

The Private Club Advisor™

A PUBLICATION FOR THE DIRECTORS, OFFICERS, OWNERS, AND MANAGERS OF PRIVATE CLUBS

• FOOD AND BEVERAGE IS AN AMENITY •

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Of all the services and amenities that go into the member experience, food and beverage is crucial. Not all members play golf, but all members eat, therefore it is the most used and the most important amenity to members of every age. In a recent issue of *ClubTrends*, a joint publication of the National Club Association and The McMahon Group, Mike Morin of Club Benchmarking shared data documenting that food and beverage (F&B) is nearly as imperative as golf to private club members and is more important than swimming, fitness and racquet sports. It is pivotal in motivating members to join the club, use the club and determines their level of satisfaction with the club.

While dining is central in its appeal and use, it is the most challenging for clubs to get right. Members have differing opinions and high expectations. F&B is subjective, which is why most clubs fall short in achieving high member satisfaction in this area. Research suggests that 70 percent of clubs surveyed have dining program deficiencies and while an overwhelming majority of members say their club should be one of their favorite everyday places to dine, fewer than half say it actually is.

Morin explains, “The profitability of F&B, or lack thereof, is one of the most intractable debates in private club boardrooms. Heated discussions around why the club loses money in F&B happen every day, yet rarely do club executives question losing money on the golf course.” That’s because golf is more highly subsidized and F&B is expected to break even or worse, is expected to make a profit.

Club Benchmarking reports golf loses considerably more money annually than F&B, requiring a much larger subsidy of dues. One hundred percent of clubs subsidize golf and roughly 80 percent of clubs subsidize F&B. Yet club executives seem to accept losses in golf and continually question why F&B isn’t profitable.

Why the recurring F&B debate? Since everyone is familiar with dining in commercial restaurants, an unequal paradigm is applied to the club’s F&B operation. This often results in the belief that because both restaurants and clubs serve F&B, they are equal in the way they function. The difference between the two is in the fundamentals, according to Chris Barron of Club Benchmarking. For example:

- Is F&B treated as an amenity or a profit center?
- How many F&B outlets are operated? What hours are they open?
- What are service standards, quality standards and pricing strategies?
- Are costs of F&B covered through the margin on revenues (higher prices, lower quality, more banquet events) **OR** are F&B costs covered through dues subsidy (spreading the costs of F&B out more equally among all members)?

The answers to these questions significantly impact the success of the F&B operation at a club. F&B is viewed as the most important amenity by club members. Yet most clubs easily spend money on the golf course but struggle to invest in F&B. Barron says the reason behind it is perception and priority. Golf courses are often made to be the priority over needs such as updating kitchen equipment, staff training, resources, etc. You pay for what you get.

Ninety percent of clubs in the industry have a deficit in food and beverage. If executives at your club are scrutinizing your F&B profitability, their time would be better spent focusing on member engagement, improving service and enhancing member enjoyment.

● **THE IMPORTANCE OF SEARCH COMMITTEES** ●

To ensure success in filling top-level staff positions, establishing a search committee is highly recommended. Creating a smooth, effective and efficient process should be the goal for any club hiring for a key position. According to Kopplin, Kuebler and Wallace, the most important factor for determining success in filling a key position is the establishment and makeup of the search committee.

A separate search committee should be formed for each key position and its members should be purposefully and carefully selected. They should meet a certain criterion and possess a willingness to invest the time and energy required for the role. Sitting on a search committee is a responsibility that should not be taken lightly.

The composition of the committee should include five to seven members who represent various demographics of the club. Odd numbers are best in case of a tie and smaller committees are better because too many opinions hinder the efficiency of the process. Members selected should be frequent users and big supporters of the club. When searching for a key position such as the head golf professional for example, it would be ideal to include golfing members of all ages and abilities on the search committee.

Kopplin, Kuebler and Wallace believe the most vital element of any search committee is confidentiality. Search committee members must never reveal any information about the candidates or their current positions until it has been officially announced by the club. Even the slightest inkling to a friend who may know a candidate or someone at a candidate's current club could jeopardize the search. Candidates' jobs could be at stake and the club may lose good candidates or their organizational credibility through the process.

It is also essential to recognize that candidates will be observing search committee members to get a feel for the club culture and whether it aligns with their career goals. Members serving should be positive representatives who thoroughly enjoy the club. While the hiring of department heads ultimately falls under the GM/COO's responsibilities, including members in the process helps create buy-in and consensus on the decision.

● **WHAT IS THE FUTURE OF LUXURY?** ●

Luxury is no longer just about the product or service...it's about the feeling, according to Antonia Hock, CEO of Antonia Hock & Associates and formerly the global head of Ritz-Carlton Leadership Center. "For many consumers now, luxury is not what they can buy...it's what they cannot buy," she said. "It is about evoking emotions, delivering experiences that cannot be bought and creating memories." She believes luxury comes down to giving a person your time and attention to create something special, because no one can buy or get that anywhere else. Yet, most companies are still just delivering good service, while believing that it is an experience. This is missing the mark with luxury consumers.

In 2024 and beyond, flawless service will be the new normal, she said. Spontaneous "wows" are the new frontier. People want them and want them to reflect their story through immersive story telling experiences. Hock's research shows these differentiated experiences create strong consumer preferences that lead to higher overall revenues versus those that just deliver good service.

● **MEMBERS BECOMING MORE CRITICAL** ●

Clubs across the country have seen a rise in member behavior issues in recent years. As inflation and other factors have increased dues and initiation fees, a sense of entitlement has grown among members. Many clubs have reported members being disrespectful to staff and fellow members. In an article in *Club & Resort Business* magazine, one GM explained that members seem to have lost their sense of self-awareness and have become hypercritical of both fellow members and club employees.

