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Cover image: Sled Fest at Interlachen Country Club in Edina, Minn.
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Once-in-a-Lifetime

FOR THE PAST 15 YEARS, leaders of the private club industry have gathered from across the country at the National Club Association’s (NCA’s) National Club Conference to learn about the most important issues and best governance practices impacting clubs. The Conference presents a unique opportunity for club managers, presidents, board members and other industry professionals to connect with their peers and learn from experts from across the business, legal and media spectrum. The 2019 National Club Conference will be April 28–30 at the new Conrad Washington, DC, recently ranked America’s top hotel design for 2019 by Architectural Digest.

During the past few years, the National Club Conference has blossomed. It has always been the industry’s best event for connecting with peers across the private club community, but in recent years NCA has focused more intensely on meeting the needs of clubs’ C-Suite. The 2019 Conference agenda is more robust than ever, providing a wider array of presentations and events that will appeal to club presidents as well as board leaders.

One of the highlights will be a private conversation with Justice Anthony M. Kennedy (Ret.) of the United States Supreme Court. And that’s far from the only highlight. The Conference will feature a variety of speakers with specialized experience on business issues and lifestyle topics that impact club managers and leaders every day. These speakers will offer best practices for operating their clubs, experiences from issues and situations they’ve addressed successfully, and thoughts about the most important elements of club governance.

Effective governance is essential to the success of any club, and NCA is offering presentations that will provide invaluable information and tips to club managers, presidents and board members. There will also be education sessions focused on workforce, economic and environmental issues specific to private clubs as well as breakout sessions for board leaders.

Finally, the Conference will, for the first time, present a special panel program of the winners of the 2018 Excellence in Club Management® Awards chronicling their successes. This annual award recognizes private club managers who have exhibited outstanding skills in managing their clubs. NCA is proud to co-sponsors these awards with McMahon Group and Club & Resort Business magazine.

In addition to these exciting education programs, there will also be several opportunities for attendees to visit some of Washington, D.C.’s iconic clubs, including the Cosmos Club, the Sulgrave Club, the Capitol Hill Club and the historic Metropolitan Club of the City of Washington, located just steps from the White House.

The National Club Conference isn’t a typical conference. Rather than a single keynote, we strive to create a schedule that’s full of keynote-level presentations. This year’s speaking roster shows that we have met that standard.

For more on the 2019 National Club Conference and to see the superior speakers and unmatched experiences that will make the 2019 National Club Conferences a once-in-a-lifetime opportunity, see page 25 and visit nationalclubconference.org.
Performance Buy-In
Creating a Performance Based Review and Pay for Performance Compensation Plan

HIRING THE RIGHT individuals for our clubs has always been a challenge. Not only do we need to hire qualified individuals capable of “doing the job,” we must also find the individuals with the right “fit” for our club and the specific operations in which they will serve. One basic distinction between clubs and other hospitality operations is the finite and select group of individuals that are our members—not the public at large. Our members have committed to join our clubs and be a part of our culture, our “family of families” if you will, which is most often accompanied by a significant financial commitment. To that end, our members’ expectations for the services and experiences we deliver are, rightly so, higher.

Hiring staff to perform at a higher level has always been a challenge, and that challenge is increasing daily. In Houston we have seen a trend in the current marketplace when hiring, or attempting to hire, new staff. Given the current near historic low unemployment rates, we are experiencing “ghosting” by job applicants and sometimes even by those we hire. “Ghosting,” as used in the context of this article, is when job candidates simply just don’t show up—for confirmed job interviews, second interviews, pre-screening appointments and sometimes even their first day of work. With more and more frequency, candidates who accept competitive employment offers may only work a few days before seeming to vanish from the earth, not returning phone calls, emails or text messages. We are concluding that with an abundance of job opportunities, some employees are regularly accepting jobs when offered, only to continue to search for and pursue other employment prospects. As we are unlikely to change this phenomenon, our leadership team consisting of each department head at River Oaks Country Club in Houston determined that our additional efforts should be to focus on retaining and rewarding the quality performers already on our team. To do this, we recently implemented an improved employee evaluation process focused on measuring performance against a set of attributes and values we felt were universal across all positions at the club. For those employees not executing at optimum levels, we implemented clearly defined, manageable and actionable performance improvement plans (PIPs).

Improving Performance-Based Reviews
In the development of a new Annual Performance Review (APR), our ultimate goal was to ensure that our staff members have a clear understanding of their performance expectations and how they are evaluated when compared to their peers. We believe our staff desires to do the best that they can for our members and guests and for their fellow employees. Based on our assessment of seasoned staff members at the club, we also determined that retention rates improve dramatically once an employee has been with the club for two years.

