

# Effecting club change

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Clubs, more than ever, are challenged to think beyond the norm and adapt to the needs of the future. This is because change in society is happening faster than ever. But effecting change in clubs can be very difficult.

Part of the reason is that members generally like their club the way it is. Time conditions members to the rhythms of the club. As well, clubs operate in a unique business model. Members (customers) own the club and also run the club (the business), through their own volunteer board and paid management. This unique model, if allowed to, can become messy. It can also create a context whereby the club stays stuck in the past, gradually dying on the vine.

In this article, we'll look at a made-up club called Revamp Golf Club. We'll look at a common problem and explore a process of change. We'll apply John Kotter's 8 - step change model as outlined in his 1995 book, "Leading Change".

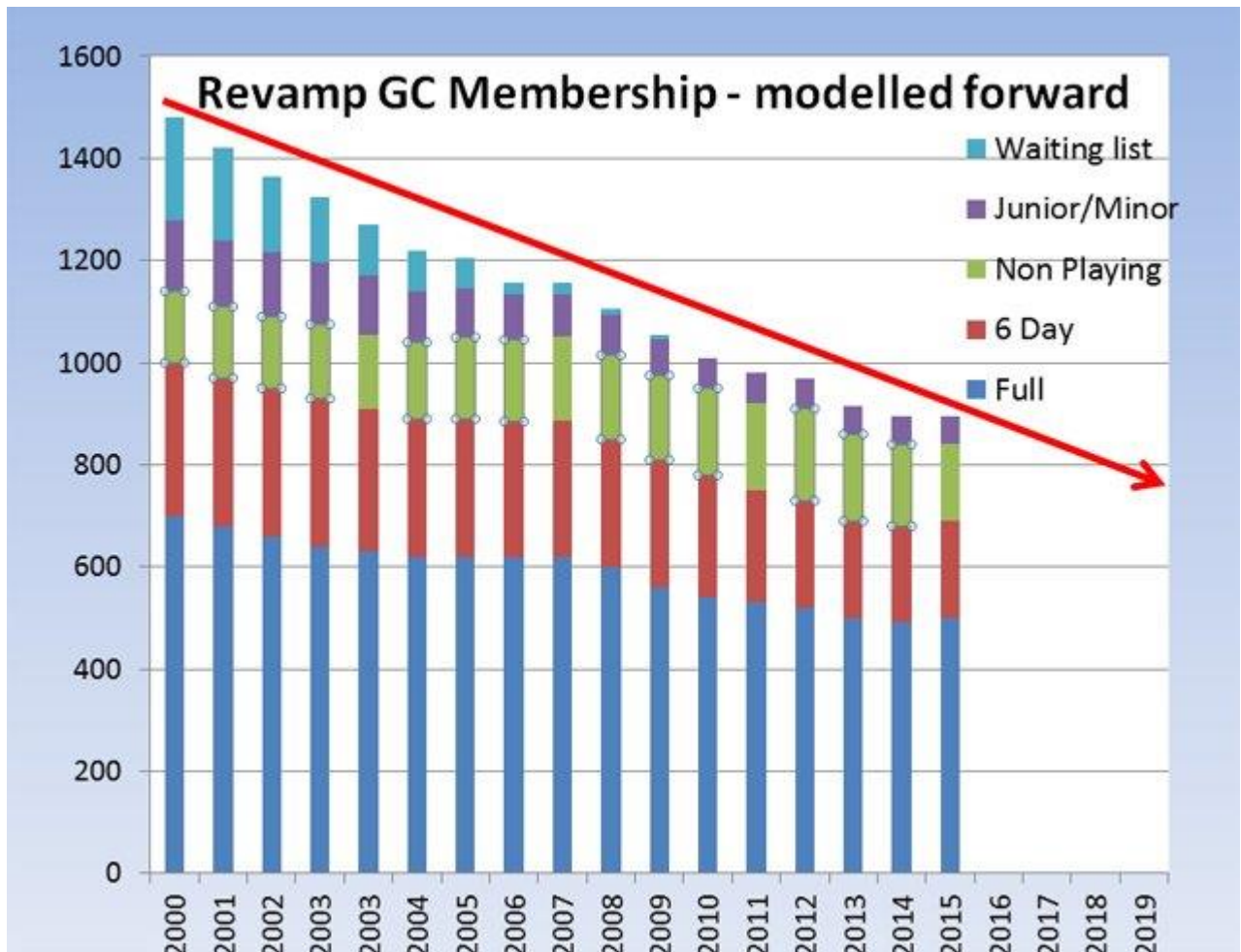
## Revamp Golf Club

Revamp Golf Club has been around since 1935 and has a proud history. In recent years, as part of its 2012-2015 strategic plan, the club had upgraded its 30-year-old clubhouse and many aspects of its course. The upgrades which finished in 2014, were well received. The club was looking its best in years. Following the works, the club had a debt of \$2.5 million.

