have raised in BoardRoom over the years.

Yes, there's power in knowledge and information, but in the private club industry it's also in the clubs best interests if the boards of directors also have the knowledge and information. It will make the relationship between paid managers and the volunteer boards grow and prosper.

Over the years this relationship for BoardRoom with managers and the boards has changed substantially. Where at one time paid managers might have been reluctant to pass along information they gleaned from BoardRoom, general managers now often provide a copy of BoardRoom for every board member.

The information and knowledge helps these clubs operate more effectively, especially in knowing how other clubs have faced and dealt with various issues, particularly during the past couple of years.

Gregg Patterson, general manager of The Santa Monica Beach Club, suggests several characteristics lead to a

strong, effective board, and the underlying philosophy is education.

"Good boards have a "marketing mentality," that is, they actively seek understanding of member needs now and into the future. Board members accept their role as "hunter-gatherers" of information from the general membership, from their peers in other clubs and from the management and employee teams," Patterson said.

"They walk, talk and read continuously to get the pulse of the membership. Good boards limit themselves to policy but oversee the administration of those policies. A strong board is clearly perceived as the "one in charge," is accessible to the general membership and is willing to act decisively when the time for action arrives."

Patterson stresses the board must avoid micromanaging the administration, and instead create a synergistic relationship with the general manager and the leadership team.

He feels "a successful board is built on the experience of its members at the committee level; on their willingness to engage in ongoing collaboration with the general membership, committee members and management team; their enthusiasm for asking questions of members and staff alike; their balanced approach to issues; their enthusiasm for "digging into" problems; their strong ethical

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foundation; their ability to “do research” by reading, questioning and active listening; their willingness to make decisions on tough issues when needed; and their ability to listen for feedback once those decisions have been made.”

This doesn't just happen overnight. It takes commitment, desire and co-operation. It's not just a matter of board members showing up for a meeting, because the process starts before their join the board and continues through their tenure and on through the planning for successors.

“Without proper training, mentoring and guidance, even the most highly accomplished board members can find themselves lost and overwhelmed,” explains Edgar Stoesz, retired chair of Habitat for Humanity International, and author of the book, “Doing Good Even Better: How to be an Effective Board Member.”

A board and private club's success today take co-operation, diligence, understanding and education. Success requires co-operation whereby the club's board of directors and general manager more than co-exist. There's a strong, continuing collaborative effort between the club's volunteer board of directors and the club's paid management.

And it all begins with education, especially for boards that must balance policy decisions, fiduciary responsibilities and membership demands.

The best solutions come from boards and management working together. The proprietary concept of “collaborative governance” put forward by my colleague Tarun Kapoor offers a unique, sustainable and relevant concept for the private club industry.

Implementing change leading to collaborative governance puts your club on a path that will benefit members in the ever-changing private club environment.

“Private clubs, in most instances, are a ‘not for profit’ business, dealing with daily collaboration between volunteers and paid staff,” Kapoor added. “It's a one of a kind business where our customers are also our owners and employers.”

Unique characteristics for sure, replete with paradox, including:

- The member as an owner versus the member as a customer
- The member as an employer versus the member as a customer
- The board member as a director versus an advisor
- The board member as an employer versus an advisor
- The inherent conflict of interest faced by volunteer leaders.

“Without understanding these characteristics,” Kapoor emphasized, “you cannot see the inefficiencies and the dysfunction in the existing system. As well, you can't reflect on leadership and management practices, and what is necessary for a club to be successful today.

“The underlying philosophy provides a framework for the club to sustain success, but it must surface and resurface and become ingrained in the club's culture, a core value for members, enabling a club to be successful year after year.”

PUBLISHER'S FINAL THOUGHTS

In today's private club world, the education of the board is a must. There's too much at stake to leave the governance and daily operations of the private



club to chance or the whims of a “selected” few.

Private club boards and the club's paid managers must work together for the betterment of their private club community, and that starts with the education of both the club's board and paid managers.

The best solutions come from a joint effort through collaborative governance and as we move forward with increased focus on Tarun Kapoor's concept of collaborative governance.

We will assist in developing the process and practical tools club boards, committees and management need to operate their clubs in a more fiscally responsible way. And without sacrificing member satisfaction.

The best solutions come from everyone...boards and paid managers...working together. Collaborative governance is the process of putting together effective and lasting solutions.

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

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If you have comments on this article or suggestions for other topics, please contact John Fornaro at (949) 376-8889, ext. 4 or 105 or via email: johnf@apcd.com