With a focus on retention and long-term performance, we implemented the new APR process. Each employee is rated on “What” they do and “How” they do it. The “What” categories (functional and technical abilities) include: member service, communication, knowledge of job, attendance and punctuality, professionalism and adherence to club policies.

The “How” categories (behavior and attitude) include: action orientation, approachability, composure and patience, member focus, compassion, understanding others and listening, values, integrity and trust. For those staff members who supervise and direct others, additional “Hows” include motivating others, hiring and staffing, and managing vision and purpose.

Each individual receives a separate rating in the “What” and the “How” categories: Exceeds expectations, meets expectations, does not meet expectations or unsatisfactory. After all evaluations are complete, the entire employee team is charted to determine how the team rated overall. In our most recent effort, we produced a fairly typical bell curve on ratings with 11 percent of employees receiving “exceeds/exceeds,” 61 percent of employees receiving “meets/meets” and 2 percent of employees receiving “does not meet/does not meet” and, of course, a percentage of staff that had a combination of these ratings (i.e., meets/exceeds, does not meet/meets). The final curve for all staff members evaluated was 30/61/8 percent compared to a “normal” curve of 20/70/10 percent.

We convert those ratings into our pay for performance plan, rewarding our best performers with above average increases. For staff whose ratings are subpar, we develop a PIP.

After the assessment is completed, our managers meet with each rated employee to review the outcome and ensure they fully comprehend their performance rating. Then each depart-
ment manager allocates the financial resources they have been allotted for the upcoming budget year to their team based on individual performance ratings. The response from our team this year has been very encouraging. Each individual has a clearer understanding of their job performance, the expectations from the membership and their department, and how their performance directly impacts member experiences and their individual compensation at the club.

We have found that with a demonstrated and clear connection of staff performance directly tied to compensation, staff retention increases, and overall performance significantly improves. The result is greater stability within the staff, reducing our need for external hires. This process also creates a clear rubric of attributes for our existing team to use when recommending qualified candidates for job openings. Decades of experience in the club industry has only reinforced to me that our team members want to do a great job for our members and providing them the necessary performance management tools and feedback is critical to their success. We are more than hopeful that our retention efforts through this program, as well as other tangible, valuable employee benefits, will make “ghosting” by job candidates, a thing of the past.

We have found that with a demonstrated and clear connection of staff performance directly tied to compensation, staff retention increases, and overall performance significantly improves.

C. J. Bendy, Jr., CCM, CCE, is chief operating officer at River Oaks Country Club in Houston. He also is an NCA director and co-chairs the Membership Committee. He can be reached at 713-529-4321 or joe.bendy@riveroakscce.net.
ON NOVEMBER 6, Americans went to the polls in record numbers to vote in the first midterm election of the Donald Trump presidency. The result was a split in the control of Congress and, likely, a long next two years for the private club industry’s priorities.

The House of Representatives
The House of Representatives breakdown is now 235 Democrats to 200 Republicans. That provides Democrats with a 17-seat voting majority, which is smaller than the previous Republican voting majority of 23. This is the third change in control of the House since the Republicans took over after the 1994 midterm elections. Democrats last wrested control of the House from Republicans in 2006 (the final midterm election of the George W. Bush presidency). After that win, Democrats held the Speaker’s gavel for four years but ceded it to Republicans in 2010 (the first midterm of the Barack Obama presidency).

Democrats gained a net total of 40 seats—a figure above the historical pattern for losses incurred by the party holding the White House in midterm elections. The average pick-up by the party not in the White House has been 33 seats in 18 of the last 20 midterm elections. So, the blue wave materialized in the House.

A number of factors helped propel the Democrats to victory in the House. On the fundraising front, more than 100 Democratic challengers outraised their Republican incumbent opponents in the third quarter of the year. That fact alone placed Democratic candidates on an equal (or better) financial footing for the home-stretch of their campaigns. And the impact of that money enabled Democratic candidates to hammer home their messages far more effectively than in previous midterm elections.

In addition to the money, there was a surge in voter interest that has rarely been seen in a non-presidential election year. In states across the country, the voter turnout made the difference in close races. In Texas and Nevada, the early voting numbers surpassed what took place in 2014 (the last midterm election), and a number of long-term incumbents lost because of it. This pattern showed up almost in every state that Democrats won against entrenched Republican incumbents. While Republicans also saw an increase in their voter turnout, it was not enough to overcome the Democratic surge in the general election.

Another major issue for Republicans in the House was the large number of retirements. More than 40 Republican incumbents decided to call it a day. The last time that many sitting House members did not seek re-election was in 1994 when nearly 30 Democratic incumbents retired and helped to give Republicans control for the first time in more than forty years.

