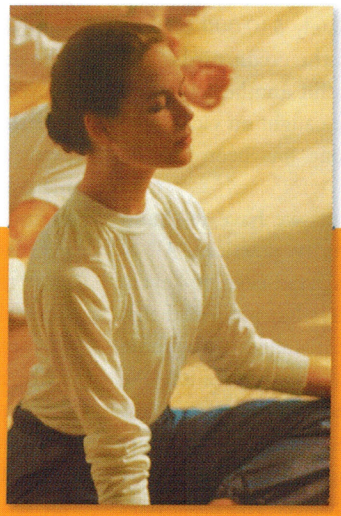
Gauging the Impact of National Trends

As part of a strategic planning process, Mike Leemhuis, CCM, CCE, CEO/GM of Congressional Country Club (CCC), with the help of consultants Fred Laughlin and Dale Lefever, sought to confirm which national trends were having the greatest impact on private clubs. To ensure the credibility of their data, they asked a large group of general managers to first identify the key trends and then rate each trend by its degree of impact on their individual clubs. Not only have the results been helpful to the CCC planning team, in this article Leemhuis makes them available to Club Management readers.

12 TRENDS



1 Changing diets and food preferences:

There is increasing national interest in healthier, more nutritional diets with menus featuring heart-healthy, locally grown, low-fat, low-carb, gluten-free and other specialty foods.

2 Increased interest in fitness:

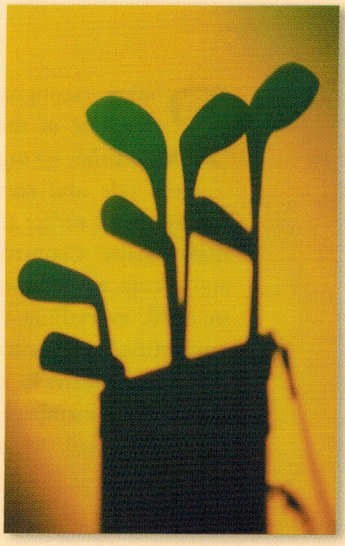
As part of adopting a healthier lifestyle, club members are looking at a wide range of fitness techniques, such as personal training, pilates, yoga, the Wii, spinning and aerobic dancing.

3 Intergenerational issues:

Longer life spans and the oncoming wave of the baby boomers, now averaging 64 years old, have lengthened the age gap between younger and older members and challenged clubs to serve multiple generations that have quite different perspectives and lifestyles.

4 Flat growth in golf:

In contrast to the decade of growth in the number of golfers and rounds of golf, the past few years have seen at best a flattening in both statistics and even a downturn in some areas of the country.



5 Emphasis on being green:

Global warming, water quality and conservation, protected wetlands and habitats, use of pesticides and herbicides, and related "green" issues continue to motivate clubs to be more sustainable with their water and energy and to be mindful of their overall environmental impact.

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Building upon Success

Every aspect of CCC speaks to its prominence in the private club community. From its beautiful setting just outside the Washington, D.C. Beltway to its sizable backlog of applications for new memberships, there are many reasons for the CCC leadership to be content with the club's current situation. So why would such an obviously successful club need a strategic plan? Why wouldn't its leadership simply stay the course that has kept it among the most prestigious clubs in the world?

"While we take great satisfaction in our success to date," said Leemhuis, "we need to invest in ideas that will keep us responsive to our members. A well-developed strategic plan will inform our decisions going forward

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and position us for whatever the future has in store. We want to stay among the leaders in the private club community."

Planning Process

In April 2010, the CCC Board of Directors formed a planning group comprised of its immediate past president, its current president and a prominent board member to work with Leemhuis to select a strategic planning process as well as consultants to facilitate the steps in the process. The group hired the team of Dale Lefever and Fred Laughlin, whose approach to strategic planning had proven effective across a variety of nonprofit organizations, including country clubs.