The club increased subscriptions in the past few years and now believed it had a product to justify the levels of subscription charged. Despite this, membership revenue was declining and the club posted an operating loss of \$250,000 in the 2014/15 year.

There was no longer any entrance fee income. The club made the decision to waive entrance fees in 2010 when all the surrounding clubs had either reduced or waived theirs. Committee did some scenario planning. When looking at forecasts of continued declining cash flow a series of trigger points were established for spending cuts.

The core issue for Revamp GC was that its membership had been in slow decline for many years, despite a growing population in the area. Capital improvements and a focus on service were believed to be the catalyst for rejuvenation, but so far this hadn't happened.



From Chart 1.

In 2000, Revamp GC had 1,000 members in the Full and 6 Day categories. The trend suggested that by 2016 it would be dipping under 750 members and to 600 members by 2019. The only category that was growing had been non-playing which now had 200 members. This was partly a reflection of the ageing membership but in this category there were at least 100 members who were able-bodied but didn't play. There were not enough women and juniors in the mix. The average age was now 54 for men and 64 for women, which was 4 years older than a decade earlier.

The loss in playing members was hurting the bottom line. Losing 250 members in the Full and 6 day categories was the equivalent to \$600,000 p.a. in subscriptions.

Based on course usage timesheets, the committee estimated there was capacity, without crowding the course, for up to 150 additional playing members with full access rights or 300 with limited access rights.

### Strategic Planning

It was time to update the strategic plan for the 2016-2019 period. The committee knew it needed all committee and management to fully participate in the process to get this right. For a relatively small amount of money, an independent facilitator was engaged to run the process. It was decided to hold the strategy workshop offsite as a way to clear heads and gain perspective. In advance of the strategy workshop, two important preparations took place. Firstly, the GM fully utilised resources available on Golf Australia's club support portal. The GM, along with the captain and president, undertook the online club health check tool. It took only 20 minutes to complete and generated an instant report with a suggested action plan and summary of priority areas for the club to consider. Based on answers provided, it indicated the club

needed to get its governance in order as a key driver for success. It needed to establish: its vision and mission, have committee understand its roles and responsibilities, ensure it follow a set of policies, involve key stakeholders in planning and create structures and timeframes for implementing strategies, reporting and monitoring of progress of plans. Most of this had never happened in the past.

The GM downloaded a number of key documents from the club support web-site for committee to consider and implement. Under the heading of governance, these included: role positions and role clarity, committee charters, committee code of conduct and annual self-assessment. For too long committee had taken a passive approach to succession planning. Volunteers were hard to come by. There were step by step guides on the Club Support web-site to help rejuvenating committee to attract high calibre candidates.

Completing the club health check and downloading templates from the club support portal was a very useful exercise in preparing for the strategic planning workshop. The second important preparation was the facilitator's attendance at two general committee meetings as an observer. This was on top of background research which included reading through minutes and reports from a number of meetings. The facilitator wanted to see how the committee and management operated. Not surprisingly there was a lot of opportunity for improvement.

The facilitator observed that, whilst mostly well motivated and with good intentions, the committee wasn't working as a team. One or two seemed to be pursuing their own agenda (or their friendship group's agenda). There was evidence of pet projects by the more dominant committee members, interested in leaving their mark on the club. There seemed an obsessive focus by one committeeman on low margin food and beverage to solve the club's financial problems and yet others seemed overly interested in a perfect golf course. Management seemed browbeaten and passive. Arguments and distractions that weren't particularly strategic, were hampering committee and management productivity. As a committee it was not overly transparent with members.

Committee weren't asking enough open minded forward thinking strategic questions. Little time was spent exploring options as a means of understanding strategic issues. A number seemed to have a fixed point of view on a number of topics, hence statements very much ruled over questions. There was a disproportionate amount of time reviewing operations and rehashing old issues.