While clubs have long been symbols of exclusivity and sophistication, there has been a noticeable decline in the traditional norms of etiquette. The deterioration of behavior is partly due to generational change and partly due to an acceptance of casual culture. Therefore, social rules, common etiquette and customs that once upheld decorum and civility have begun to decline. These changing dynamics result in condescending attitudes, rude comments and a lack of appreciation toward employees.

This sense of entitlement seems to lead to the belief that members are exempt from the consequences of their actions. Several GMs provided examples of rude behavior from their members across generations ranging from loud and obnoxious conversations in dining areas to ignoring dress codes to being overly rude to staff. In addition, fewer members are patient or understanding when the club is short staffed or if service is slow and often express their frustration.

Alcohol can worsen the situation and, in some cases, competition can spark heated arguments, inappropriate comments and drive separation between groups rather than foster unity among members. When a chef, the author of the article, was talked down to in the middle of the dining room by a member accusing him of serving canned goods and subpar food, he admitted he was motivated to seek employment elsewhere.

If these situations are happening at your club, you are not alone. But it is the responsibility of club leaders to address the behavior swiftly so it doesn't continue or have lasting impact on the club culture, the member experience or the club's ability to retain members and employees.

One GM chose to address inappropriate member behavior in a townhall meeting by saying, "Common courtesy is no longer common. We must foster a culture that embraces the men and women who provide services. Leadership requires intestinal fortitude, and as leaders, we must walk the walk. We can't say that all employees matter if our breakroom is located in a closet."

To focus on creating a healthy club culture, address member behavior by:

1. **Reinforcing etiquette.** Educate and remind members (and do it often) of the club code of conduct, appropriate etiquette, social decorum, club values and dress code.
2. **Zero-tolerance.** Have zero tolerance for disrespectful behavior toward staff or fellow members. Enforce consequences for breaches of conduct.
3. **Alcohol management.** Implement strict rules for alcohol consumption including mandatory service training and monitor distribution.
4. **Community building.** Promote a sense of community and inclusivity by organizing events that encourage interaction among members and foster a culture of friendship and respect.

As members actively seek increased value and experiences worthy of their financial investment in the club, executives must ensure the culture isn't damaged by entitled or unaware members acting badly.

● NINE-HOLE GOLF IS ON THE RISE ●

An article in *Golfdom* magazine recently declared shortened rounds of golf are rising in popularity. Josh Deal, regional operations manager at Bobby Jones Links Golf Course in Alpharetta, GA, says nine-hole rounds are steadily rising and soon will be the preferred way to play at their facility. The Bobby Jones Golf Course features a reversible nine-hole facility and while golfers can still play 18 holes, about 85 percent of rounds played in 2023 were nine-hole rounds.

Why are shorter rounds all the rage? Time is money. According to the article, it is appealing to golfers of a certain age or family bracket to sneak in nine holes without worrying about being away from family, work or other re-

sponsibilities for too long. A nine-hole round means the golf experience is short and sweet. It is more inviting to casual golfers who can commit to an occasional round and get some exercise outside with friends.

Experts believe the shortened round will continue its rise in popularity. It is a great way to introduce more people to golf and create an enjoyable golf experience. Shorter rounds also minimize traffic from a maintenance perspective, so courses may find savings in their maintenance budgets with an increase in nine-hole rounds.

The National Golf Foundation reported that 48 percent of rounds played in 2022 were just nine holes and courses likely will see an increase in shorter rounds in 2023 and beyond.

● **TIME FOR EVOLUTION?** ●

If your club still requires a primary member and a spouse to be designated for each membership, you may want to consider updating this practice. Younger generations may find it offensive to designate one person and to choose between the man being the primary member and the wife being the spouse, or vice versa. This can tarnish new member opinions of the club right out of the gate and cause feelings of inferiority for women, who tend to be the dominant decision makers in families today.

Many clubs have evolved so their memberships can be in both the names of the couple. Clubs that have made this adjustment are finding it to be a very welcomed practice that is appreciated by all members. However, this change does require some planning from club executives as voting practices must be considered and approval by the membership may be required by club bylaws. It would also be wise to identify how divorce will be handled and if there are any specific requirements to be addressed.

Wishing you a joyous holiday,

Jackie Carpenter, CCM
Editor

Eldon Miller
Editor-at-Large

TIDBITS & TAKEAWAYS

THE AMENITY CENTER... More clubs are adding what Chambers, an architectural firm, refers to as an amenity building. Sometimes called the family activity center, this building is separate from the clubhouse and caters to the recreational activities at the club. Most commonly revolving around tennis, pool, fitness, spa and children's activities, these centers focus on building community, creating a family-friendly relaxed atmosphere, enhancing wellbeing and engaging members outside of golf-related activities. This centrally located facility elevates the value and convenience for members.

RESOURCES

Club Trends, A joint publication by the National Club Association and The McMahan Group
<https://mcmahongroup.com/resources/club-trends>

Club Benchmarking, New Castle, NH
617-830-2570 – www.clubbenchmarking.com

Kopplin, Kuebler & Wallace –Scottsdale, AZ
www.kkandw.com

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Club and Resort Business Magazine
www.clubandresortbusiness.com

Info in the article "Nine Hole Golf is on the Rise" came from www.Golfdom.com

Chambers, Baltimore, MD – 410-727-4535
www.chambersusa.com

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