Finally, this midterm election saw a remarkable difference between suburban and rural voters. A significant number of races that flipped from red to blue were based in suburban areas that Republicans had held for years. Most of those voters were affluent and well-educated and they were not as comfortable with some of the issues Republican incumbents voted for during the last two years.

It was not that those issues did not resonate with these voters, but it was more because Democrats running in those districts were able to define the issues in an
effective way and turn those traditionally Republican voters away from the incumbents. The vote to repeal Obamacare was a prime example.

Republicans running for the House in 2016 made clear they would support repealing and replacing Obamacare with a bill that protects those with pre-existing conditions. Having passed the repeal bill, it seemed those Republicans would be rewarded with re-election in 2018. However, by not passing a replacement bill they were susceptible to the charge that they did not want to protect those with pre-existing conditions. It was a charge that stuck in the minds of many who had voted for them two years earlier.

This reality hit home with Rep. Karen Handel (R-Ga.). She represented a northern Atlanta suburban district. Traditionally, voters in that district supported candidates who were opposed to Obamacare. Indeed, the seat had been held by former House member and Secretary of Health and Human Services Tom Price (R) who was the architect of the repeal plan. However, Handel lost by less than 1 percentage point.

In addition to that Georgia seat, the displeasure coming from suburban district voters was felt by Reps. Pete Session (R) from the Dallas area, Dan Donovan (R) from New York City, Mike Coffman (R) from the Denver suburbs and Mike Bishop (R) from the Detroit area. These members had served in office from 4 to 22 years, yet voters abandoned them on election day.

In the end, these voters and these districts provided the basis for the Democratic victory in the House.

The Senate

While the election results produced a change of control in the House of Representatives, that was not the case in the Senate. The Republican majority actually increased its numbers by a net of two new members. The balance of power is now 53–47.

This will be the largest Republican majority in the Senate since 2014 when...
ClubPAC Results

The National Club Association’s political action committee, ClubPAC, was the most active it has ever been in the history of NCA this election season. ClubPAC contributed $38,500 to federal candidates and attended more than 30 events. While all of our preferred candidates did not win, our support added considerably to ensure each pro-club candidate had the resources necessary to get their message out.

Candidates we supported who won:
- Sen. Marsha Blackburn (Tenn.)
- Sen. Kevin Cramer (N.D.)
- Sen. Josh Hawley (Mo.)
- Sen. Rick Scott (Fla.)
- Rep. Tom Rice (S.C.)
- Rep. Mario Diaz-Balart (Fla.)
- Rep. Brian Mast (Fla.)
- Rep. Peter King (N.Y.)
- Rep. David Schweikert (Ariz.)
- Rep. Steve Chabot (Ohio)
- Rep. Andy Harris (Md.)
- Rep. Jackie Walorski (Ind.)

Candidates we supported who lost:
- Sen. Candidate Rep. Martha McSally (Ariz.)
- Sen. Candidate Matt Rosendale (Mont.)
- Sen. Candidate Patrick Morrissey (W. Va.)
- Rep. Carlos Curbelo (Fla.)
- Rep. Pete Sessions (Texas)
- Rep. Peter Roskam (Ill.)
- Rep. Tom MacArthur (N.J.)
- Rep. Leonard Lance (N.J.)
- Rep. Mimi Walters (Calif.)
- Rep. Barbara Comstock (Va.)
- Rep. Adrian Smith (Neb.)

they had 54. Of course, such a majority will not provide them any real room to maneuver legislatively. They will still need 60 votes to bring bills to the floor for a vote and few Democrats will be interested in working with them to reach that 60 threshold—especially as the presidential election cycle begins.

Though the result was encouraging for the majority, it was not achieved without some losses. Sen. Dean Heller (R-Nev.) was the lone Republican incumbent to lose. Former Democratic presidential nominee Hillary Clinton won Nevada in 2016, so this was not a total surprise. Republicans also lost the seat that retiring Sen. Jeff Flake (R-Ariz.) held. To offset these losses, Republican candidates in Florida, Indiana, Missouri and North Dakota all defeated Democratic incumbents.

The main story from election night was the ability of Republicans to flip those four blue seats. While those seats were in states that President Trump won in 2016—and it was likely they were going to turn red—it was close, especially in Florida.

Two other states that the president won in 2016—West Virginia (by 42%) and Montana (by 21%)—were also on track to flip, but the incumbent Democrats held on with some tremendous grass-roots campaigning and shrewd political decision-making leading up to the election.

As with the House elections, the results in the Senate can largely be attributed to the split in voter reaction in suburban and rural areas. Throughout the final days of the campaign, President Trump spent a great deal of time stump ing for candidates in rural areas across the country—not in the cities or suburbs.