"Fred and I were impressed with the CCC board's commitment to the planning effort," Lefever said, "especially in light of the club's obvious accomplishments. We too often see organizations launch a strategic planning project in response to currently pressing problems. Although addressing current problems is important, a strategic plan should be driven less by present challenges than by positioning the club to leverage future opportunities. A club like CCC may be highly successful now, but it is often harder to stay good than to get good."

The members of the planning group agreed. "We want to be intentional about where we are going as a club," said Tim Sullivan, the club's immediate past president. "Our members are adjusting to the times and so must the board. Because our aim is to satisfy the changing expectations of our members, we cannot simply put the club on cruise control and expect to be ready for the changes that inevitably occur."

Identifying and Assessing National Trends

One of the first steps in the consultants' planning process was to develop an understanding of the economic, demographic, political and social trends to which a club must respond in order to position itself for the future. Although there have been articles and pronouncements from various sources listing, speculating and discussing national trends that may affect private clubs, Leemhuis and Laughlin believed that the most credible source of trend data would come from the leaders "on the ground," i.e., the GMs who were feeling the impact of the trends and trying to do something about them.

"We first went out to 25 GMs, asking them to identify the national trends they thought would have the greatest impact on their clubs over the next several years," Laughlin said. "The GMs gave us a wealth of information, which we sorted into different categories and from which we formulated 12 trends (see in orange boxes).

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6 Tailoring membership & fee structures:

Clubs are adjusting membership definitions and associated fees to reach a wider market and increase the usage of their facilities for revenue generation. Adjustments may affect the mix of equity in the fees, non-residential memberships, increasing reciprocity with other clubs, and more focused usage fees.

7 Impact of technology:

Especially among younger members, cell phones, texting, PDAs and social media are causing clubs to change their club rules regarding the use of such devices in the club area. Members are also more comfortable with use of the Internet for paperless billing, announcements and other communications.

8 Demand for casual environment:

Businesses of all types have modified standards of dress to meet the growing demand for a casual, more relaxing environment. The trend extends to dining with the emergence of sports bars, bistros and the like.

9 Improving management & governance:

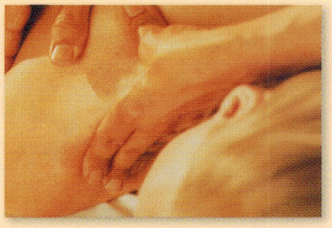
Larger and more complex clubs call for more efficient and effective management of facilities and resources and more responsive, transparent governance models and techniques.

10 Popularity of non-golf activities:

The QuickStart tennis program and other USTA programs have substantially increased the number of kids and young adults playing tennis, increasing the likelihood that clubs will see an increase in the popularity of the sport. Other sports and games are also attracting participants who want an alternative to golf.

11 Emphasis on family programming:

Attracting younger families often requires an increase in the services to all ages and family types, e.g., child care, special areas for youth, children's clinics, special programs for women, sports camps and the like.



12 Non-traditional services & amenities:

Spa services, manicures and pedicures, massages, hair salons and concierge services are some of the non-traditional services that entice members.

TRENDS

and for interns – anyone who wants to thrive in this business," DiOrio said. "This is an environment to grow. Mentoring and development at our club are huge, and we spend a lot of time on it."

Kurt D. Kuebler, CCM, of the Kopplin & Kuebler executive placement firm that co-sponsors the award, had an opportunity last year to experience DiOrio's management style.

"I inadvertently opted to visit on one of the busiest days of the holiday season, shortly after the club was reopened from a multi-million dollar renovation," Kuebler said. "What I found was an entire experience that emulated the sincere kindness, generosity, caring, focused, quality-oriented style that Damon epitomizes in all that he does. From the moment I entered the property, I saw first-hand Damon's imprint on the fabric and culture of Charlotte Country Club."

The two-year renovation involved extensive improvements to the club's facilities to ensure that members' needs were being met. The club spent $32.4 million to restore its golf course, enhance its golf practice facility and completely refurbish its clubhouse.

"Each room was gutted, and all the plumbing, mechanical and electrical systems were replaced," DiOrio said. "Every piece of furniture and fixture was replaced. Our theme was understated elegance. We're a 100-year-old club, and we when you walk into the club, we want you to feel like you're stepping back in time. You don't feel like you're in a new facility. You feel like you're in beautifully restored, historical building."

