

[PUBLISHER'S PERSPECTIVE]



Execute ~~Think Outside the Box~~ Club!

THE PERFECT STORM OR A TIME OF OPPORTUNITY?

That's the question we raised for private clubs in our most recent Publisher's Perspective (*BoardRoom Jan/Feb 2009*). How do you see it – as the Perfect Storm or a Time of Opportunity?

One thing's for certain. Private clubs have been inundated...pressured from an ailing economy, a fear factor and perhaps for some, a rude awakening to reality. And the problems are real. There are cracks in rosters, budgets, recruitment of new member, retention of current members and lack of usage by others, which often leads to another resignation.

Often clubs and members for that matter don't place enough value and emphasis on participation. The lack of action by a club's board of directors and a lack of amenities and benefits (the intangibles) often combine to mitigate member participation.

Even so, it's not all gloom and doom...there are opportunities!

Not surprisingly much of talk at this year's CMAA's conference in New Orleans, LA focused on recruitment and retention of club members. Seems almost everyone's become a membership recruitment and retention expert...and that's not a bad thing, if what they're professing really works and solves the many issues facing private clubs. But does it?

There was everyone from golf professionals to website companies to electronic content providers; CPAs were miraculously transformed into market-

ing geniuses and even a 30-year pharmaceutical expert is talking about how to retain members in private clubs.

I've even read a book about membership, which recommended hiring a golf pro to be a director of membership; and we've had this debate with many board members who feel they also have an understanding of membership marketing and retention, because "I've been a sales person all my life."

So! Do they really have an understanding of their private club's issues; do they have a bundle of tricks or tips in their back pocket, do they or a membership marketing process that will really solve the recruitment and retentions issues facing clubs today.

Recruitment and retention is not just about a 'weak' economy, although difficult times can present new challenges – revealing cracks and fissures; they magnify problems, unseen, unrevealed and ignored in more prosperous times.

But these "times" do provide the motivation and collective will to face up to problems and seek out meaningful change, and the CMAA conference, certainly did focus on what's best for clubs today. The problems haven't been ignored, but my genuine concern is in some of the solutions being offered private clubs today.

Many in our industry are simplifying the structural problems within clubs and their solutions are cosmetic...band-aid solutions at best.

Times like these require strategies...not reactions. We don't have all the answers, but do have points to ponder...ideas to consider.



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As an executive director of the Professional Club Marketing Association with over 500 directors of membership across north America we need to have a clear revenue and member management strategy focusing on revenue, best practices and strategies encompassing usage, retention and recruitment.

Remember, recruiting is important, but keeping your members is most important because it costs less to retain loyal members and they're more likely to use the club on a regular basis and push recruitment by referring friends to join. That's still a number one strategy for recruiting...members recruiting new members.

And it must be a revenue strategy that's renewable and adjustable.

I'd be naïve in suggesting that directors of membership or membership marketing directors should teach members how to golf. But the fact is, a membership marketing director, particularly a Certified Membership Professional (CMP), undoubtedly is as well trained in their chosen area as a golf professional is in teaching golf.

Hundreds of director of memberships have earned their knowledge from

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attending annual PCMA national conferences, completing membership marketing courses and through the on-the-job experience that follows.

PCMA is now in its 15th year, and approximately 350 directors of memberships have earned their CMP in the association's certification program first started in 1999. A CMP is earned by completing nine courses (some one-day, some two) offered by the Membership Marketing Institute (MMI) at the annual PCMA conferences.

Unquestionably director of memberships can better serve their clubs through recruiting, developing orientation programs for new members, encouraging club usage and working ardently at helping the club retain these members.

So why do people on the outside when looking at these membership marketing directors seem to think this

whole process is so simple and uncomplicated. Well, often it's because people don't want to open their minds to what's really required and/or they really don't even know what the job entails.

Realistically, the position involves strong marketing experience, public relations skills including both internal and external communications, sales, and membership selling skills and of course networking. That's a key aspect, developing long-lasting relationships that can bring honest value to the position.

Another key component is the execution of new member orientation, which often extends for a year or more. It's vital that the membership marketing director help new members immerse themselves in the club's culture, develop relationships and friendships and encourage use of the club's facilities.

If that doesn't happen, it becomes all too easy for "new" members to leave their new club because they've

just not become involved and no one has helped them get involved in the club life...the "friendly inclusion" factor.

Yes, the weakened economy is a big part of what we are going through but many of our membership problems, which started many years ago, have nothing to do with the economy.