The energy and excitement he brought to counties outside of major suburban enclaves in Florida, Indiana, Missouri and North Dakota helped to generate more voter engagement. In essence, these senate races showed that rural voters could come out in enough numbers to offset the suburban voters who worked against candidates supported by the president. With a larger statewide base, that strategy worked in a way that could not work in many House races.

While this tactic worked in those four states, the rural vs. suburban juxtaposition will be one worth watching as we head into the 2020 election cycle.

The Next Two Years

After all of the campaign commercials, debates and fundraisers, we now have divided government in Washington, D.C.

With Minority Leader Nancy Pelosi (D-Calif) regaining the Speaker’s gavel, it seems that a number of NCA’s priorities will have little opportunity to succeed in the House—at least that was the case the last time she served as Speaker. Of course, we have seen how hard it has been for Republicans to pass anything in the House with a 23-seat majority. When the 116th Congress is sworn-in on January 3, the Democrats will be working with a 17-seat majority and could encounter the same kind of issues as Republicans did. So, we will have to wait and see how Nancy Pelosi handles her second stint as the leader of the House.

As for the Senate, it seems the upper chamber of Congress may be NCA’s last, best hope to ensure that the current pro-club legislative climate is maintained. While Republican victories may have grown the majority’s ranks the same 60-vote threshold problem could again cause much in the Senate to be stymied.

As always, we will look to find common ground with allies from both sides of the aisle to move initiatives that help our member clubs prosper and succeed. With these election results, it may be a bit more difficult road to hoe than we have had in the last two years. But, with your continued support, NCA will be up to the task.

Brad Steele is NCA’s vice president of government relations. He can be reached at steele@nationalclub.org

Brad Steele
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Board Self-Assessment

5 Steps to Evaluate Your Performance

Effective Boards set goals and work to achieve them. The best, top-performing boards execute an annual self-assessment of their performance. This is the time of year to evaluate how your board performed in 2018. To conduct a proper self-assessment each board should take the following five steps.

The self-assessment is a simple performance evaluation survey which requests answers ranging from “strongly disagree” to “strongly agree” with three levels of moderation in between (“disagree, neutral, and agree”). This evaluation will yield the performance evaluation as a measure of results from one to five.

More detailed guidance for board self-assessment can be found in the NCA’s Board Toolkit (available to all members as a benefit of membership).

Step One

Evaluate Board Structure

This section of the assessment explores how well the board does its business. Questions address issues of board organization, committee engagement and performance, and resources such as time allocation and staff support.

Questions in this step include the following:

- The board has the right number of members.
- The board has the right number of meetings.
- There is adequate time in board meetings to address matters of importance.
- Board meetings efficiently use time and human resources.
- The board has adequate indemnification and D&O insurance coverage.
- Board committees are constructive to effective club governance.
- Committees have the right number of members.
- Committee reports are timely submitted and require the proper amount of board review.
- Committee assignments and charters reflect the best advice of the board.
- Committee performance is right for the club’s current needs.

Step Two

Evaluate Board Information

The following types of questions validate the quality and use of information going to the board:

- The club’s Board Policy Manual adequately communicates the duties and expectations of individual board members.
- The board benefits from adequate pre-read time, information and materials to enable it to be effective.
- Information provided the board is fully vetted and applicable to current and emerging conditions at the club.
- Presentations by officers and staff are accurate and unbiased.
- The board has adequate access to internal and external advisors (e.g., auditor, legal and risk management) to make informed decisions.

Step Three

Evaluate Board Dynamics

The following questions assess the dynamics or growth and changes exhibited by the board:

1. The board addresses the right issues for the club.
2. The board does what is right.
3. The board clearly and timely communicates goals, objectives and results to the members.
4. The board properly balances its guidance and supervision of the general manager.
5. The board promotes a culture of accountability at all levels of club governance.

Step Four

Individual Self-Assessment

Every board member must be accountable for his or her own work as a servant leader. Questions that help to evaluate individual board member performance include:

1. Engages in the board’s work.
2. Understands the club’s strategy and strategic issues.
3. Evaluates and fully understands club budgets.
4. Understands and closely monitors the club’s financial performance.
5. Respects the confidentiality of the board room in all matters.

Step Five

Board Communications

Members expect to know what the board is doing and what matters are being addressed. Poor communication is one of the most frequently stated points of member dissatisfaction with club boards.

Communicate the board’s self-assessment and a composite assessment to the entire club membership. Show the questions that were asked and the performance ratings that the board assigned to its own performance (not the individual scores). Candid and genuine self-assessment of the board’s performance will build trust at the club.

Self-assessment is a form of the personal accountability that members expect of their leaders. Communicating the results openly and honestly will make the club stronger and more capable of meeting the next generation of challenges.