Management provided lengthy reports on a range of sub-committee topics but there wasn't clear correlation with reporting against progress on aspects of a strategic plan. Part of the reason was the previous strategic plan was limited in its scope and heavily weighted towards capital improvements. The reports were being written so long so as to appease the detailed enquiry of individual committee members. Management's decision making was overly justified in the reports. The facilitator could see that all this writing must have been time consuming. As well, the facilitator noticed the GM had to play things safe and delegate a lot of management decisions upwards to the committee. The context for accountability was unclear.

There was inadequate understanding or focus applied to the fundamental board responsibilities in the areas of finance, audit, risk and governance (FARG). Due to too much attention on the wrong things, there was not enough time for attention on the right things. No policies were referred to in discussions. Committee had never thought to monitor its own performance and undertake a self-assessment exercise.

### **The workshop**

At the workshop, the facilitator utilised the "GMA Green Book – The essential guide to strategic planning for golf clubs" as a framework for the planning process.

All in attendance were asked to metaphorically empty their glass and clear their minds. Everyone was to be given opportunities to speak and everyone would practice their listening skills. No one was to dominate.

The committee gave some good answers as to what they thought their role at the club was; to govern the club, to implementing the strategic plan and to serve the members. Borrowing a line from Steven Bowman of Conscious Governance, the facilitator suggested the committee also consider the definition of "To make the decisions that create the future, for the communities we serve". Committee members were asked to analyse the definition and in particular the term, "communities we serve". The Committee began to think deeply about the club's membership and identify lots of segments within the membership; men, women, new women, mixed, juniors, Thursday players, Saturday players, different cultures between age groups and genders. There was also segmenting on usage rates with; regular users, moderate users and occasional users.

The Committee thought more broadly about Revamp GC's place in the modern club environment. The club's community included more than just members. It included: visitors, corporate groups, function groups, school groups, local residents, sponsors and, importantly, potential members and their families. These too were significant communities and the committee realised how little it knew of them, their wants and needs. There was a big opportunity to understand these groups.

Overwhelmingly, the committee's focus in recent years had been on improving facilities and services, things that benefited the 'regular' members. Despite these being important members, it had been inward looking. It realised that although it had a strategic plan it wasn't being strategic. To exert more control over its destiny it had to become outward looking. In light of the discussions the committee reviewed the club's reason for being – the difference that it makes in the world. It wanted to be a fun and inclusive club providing great golf and social experiences. This led to identifying the club's values which would be core priorities in the club's culture. The key values were; inclusiveness, adaptability, fun and family.

To really understand this, committee and management were asked to spend time unpeeling each of the elements and describing with examples what this actually looked like, not just from the club's perspective but from the perspective of various other community groups. The club had to create great experiences for all, not just the regulars.

The committee realised it needed to create conditions to deal more effectively with the future. It had to find a way to adopt a more systematic approach to change, to maintain the wonderful culture and traditions of the club, whilst being agile for the future. Preparations would need to be in place to allow change to happen and to manage resistance to change.

The recommendations of the club health check report coupled with the facilitators observations were the wake-up call the committee needed. It led to an open conversation where all agreed to commit to better board workings.

There was agreement to let the GM manage and for the committee to make efforts to fulfil the true committee responsibilities and to stay out of micro issues. It was understood that no individual committee member has any powers, except through the General Committee. Also, the committee determined it would make more effort to arrive at evidence based decision making. The GM would be encouraged and supported to fully utilise the GMA benchmarking tool and insights from industry reports to provide feasible options for committee to consider on a number of areas. Emotive, or here-say decision making, would be a thing to avoid.

### **Membership - the biggest club issue**

The workshop established six strategic issues for the club with membership being the biggest one. Subscription income was by far the biggest figure in the club's profit and loss statement. As opposed to food and beverage income, that was highly geared to cost, subscription income went

to the bottom line.

In analysing the club's membership decline, committee acknowledged it had an inadequate understanding of membership issues. The non-playing category had most often been the exit lounge for members resigning from the club, whether young or old. Members would drop back from the Full or 6 day category to the non-playing category. The club hadn't paid attention to members with low usage rates who clearly presented the highest risk of leaving. Most were able-bodied but had lost the time or interest in regular golf. They'd spend a year or two in non-playing before resigning.

When members left the club there hadn't been enough enquiry as to the reasons why or to encourage them to change their mind and provide an incentive to stay. Committee and management had been busy attending to the projects to upgrade facilities and on servicing the many needs of the regular members, whilst the membership slide continued.