When he is not running the club, DiOrio enjoys traveling with his wife, whom he got to know when she was waiting tables at the club and married in 1996. He also enjoys spending time with family and friends, cooking Italian food and sipping a glass of cabernet sauvignon. DiOrio also mentors cancer patients at a local hospital, encouraging them to stay optimistic and fight through adversity.

"I still mentor cancer patients at the hospital, and you don't think twice about that because you can make an impact on someone's life, and you're not going to miss that opportunity," he said.

DiOrio had a second bout with leukemia in 2001, but he has been in remission for almost nine years. He estimates that he has had more than 300 rounds of chemotherapy and 25 rounds of arsenic treatment. The battle for survival has convinced DiOrio that the life's little pleasures carry big-time importance.

"I've learned a lot through my illness, and it definitely impacts the way I approach my job, my life and my team," DiOrio said. "My wife is an incredible woman, and I don't take for granted any day of our marriage. I've told my wife that we're just going to live life with no regrets. Money spent in the name of family, friends and a good time is never money wasted.

"We can get so caught up in our busy lives, but I love arriving at the club and sitting in a chair for a few minutes to watch the sun rise over the golf course, just taking in that moment and appreciating everything that life has to offer. Everything I do, I really embrace."

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We then asked an expanded group of GMs (45 in all) to rate the degree of impact each of these trends was having on their individual clubs."

Employing the Data

Table 1 depicts the summary of the impact ratings for each of the trends. The rightmost column in Table 1 shows the percentage of responses in the high and very high categories. As is clear from this column, the trends that are having the greatest impact are:

- Intergenerational issues;
- Increased interest in fitness;
- Impact of technology; and
- Improving management and governance.

Because the percentages in Table 1 reflect the collective responses from the GMs, they mask the variability of a trend's impact on individual clubs. For example, the impact of leveling demand for golf was obviously minimal for city clubs, thereby reducing the collective percentage for that trend. Therefore, each club needs to interpret the data in the context of its situation.

As Leemhuis points out, "Even though these data are not likely to cause us at CCC to change dramatically, they provide an excellent reference point for our planning process."

David Kay, president at CCC, agrees. "Our board members are investing a substantial amount of time working through a strategic planning process," he said. "We want to provide them with the best data available for their task. These survey results highlight the external pressures that we must take into account in order to remain among the premier private clubs. Not only will these results inform our current planning process, but they will also keep us alert as to how best to serve our members in the future."

Leemhuis sums it up: "We have in these survey results both a highly credible list of the national trends affecting the private club community and an even more credible ranking of the trends by their impact on individual clubs. The data has helped us in the planning process, particularly in alerting our board members to the reality of these trends. We are pleased to share them with other clubs as they too strive to serve their members."

For more information on the survey results, please contact Mike Leemhuis at gm@ccclub.org or Fred Laughlin at flaughlinaz@mac.com

Table 1: Impact of National Trends on Individual Clubs

	Impact of the National Trend					
National Trends	Very High	High	Low	Very Low	Total	Total* High
Changing diets and food preferences	10%	43%	48%	0%	100%	53%
Increased interest in fitness	32%	47%	16%	5%	100%	79%
Intergenerational Issues	33%	50%	17%	0%	100%	83%
Flat growth in golf	3%	32%	56%	9%	100%	35%
Emphasis on being green	24%	29%	44%	3%	100%	53%
Tailoring membership & fee structures	24%	9%	41%	26%	100%	33%
Impact of technology	21%	50%	23%	6%	100%	71%
Demand for casual environment	12%	47%	41%	0%	100%	59%
Improving management & governance	15%	55%	30%	0%	100%	70%
Popularity of non-golf activities	9%	27%	52%	12%	100%	36%
Emphasis on family programming	24%	37%	36%	3%	100%	61%
Non-traditional services & amenities	3%	21%	49%	27%	100%	24%

*Sum of High and Very High Ratings