Henry DeLozier is a principal at Global Golf Advisors, an international club management consulting firm that provides specialized services to more than 3,000 clients from offices in Toronto, Phoenix and Dublin (IR). He can be reached at hdeloziel@globalgolfadvisors.com or visit globalgolfadvisors.com.
As more clubs continue to face legal concerns due to the improper classification of caddies, CADDIEMASTER® has developed a non-invasive, effective and inexpensive solution called CADDIEMASTER CONNECT. Through CADDIEMASTER CONNECT, CADDIEMASTER provides the club the ability to more efficiently arrange and provide caddie services to its members and guests. CADDIEMASTER will also serve as your club’s intermediary, assuming the tax and legal liabilities of your in-house caddie program. There’s no change in management. Your caddies continue to be paid directly by the players. They simply become contractors of CADDIEMASTER, indemnifying your club against common liabilities.

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Labor shortages are a national challenge—and private clubs are among the industries experiencing difficulty in recruiting and retaining staff. In September 2018, employers nationwide had roughly a million more unfilled job openings (7.01 million) than there were unemployed workers, according to the Labor Department. With the unemployment rate at a 49-year low (3.7%), and demand for entry-level positions high, companies are hiring workers after a single phone interview. (See “Performance Buy-In,” page 4, for additional challenges.) Additionally, employee turnover, which is most prominent among younger generations, is costing U.S. employers $30.5 billion annually. Additional workforce changes on the horizon include technological trends that are robotizing, automating and digitizing our workplace, where some jobs may be eliminated and new ones created.

Recruiting, training, retaining and engaging employees requires new strategies and mindsets. No longer a “reactive hiring” economy, employers must focus on talent planning and skills building using new tools, new pipelines for talent and internal mobility. Training and development solutions can help ensure staff are equipped to be adaptive as well as create clear career paths with continuous upskilling.

HR professionals are feeling the stress of talent acquisition. According to a 2018 ManpowerGroup study, 83 percent of HR professionals in the last 12 months reported having difficulty recruiting suitable candidates. To reach new talent pools and attract more people to the workforce, 36 percent report they are being more flexible about education and experience requirements for jobs; 33 percent are looking at different demographics, age ranges and geographies using social media to connect with candidates or tap boomerang retirees, returning parents and part-timers; 32 percent are improving benefits; and, 29 percent are considering salary increases.

Club Director takes a look at staffing solutions and how clubs are addressing the talent challenge.
- The Recruitment/Retention Puzzle
- Comprehensive Workforce Planning
- Innovative HR Management Systems
- Workplace Culture and Retention
- H-2B Visa Insider Tips
- Staffing Apps
THE RECRUITMENT/RETENTION PUZZLE

By Pam Brewer

We all have heard it and said it numerous times, but now it seems club managers are living this trite saying more than ever, “Good people are hard to find!” And, good people are also hard to keep! The latest statistics on engagement are alarming. According to Harvard Business Review, 83 percent of our team members are not engaged, and many will leave their current employment before their two-year anniversary. For private clubs who still experience employees with 30+ and even 40-year tenures, the stats reported in the last four-to-five years present quite a culture change to our industry.

Although private clubs reflect multiple categories with unique facets, there are more shared hurdles than not. A recent membership survey conducted by the National Club Association identified recruiting and retaining staff as one of the top three club challenges (see Trending, page 36). A country club in Florida with a distinctly busy four-month season may be successful with seasonal and temporary worker visa programs while a yacht club in San Francisco is bustling year-round except for two weeks in December/January. The conundrum of recruiting remains, but in a different shape.

As a busy yacht club with a city clubhouse in San Francisco and an island satellite location in the Sacramento Delta—both require staffing year-around—the St. Francis Yacht Club has been quite creative over the years in addressing its employment needs. At one point, four San Francisco clubs, including city clubs and a country club, shared 10–15 employees. The concept took shape and worked well for a while to support what was referred to as “on call” employees; however, members of the group eventually preferred one club as home and the participants dwindled. Like many clubs in the area, we utilize temporary agencies and have been successful in consistent requests for specific staff, who are assigned regularly.

Employee Referrals, Incentives

One of the club’s most effective programs is the Starfinder Referral Program. Current employees offer referrals to their supervisor, and after onboarding and completion of 90 days of service, the employee who referred the new team member is awarded $250. After the completion of one year, a second $250 reward is given. Both parties must be in good standing for the rewards to be issued. The idea is that superstars refer superstars, and employees will refer their friends, who they typically value as a colleague.

Most club human resources professionals attend an annual HR Symposium hosted by Club Benchmarking, which is a great source for shared ideas. The conversations during the conference confirm that clubs offer more reward and benefit features than most industries to retain team members. Employee scholarship programs, on-the-spot gift card rewards, rich health care plans including pet insurance, 3 to 10 holidays per year and numerous leave days, financial planning assistance and 401(k) plans are available to motivate and retain teams at almost all clubs. We do a good job in this area, yet retention is still concerning.