Clearly, the existing categories of membership were too rigid and did nothing to acknowledge the golf participation drivers that change throughout people's lives. Though many people love golf, it is simply not a big part of their lives at different stages.

The committee had discussed in the past the need to create more flexible membership options as the balance was far too much in favour of the high users in the Full and 6 day categories. As the last 15 years had proven, this traditional membership model had the club on a long pathway to irrelevance. But decisions on creating more user-based categories hadn't eventuated because of long held fears.

One fear was of upsetting the regular playing members, to whom the status quo suited. (Some felt a major change like this would never get through the members). Another fear was that flexible categories may actually cannibalise the existing Full and 6 day categories, costing the club its most significant subscription income. This fear existed despite flexible categories never being fully modelled and tested. These fears were coupled with the belief that flexible membership offerings could be avoided if the club improved facilities and services. So far, this wasn't the case.

The GM got in touch with state level club support & development officer who provided more information on flexible membership options, marketing and membership ideas and industry reports.

They discussed the operating environment that the club operated in, the competition in the area from golf and other recreation, the competitive advantages the club could better utilise and the golf development programs that could be implemented. The club had to make up its mind about what position it needed to have in the industry and put resources into creating its brand and focussing on this part of the market.

When reviewing a large range of membership models used at clubs, one particular example that appealed to the GM and chairman of membership. It was the flexible categories introduced by Bankstown GC in Sydney. Their advertised category offers for 2015/16 consisted of Offer 1 "Time poor golfer option", Offer 2 "Regular golfer option" and Offer 3 "Casual golfer option". The categories really spoke from the customer's perspective. The great thing was that they weren't discount offerings, just better packaged golf options that tailored the mix of: access to golf, access to competitions and the cost of competition fees to the needs of golfers. This meant that the membership options reflected the different life stages affecting participation and appealed to far more people, beyond the "regulars" or golfing traditionalists.

As a result of further research, new categories, with varying levels of access, were devised for Revamp GC to provide better value for money, entice new members and slow the loss of existing members. A new family category was added. The financials were modelled to project the impact on subscription income.

The GM liked another example of a category introduced by some clubs. It was a social play, that for a nominal annual fee, allowed non-members access to play the course out of competition time, for half the normal green fee price. It created a connection with a future membership. The club embraced Qantas Golf Club and opened up tee times for members of this club. When Qantas Golf Club players visited, it was an opportunity to promote memberships to these people. From here the club could engage with these visitor players, give them great experiences, get them socially connected with the club and members and incentivise them to membership.

With the help of the club support officer, an online survey was developed to test the proposed new categories with members and non-members. Very useful feedback as to the options was received and adjustments were then made to the financial models.

The GM started to build a database of the club's contacts in its various communities and use it as a means of developing relationships through regular news updates, special offers and come and try days.

### **New Focus**

The 2016 – 2019 strategic plan developed a new focus on the most important aspect of the business, the membership and how activities could be designed around maximising membership outcomes.

All plans were designed to cascade from strategy to numbered action plans to operations to job descriptions and KPI's. Plans were supported with clear targets, completion dates and accountabilities. The committee's monthly agenda was redesigned around its monitoring of the strategic plan as was reporting by management.

The club had to continue to improve and it started at the top. A budget was put aside for training. For too long it had been like a car that was never taken in for a service. Governance training was made available for all directors and management, to enable the committee to operate at optimum levels. A budget was restored for management and staff training to allow the opportunity to keep improving.

With the introduction of templates from the club support web-site, committee roles became clearer. The days of individual pet projects and agendas was over, as was micromanagement. In addition to monitoring the strategic plan, the board focussed on fulfilling its responsibilities on finance, audit, risk and governance (FARG).

Committee and management now viewed the clubs membership needs more holistically. Membership recruitment and retention strategies were embedded into everything the club did.

Special social events were designed to encourage members to invite prospective members in order to build social connectedness, the glue to keeping members. New members were integrated into the club through these events. These events had to be above the norm in terms of quality and fun. Any notion that these events needed to break even or make a profit was dismissed. Catering and entertainment were subsidised by subscription revenue, a minor investment in context with the need to attract new members.

Another investment the club needed to make was bringing new people into the club, particularly family men, women and juniors. The biggest social events were planned in October to coincide with GOLF MONTH and the course being in great condition. The club didn't want to miss the opportunity to leverage off GOLF MONTH's national marketing campaign. The club used the campaign's branding in publications which came with the catch phrase "rediscover your drive". It added to the national advertising campaign with its own localised campaign to re-engage lapsed golfers.