Changing demographics and the failure to act, competition from other golf course and restaurants, tax issues, legacy members not joining, lack of amenities wanted by new members; older members now less loyal, a lack of time, a decrease in members' usage, shrinking market, pricing precursor, and changing cultures have all raised an ugly head.

And the good news? *There are solutions.*

First it's important to remember membership issues are complex. There's no silver bullet but multiple tasks done over a period of time by membership marketers who understand member usage, recruitment and retention.

Unfortunately some clubs are making the decisions to cut marketing dollars, and not hire a membership expert, while going down the path of member assessments and increase in dues, for example.

Some clubs have embarked on external mass marketing hurting, impinging on their exclusive status with gimmicky giveaways, "bribing" their members to refer potential members, and discounting initiation fees for the sake of discounting only.

What is obvious is the lack of a long-term solution! We certainly don't know all of the answers but we do have some ideas for your consideration.

Along with an ailing economy, the lack of a membership strategic plan at some clubs bears some blame. A membership strategic plan that lives through the many board changes over the years is imperative, even if there are adjustments over time.

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Here's what I call BRMP – Boardroom Membership Program...a catalogue of 10 disciplines.

1. Evaluate where your club is today! There's a need to better understand your member's reality. What's the effect of your initiation fees on potential members? Is your club placed strategically within your community, and among your competitors? What are your club's demographics today? Are they changing? If so, what do you do about it?

Is there sparse usage of your club facilities? Are you providing the amenities and benefits that members want? Or you are catering to a small minority of club members. Is your club culture 'alive'? Are you having problems retaining members because of the weak economy, lack of amenities, lack of usage by members, who feel they can better spend their dollars elsewhere? Are you communicating with your members to learn and know how they feel?

To know what your club must do to recruit and retain members, and encourage use of club facilities, answers to these questions are imperatives!

2. Your club needs a revenue czar...a director of membership! Your club needs someone who actively seeks revenue, not someone who's looking at ways to cut costs, but someone actively spearheading the drive to find new members and new revenue. And it should be someone focused on membership recruitment and retention 100 percent of the time, not an administrator who doesn't have the time to seek out potential members, with a title only. It's such an important position that clubs must take it seriously.

Ten years ago, fewer than 100 private clubs had director of memberships actively recruiting new members. Today this has risen to about 2,000 directors of memberships with the mandate of recruiting new members at clubs across the country.

Granted, referrals from members are the best potential for new members, but in a day of new competition, a "different" economy, director of memberships can be worth their weight in gold. Think about it! Most everyone on staff at a private club is an "expense." The director of membership focuses solely on revenue. What can be better than that?

3. Institute a retention chair. A person, perhaps with a small committee, who will collect and review your member intelligence, such as exit interviews with people who leave the club can provide invaluable information.

It's necessary to find out why they are leaving – economic, lack of facility use, moving etc. And if necessary, this person should go back through the club's invoices to see if there's a pattern to a member's spending.

For example, lack of usage is often a precursor to a member leaving the club. It may be possible to intervene to understand more fully the reasons why a member may want to leave, and whether or not a person's mind can be changed, or whether the club must address issues, which can often potentially affect other members.

Certainly there are uncontrollable reasons – death, a move to a new city, a loss of job, but if a person or family is not using the club, you want to know the reasons why.

If the club's no longer "relevant" to them, or they don't feel connected that's all the more reason for a "strong, relevant" orientation program. Know what your members want!

It's also a requirement that this person manage an "ambassador" program in which "ambassador members" connect with other members, and assist in overseeing, evaluating and modifying the club's benefits to align with members' current and evolving needs and wants.

In fact, it's likely a good idea for these ambassadors to regularly call on new members especially during their first year at the club, to get and keep them immersed in club activities.

Bottom line: If there's the likelihood of a person leaving the club, you want to know why, and as soon as possible. And in the meantime get programs established that actively work on keeping members involved and happy.

4. Staff training regarding member usage, retention and recruitment. Recruitment at your club must go on 24/7 and everyone, including all staff members should be involved in the membership process. This means training staff so they understand where the club's membership opportunities really lie.

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5. Communication. It's a major requirement today that clubs embrace technology, not only to and for current members, but also for past members.

There must be communication about the club's benefits, how it affects members with allowance for feedback from members. The two-way communication is vital.

And it's also necessary today for clubs to have email addresses for all members, including spouses. In fact, it's probably a good idea to have a primary and secondary email address for your members. For example, if a golf member's main email address is a "work" email address, ask for a secondary email address at the member's home. This allows other members of the family to stay tuned in to what's happening at the club, and it also serves as a backup to the member's primary address.