For clubs located in Seattle, Raleigh, Austin, San Francisco, and San Jose, competition with the technology industry is a challenge due to high salaries and unique perks: employee-designed vacation plans, six-month sabbaticals, free beer, assistance on “green” purchases such as electric cars with charging stations on campus.

Club managers understand the undertaking at hand—and communicating the rewarding experience of working in private club hospitality remains a priority, especially to students who participate in hospitality programs. As hard-working and effective as the student development committees are within club associations, the private club industry does not receive its fair share of those seeking a rewarding career in hospitality. This may be the largest area of opportunity; however, it takes time.

St. Francis Yacht Club GM/COO Paul Koojoolian, CCM, offered his thoughts on the challenge of recruiting and retaining staff, “There is always a concern with finding and keeping good people. Hire slowly and take your time to vet each candidate. Hire the candidate who will fit in with the team, not necessarily the one with the best experience or resume.

“Once you do find them, the way I try to keep them is to pay them well, treat them fairly and have some fun every once and awhile. If you do happen to lose a good employee, try to promote from within. This means that you should have a strong bench and be grooming people to step up when called upon. We lost two great employees in 2018 but promoted two individuals who were already working for us and have had great results.”

Pam Brewer is director of human resources at St. Francis Yacht Club in San Francisco. She can be reached at 415-820-3728 or pbrewer@stfyc.com.
COMPREHENSIVE WORKFORCE PLANNING

By Allyn Gutauskas

The inception of Farmington 2027, the strategic plan that is guiding Farmington Country Club in Charlottesville, Va., to its 100th anniversary, provided the perfect opportunity to organize our staffing strategies into a comprehensive workforce planning initiative, which we launched as Farmington Workforce Planning 2027.

This initiative was based on the realization that our ability to successfully reach our 2027 goals depends on more than construction, interior design and new menus—it depends on the people who will lead the way. It depends on a comprehensive and disciplined process of workforce planning.

The plan for implementing this initiative was to:
- Take a fresh look at our staffing needs, short-term and long-term, department by department, involving all hiring managers.
- Establish goals and a process for meeting those needs.
- Check-in regularly to review progress and adjust as needed.

We started by meeting with individual department managers, to answer a few, basic questions:
- What staffing do you need for your operation to be successful?
- Who are your ideal job candidates?
- Where are these candidates?
- How do we attract those candidates?

Answering the first question was a productive exercise in zero-based labor budgeting. Some department managers realized that the increase in club services and member usage for more months of the year meant that their operations would be better served with fewer seasonal staff and more part-time, year-round staff. Others saw the need to restructure the number, schedules and responsibilities of supervisory staff.

An important component of our workforce planning strategy is reviewing policies and procedures that hinder our ability to attract applicants.

With answers to all four questions, we were able to develop and implement a comprehensive, club-wide recruitment plan that is responsive to the needs of individual departments. The plan includes an employment section on the club’s website, online job postings, radio advertising, open houses, job fairs, club visits, class presentations, seasonal worker (H-2B visa) and international training (J-1 visa) programs, internships, and a recruitment video. Because employee referrals have consistently been our best source of new staff (30 to 35% each year), our plan includes a lucrative employee recruitment bonus program.

Creating Community Partnerships

Early on, we realized that an effective workforce planning strategy would take collaboration with local agencies and community leaders. We invited more than 20 community agency representatives and leaders to the club to begin a conversation with goals of creating strategic partnerships, promoting the significance of the club in our community, and highlighting our employment opportunities. As the conversations continued, the size of this task force grew: when the group reconvened at Farmington
less than a year later, more than 50 organizations and community leaders met with us to create a plan to help Charlottesville “Get to Work.”

As a result of these meetings, we were asked to collaborate with local job training and workforce planning programs, teach job readiness workshops, host club visits, and conduct professional culinary, ServeSafe certification and TIPS certification training programs. In a three-year period, this collaboration has resulted in the direct hiring of 30 employees, most of them into positions that are typically a challenge to fill. An unexpected outcome has been agency representatives referring their own high school- and college-age children, who are working in seasonal and part-time positions.

An important component of our workforce planning strategy is reviewing policies and procedures that hinder our ability to attract applicants. One example is the updating of our standards for staff professional appearance related to tattoos. Our old standard was no visible tattoos, but because of that policy we were having a hard time filling steward and cook positions. At the same time, we realized that many of our members have visible tattoos. Our standards were no longer relevant to either our job candidates or our member expectations. A task force of department managers collaborated to create club-wide standards that stress “professionally reasonable” rather than outright prohibition, allowing for department flexibility and management judgement in deciding what is appropriate for professional staff appearance.