More resources were given to the club's golf professional to allow him to drive the Swing Fit program to attract more women, and the MyGolf program to attract more kids.

The GM rearranged the priorities of the administration staff around the needs of membership. A new member nurture program was introduced to track the activities of new members and keep close contact within the first two years when there is the highest vulnerability to resignation. A number of new member related initiatives were introduced:

- a) member engagement tracking – following activity via GolfLink rounds and point of sale purchases;
- b) member loyalty recognition - for milestones such as first 50 rounds, anniversaries of membership, as well as;
- c) birthday wishes with a card with club best wishes and a discount on a birthday lunch in the month.

### **Kotter's 8-Step Change Model**

Committee felt far more aware and in control of the issues, but there was still apprehension as to the way to lead change for members in the area of redesigning categories to a flexible structure. Kotter's 8-step Change Model was adopted to assist change.

#### **Step 1. Create a sense of urgency**

The committee's strategic planning workshop highlighted there was no time to wait in reversing the membership decline. This message needed to go out to members. The committee agreed on the importance of maintaining the momentum and creating a process to spread the need for change.

#### **Step 2. Form a powerful coalition**

The facilitated workshop had allowed committee and management to gain clarity on the issues and align behind the case for change. Everyone was committed.

The committee knew it was breaking new ground at the club. It identified influential members to become part of a coalition of advocates for the change. This included the women's committee, past captains and presidents and women's captains and presidents, members co-opted on existing sub-committees, co-ordinators of events and off-course staff. As part of the club's communication plan, all key groups were engaged in initial discussions on the issues and forthcoming proposals.

#### **Step 3. Create a vision for change**

A clear vision was created in the strategic planning process and continued to take shape and evolve in the subsequent months.

The committee wanted a progressive and vibrant club. To achieve this, the club needed to open up and embrace the communities it served by providing categories that were flexible to the various wants and needs of communities that the club served. The committee articulated the club's values of: inclusiveness, adaptability, fun and family in the way it does business as a means of embracing its various communities.

As stewards of the club, committee saw its role as maintaining the wonderful culture and traditions of the club, whilst letting go of the heritage baggage. The old style thinking of protecting the club from the outside world was over. The club would not be seen as overly private and elitist.

#### **Step 4. Communicate the vision**

A very deliberate communications plan was developed. The key influential stakeholders, involved in initial discussions, assisted with the word of mouth support for the change. A members' forum was a chance to communicate the new strategic plan with its clear shift in emphasis on membership retention and recruitment. Members got the clear message that the old model wasn't working and was slowly bringing the club down. The chart (Chart 1) modelling the club forward to 2019 highlighted to members that to do nothing was not an option. The club would be faced with trigger points for cost cutting leading to declining facilities and services or escalating prices or a combination of both. The committee's openness with members meant the



issues were shared and trust was built.

The committee presented the vision for turning around membership (Chart 2). It presented the recommended changes in categories, supported by research that it had done in advance on uptake of new categories and the projected impact on the club's financial model.

