

Strategic Planning

Adrian Edgar on behalf of Golf SA

Strategic Planning

Is a rigorous process to determine:

1. Where your club wants to head
2. Where it is now
3. What it needs to do to get there (strategies).

Strategy: What is it?

Its a commitment to pursue a particular set of actions to:

- Compete successfully
- Attract and maintain loyal members
- Improve member value

“A distinctive strategy sets the club apart from its rivals and yields a competitive advantage which is the surest road to above average performance.”

Strategy: How do you go about it – the strategic planning process

1. Identify the club's mission (Mission Statement)
2. Develop a strategic vision (Vision Statement)
3. Set Objectives (financial and strategic, short and long)
4. Carefully analyse the club's operating environment – competitive, internal and external
5. The choose your Strategy (typically several key strategies)
6. Meld the chosen strategies into an article for the newsletter (the Strategic Direction) and seek feedback from members

Important note: The process is iterative

1. Mission Statement

A mission statement answers the question:
Why does the Club exist.

Most golf club mission statements are similar
to:

*To provide the opportunity for members to:
play golf on a course they can enjoy, in a social
environment that creates friendships.*

2. Vision Statement

A vision statement describes the Committee's aspirations for the club in the future.

Remember, strategic planning is an iterative process so while you may start with a particular Vision, it may need to be amended as you go through the process or at the end.

3. Financial Objectives

Possible financial objectives (in percentage terms):

- *Increase in total annual revenue*
- *Increase in annual profit*
- *Profit margin (profit over total revenue)*
- *Increase in subscription income*
- *Surplus cash over a period(s)*
- *Accumulated cash*
- *Profit margin on catering*
- *Guest/visitor green fee revenue*
- *Sponsorship and Advertising revenue*

3. Strategic Objectives

Possible strategic objectives:

- *Membership numbers (FMEs), numbers in age brackets, mix, etc*
- *Course rating (by members or industry)*
- *Membership satisfaction rates*
- *Better reciprocal arrangements than rivals*

4. Operating Environment

- a) The golf industry
- b) Competitive forces
- c) Key success factors
- d) Internal: Strengths & Weakness
External: Opportunities & Threats

4. Operating Environment

a) The golf industry

<http://www.golf.org.au/research>

4. Operating Environment

b. Competitive forces

In the case of golf clubs, competitive forces come from:

- the bargaining power of potential members
- substitute products (lawn bowls, cycling, etc)
- rivalry from other clubs

4. Operating Environment

c. Key success factors

- Well known and respected brand
- Controlling quality of your golf course
- Controlling quality of your clubhouse products and personal service
- Supporting social interaction
- Meeting member expectations

4. Operating Environment

d. SWOT

Strengths and Weaknesses:

Opportunities and Threats:

In the golf market in your area.

Politics, the Economy, Social trends,
Technology, the Environment,
Legislation.

Using the SWOT

Use identified club STRENGTHS to:

1. Build on Strengths or Address Weaknesses
2. Pursue Opportunities
3. Lessen the impact of important Threats

Drawing conclusions from the SWOT

What are the ISSUES that arise from the SWOT

- Describe the issues succinctly in a sentence or a short paragraph
- Frame the issues as a question – begin with What, How, Why, Where, When or Who
- And record the agreed consequences of not addressing the issues

Strategy

The issues that arise from 'using the SWOT' should then be delegated to various task forces or sub committees to work up potential solutions (strategies) for consideration and approval by the Committee

Michael Porter's Generic Strategies

- Low cost leadership Strategy
- Differentiation Strategy
- Focus Strategy

Low Cost Leadership

Nobody does it cheaper

Emphasis: Keep costs to a minimum, no frills, high productivity

Marketing: Budget prices

Differentiation

Nobody does it better

Emphasis: Create one or more points of difference

Marketing: Ours is better (than theirs)

Focus

Made especially for you

Emphasis: Doing something that is especially appealing to your target audience

Marketing: Ours meets your needs better

4th Generic Strategy

In recent time, a fourth generic strategy has been added – ‘Best Value’ (or best price)

Emphasis: Best value for money.

Good quality at a reasonable price.

The Reality of Strategy

It has a tendency to evolve over time as a result of the club being both proactive (strategic planning) and reactive (to events that occur).

The Criteria to determine whether you have chosen the best Strategy?

If it:

- fits the Club's situation
- helps the Club achieve a competitive advantage
- results in better performance

Strategic Direction

The final step

Once the strategies have been decided, weave them into a newsletter articles (a flowing narrative not dot points) including the reasons for the strategies/initiatives and seek feedback from members.

Strategic Planning

by Adrian Edgar

References:

Porter, Michael 1985, *Competitive Advantage – Creating and Sustaining Superior Performance*, The Free Press.

Thompson and Strickland 1987, *Strategic Management - Concepts and Cases*, Business Publications Inc.

Thompson, Strickland and Gamble 2010, *Crafting and Executing Strategy*, McGraw-Hill Irwin.

Bryson, John M 2011, *Strategic Planning – For Public and Non Profit Organizations*, John Wiley & Sons.