Tracking applicant data allows us to evaluate the effectiveness of our recruitment efforts, so that we can continue to make improvements and develop meaningful recruitment budgets. We track the number of position vacancies, types of recruitment advertising and activities, number of applications and resumes we receive, number of hires, and source of hires. By communicating this information on a regular basis to our hiring managers, we can stay informed of their current and anticipated staffing needs, inform them of the status of the recruitment and hiring activity, and encourage their involvement in the process. To improve the collection and presentation of this information, we are developing a dashboard report to distribute to hiring managers on a regular basis.

Have we found the solution to meeting all of our staffing needs? No. It is still a challenge to fill our culinary and housekeeping teams and we will continue to be concerned about finding enough staff to meet the growing service needs of the Farmington 2027 strategic plan. Farmington’s workforce planning initiative is making its way into the club’s operating culture as a process for identifying and responding to our short-term and long-term staffing needs. An advantage of this process is that it is not limited to employee recruitment and selection—it also provides a framework for compensation, staff engagement, training and development, and performance management. Most importantly, it is a process that supports our working together to continue to be a flexible and responsive workforce.

**Does Your Club Need HR?**
**By Allyn Gutauskas**

The recommended HR staffing ratio ranges from 1.0 to 1.5 HR staff for every 100 employees. To decide whether or not your club should have a human resources professional, you may want to look beyond staffing ratios and consider the value of investing in a strategic club partner who will take a leadership role in such areas as:

- **Strategic Staffing:** Analyzing staffing needs and partnering with hiring managers to meet the goal of having the right staff in the right place at the right time.
- **Compensation and Benefits:** Developing benefits strategies in terms of employee recruitment, engagement and retention that align with club goals.
- **Training and Development:** Creating a culture of learning by developing, implementing and evaluating a club-wide training plan that leads to successful employee performance and increased member satisfaction.
- **Performance Management:** Assuming a leadership role in developing, implementing and monitoring a systematic, club-wide process in which performance is aligned with club vision and goals.
- **Communication:** Effectively communicating to build consensus, gain participation, increase employee engagement, and ensure compliance.
- **Compliance:** Supporting managers to help them recognize the benefits and importance of legal compliance to successful club operations, enhancing workplace culture, and reducing liability for legal actions.

A fully utilized and knowledgeable human resources professional can provide great value to your club in addition to performing typical transactional tasks such as recruiting and hiring, benefits administration, payroll processing, updating the employee handbook, and ensuring compliance.

*Allyn Gutauskas* is human resource manager at Farmington Country Club in Charlottesville, Va. She can be reached at 434-245-0672 or agutauskas@fccva.com.
In today’s highly volatile employment market with a national unemployment rate of 3.7 percent in October 2018, there are significant benefits to modernizing the club’s human resources and payroll processes using a contemporary human capital management (HCM) system. Chief among them is the ability to promote positions online and screen and respond to applicants in real time. This has become a necessity in this tight labor market in order to remain competitive and attract and retain great talent.

At Westchester Country Club in Rye, N.Y., we embarked on this modernization journey in 2010. We realized that many of our manual processes—from hiring to management of records and payroll—could be streamlined and automated to shorten cycle times, eliminate paperwork, enhance the employee experience and provide greater legal compliance. Our business model is highly cyclical and transactional with a core employee base of 350 employees, to which we add 300 employees seasonally. This quick ramp up of seasonal employees takes place over a few weeks every spring. Conversely, we have a similar wave of intense work to offboard these seasonal employees in September-October. This high velocity and repetition of key HR processes over a very short duration created the perfect conditions to leverage technology to help us automate, streamline and accelerate the onboard and offboard processes.

Last year, while attending a human resources conference, I realized that the technology landscape had rapidly changed and that new players had joined the market. Concurrently, our previous vendor was going through a large merger and we had the opportunity to either upgrade to their new platform or move to a new vendor. This prompted us to pause to and review several HCM technology solutions in 2017.

Finding the Right System
Our mission was clear. We were looking for a fully integrated HR solution that would make the applicant and employee experience simple and engaging while ensuring optimized and seamless human resources and payroll functionality. First, we identified the key requirements and vision for what the HR/payroll experience should be. We tackled this exercise as a team: our human resources, payroll and finance staff met to discuss and compile the list of “needs to have” versus “nice to have” requirements. This led to a number of vendor meetings and system demos.

In the discovery process, we realized that many vendors offer solutions that encompass various functionality—from applicant tracking, time and attendance, scheduling and HR management to payroll, performance management and learning management. Some systems can be standalone while others may require buying the fully integrated solution. For clubs that may not be able to afford the full suite, there are a number of vendors that will offer paired down solutions adapted to various budget levels.