6. A minimum one-year new member orientation program. Since many new members may not know anyone at their new club, a strong orientation program is a must. It's necessary to help new members develop their "roots" at their club, by better understanding the club culture and learning about programs and facilities. And to reiterate, institute an ambassadors program whereby

club ambassadors keep in touch with new members, following their orientation, to keep them active and involved in their new club life.

7. New staff orientation program is vital if we want success. Staff must know the club culture, know the members and provide members with the ultimate "service" experience.

It's the intangibles that will win new converts, and a strong, dedicated staff is one major reason why members will refer their friends as potential members of the club. If you can't get your staff to explain the benefits of the club, how can you expect your members to explain them? A strong staff orientation program pays dividends.

Staff must know the club's history and culture and amenities available to members. Forget the adjectives..."it's so beautiful...the course is in pristine shape."

Tell stories – staff stories, people stories (why people have joined; what they like to do; their favorite gatherings) that give credence to all aspects of the club. This is how people can learn about not only the club, but also its people, both staff and members.


8. A board-selected membership chair with marketing experience. It's vitally important the club's board of directors initiate a membership chair. In many respects, this position is likely as important if not moreso than the board president. Remember the *membership chair* ties in directly with the *revenue czar* or *director of membership*.

And the membership chair, working in cooperation with the "retention chair" must be fully aware of member recruitment, retention and usage of the club to ensure that the club's membership marketing plan is on-point with its message for both internal and external marketing.

This person must ensure documentation of the club's valuable institutional memory to fully understand the club's history, culture and past decisions, which may require consideration in future board, management and club deliberations and decisions.

9. Strategic plan. This is the private club's "bible." A strategic plan today is an absolute necessity as the club's guide to the future. It's imperative for a buy-in of the strategic plan by the club's board of directors because it not only helps eliminate the personal agendas of some board members, who often will push for pet projects which may not be to the benefit of all members. With a strategic plan, members also know clearly the priorities of the club in future years.

10. Marketing and education budget. I believe strongly that marketing and education should be a prime thrust of a private club. Allowances should be made for the continuing education of the board, executive staff and other staff members. The recruitment of new members, reten-



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tion of members now currently at the club and usage is especially important in these times.

Retention is probably more important than recruitment for three reasons. One, if your club has member retention problems, your club like has larger issues than just the economy, for example, the lack of a club's mission and vision; member benefits which offer little to current members and a "tired" leadership.

And if your club faces retention problems, there's a need to work harder on the recruitment side to replace those members who do leave.

Secondly, The status quo can kill. Clubs admitting they have a problem – like retention of members – and then not making a decision to do something about it, is their biggest problem. Be proactive...not reactive.

Third, clubs need to develop a different mindset, a shift in the way clubs think about and approach membership usage, recruitment and retention through marketing efforts.

Without this turnaround in thinking- even the best marketing tips, tactics, and techniques will do your club little good.

Long-time benefits escape detection as the main culprit often because the board consists of long-term members, who only still see value in the benefits they've enjoyed not necessarily something new. That means there's little consideration for what new members, particularly members with families may want.

Loyalty to the club with declining value blinds them to the superiority of new and perhaps different benefits. They're out of tune with today's members and families who have a completely different set of needs and wants.

There's been no consideration given to what the club's present day mission and vision should be so that the club can attract new members while still retaining those long-term club members.

Because the club may lack compelling member benefits new members have no compelling reason to join your club. No question, we need to better understand our market, and that's something director of memberships can do for your club.

Much of this can be accomplished through a director of membership's continuing education for example, at the PCMA Annual Membership Conferences.

Lead generation, membership recruitment and retention, the whole package, is a process not an event. It's 24 hours a day 7 days a week by everyone at the club...the board, the GM, director of membership, members and staff...and these conferences become a focal point for learning, for better understanding private club requirements, what's involved in recruiting, retaining and encouraging usage at a private club.

Everyone, not just directors of membership need to fully understand the club's underpinnings.

PCMA this year is planning two membership conferences – September 13-15 at Long Beach, CA and November 9-10 in Orlando, FL. That's how important we feel it is to address the recruiting, retention and usage issues at our private clubs today.

The PCMA conference and its education will deal with all 10 steps and much, much more. There are sessions for the directors of membership, the membership chair and club general managers.

With all three present at these conferences, they will be able to go back to their clubs with ideas, enthusiasm and a plan of execution.

PCMA has a special package designed for all three to attend...one new member's dues for the first couple of months or less will cover the cost. Make plans to be there, it'll pay your club dividends.

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, ext. 4 or 105 or via email: johnf@apcd.com



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