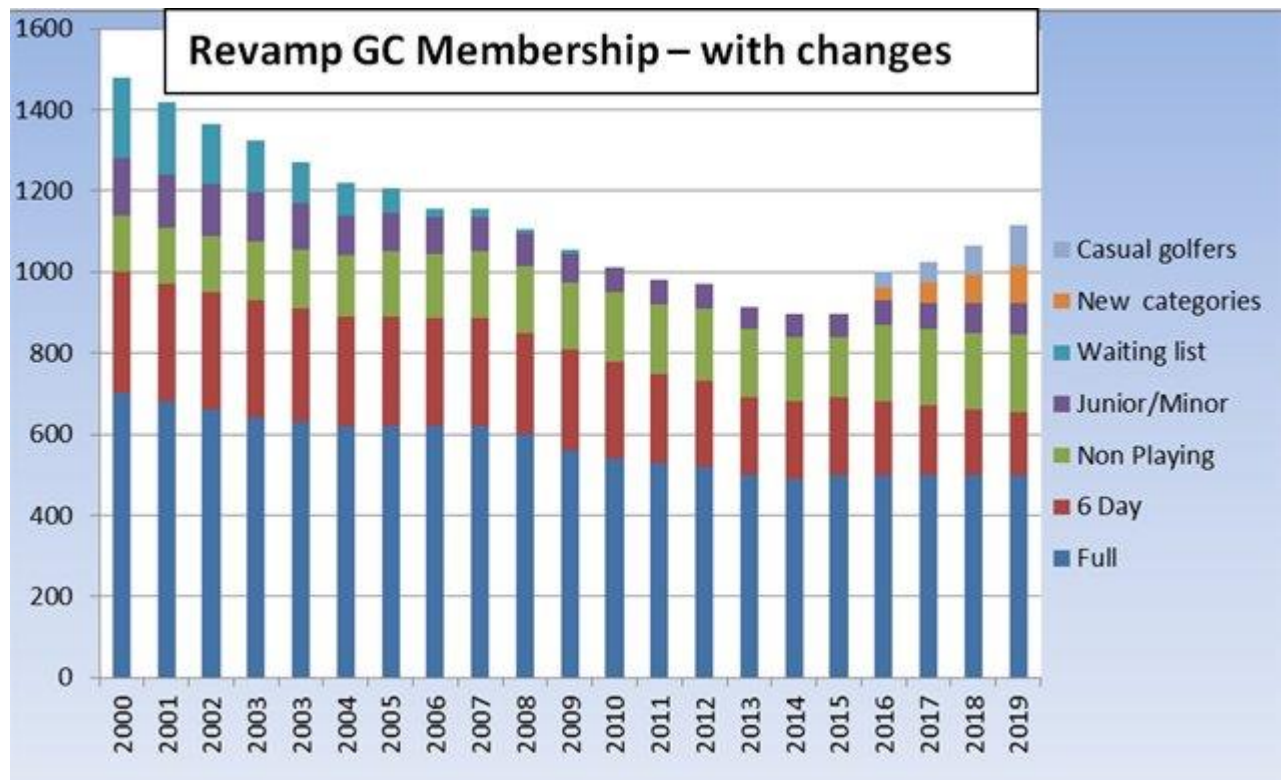


Chart 2.

The successful members' forum paved the way for the next step, members' formal support at an AGM.

### Step 5. Remove obstacles

The AGM vote achieved the required support and allowed the Constitution to be updated and the new flexible categories to be introduced; removed an obstacle to progress.

Resources were directed to implement a thorough and substantial annual membership program. New and flexible payment options were introduced, as well as incentives for early payment.

Resources were allocated to assist the head professional and junior co-ordinators to deliver the MyGolf and SwingFit programs as well as other golf development programs at the club. The club fully embraced and subsidised activities to leverage off the GOLF MONTH national campaign in October to reengage lapsed golfers. The SwingFit and MyGolf programs were designed to provide a pathway for membership. The club used the golf development programs as a way to attract new families to the club.

Social golfers were engaged through a special access and the engagement with Qantas Golf Club. The club was able to develop a database of social members who were also prospective members.

The club's special subsidised events, through its social calendar, became a big part of membership retention and recruitment.

### Step 6. Create short-term wins



The club demonstrated progress by informing members in the newsletter of the number of members taking up the new flexible category offerings. Over 20 members were instantly attracted to re-joining, now that they could see value in a membership category that suited. The number of members resigning reduced.

Members were kept better informed of membership numbers, successful open days, and new members were carefully inducted into the fabric of the club.

New members appreciated the support and interest they received from the club in their integration.

Social events soon gained a reputation as being outstanding occasions to attend and bring guests.

Members who introduced new people into the club were provided a gift of recognition.

The club showed a chart regularly which showed progress on the membership.

### **Step 7. Build on the change**

Each success provided the club an opportunity to build on what went right and identify what it could improve.

The club, by focusing on its most important measure of success, had more pathways to membership than ever before and great means of nurturing and retaining members.

### **Step 8. Anchor the changes in culture**

The strategic planning workshop had led to a better understanding of the issues facing the club. The improvement in governance meant the club began operating more effectively. Through the strategic planning process the actions of house, match, finance and marketing sub committees aligned to serve the broader segments of the club. Clear targets were set and all activities of the club aligned with the targets.

The club's shared understanding of membership recruitment and retention as its major issue saw a change in priorities and more resources flow to it. New systems and processes were embedded into the club's operations. Member service has expanded to become customer services as communities of non-members, too, are recognised as very important to the club. The club became better at communicating with member segments and outside communities and regular online surveys were undertaken to understand the different needs.

There was a lot of work to do but the club had turned the corner was on its way to a healthier future.

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