We ultimately decided to partner with SyncHR, a newer vendor. Unlike the more generic software, SyncHR’s solution is designed for high-velocity companies with fast-changing and dynamic workforces from 500 to 5,000 employees—a good fit for us, given the cyclical
nature of our business. We also liked that their solution was designed and built utilizing the latest technologies, including a unique time tracking capability. It allowed us to transact within the system across time—past, present or future. For example, this allowed us to enter new hires into the SyncHR system before they started and set a future start date.

In addition, SyncHR gave us agile organizational charts that would update automatically. The platform's employee and manager portals were also user-friendly and accessible 24/7 by computer or smartphone. These elements were critical to ensure a positive adoption rate by department leaders, hiring managers and employees alike.

Managing the Hiring Process
The applicant tracking feature was one of the determining factors in our selection process. We wanted the ability to post jobs easily with a few clicks and maintain a simple application form that we could customize based on position or latest legal requirements. User-friendliness was critical as we needed to get our hiring managers trained and engaged rapidly. We found SyncHR's technology easy to customize to our own hiring process and flow, with steps unique to us. It also provides us with tagging capabilities to manage, organize and filter requisitions and applicants. This facilitates the review and screening of qualified candidates. We are also able to customize and automate offer letters and document attachments with e-signature and standardize our messages to applicants based on where they are in the hiring process. Many of these features have saved both our HR and operational teams' tremendous time.

Another key function is the ability to easily advertise our positions to a number of online sites free while ensuring all applications would stay within our portal, for easy management and compliance purposes. We now receive numerous applicants from Indeed, LinkedIn, Glassdoor, ZipRecruiter and Monster to name a few at no cost to us. We have successfully been able to attract a better and larger pool of candidates this year versus past years.

The functionality seamlessly ties into I-9 management and E-Verify, an added feature. It also ensures a simple and efficient onboarding process, as the applicant’s information once hired, carries over to our human resources system effortlessly.

One of the pleasant surprises has been that some of the repetitive data entry work that was previously done by Human Resources is done by the newly hired applicant before their start date. Prior to attending onsite orientation, every new hire receives auto-generated emails to complete their pre-hire I-9 form and onboarding steps. This allows them to validate their personal information, set up direct deposit, add emergency contacts and review and sign off electronically on key company documents from the convenience of their home. It has reduced our hiring and onboarding cycle time, the potential for data entry errors and allowed for a very transparent and customer centric onboarding experience.

Investing in HR
Any club looking to optimize its HCM processes has tremendous resources to choose from as the technology vendor space is vast and ever-changing. Deciding where to spend your HR dollars is a critical decision for any club. The key is doing a deep assessment of your critical needs and documenting them. That way you can easily compare them against the vendors you consider, helping you identify gaps and making the best decision possible. Conducting a thorough request for proposal with due diligence prior to committing to a partner is also of critical importance. What a vendor claims they can do and what they actually do can sometimes be different. So, make sure each vendor shows you their system doing what you need done.

Finally, your club’s readiness for change and willingness to adapt to new processes as well as the timing of the implementation are important factors to consider to be successful. In our experience, our transition and modernization journey with SyncHR has fostered great team and individual engagement and limited our potential for liability, while keeping our hiring process transparent and compliant. We have also found that investing in an agile applicant tracking system, as a strategic initiative, has given us a competitive advantage and reach beyond our local market by seamlessly opening us to a greater pool of candidates.

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In the discovery process, we realized that many vendors offer solutions that encompass various functionality—from applicant tracking, time and attendance, scheduling and HR management to payroll, performance management and learning management.
Unless you’ve built a club from the ground up, every one of us has inherited a workforce, and for that matter, a club’s workplace culture. Some of us have walked into organizations where the service culture functions as the cornerstone of the operation and others have joined an organization that needed a makeover. But let’s be honest, the culture of our respective clubs needs to evolve with the labor force and increased member expectations.

A little more than five years ago I inherited a dedicated and hardworking team at Columbia Country Club in Chevy Chase, Md.—one that the membership embraced and celebrated. The distinguishing characteristic was their length of service. While our workplace culture was and still is our greatest strength, a key and contributing factor to our operational challenges was an overemphasis on tenure, and not enough emphasis on productivity. Our second challenge was an aging employee base in a competitive job market.

Knowing that change was and always is inevitable, we stopped talking about it. Why? Because it scares and disrupts. We instead focused on evolving and we still are. Yes, it is a play on words, but our team responded and so has our membership. Throughout our evolution we’ve been able to not only maintain a dedicated and hardworking team, we’ve been able to add to it. This year Columbia Country Club celebrated 112 employees who have five or more years of dedicated service. Their combined experience totals 1,904 years. We’ve been able to accomplish this with a concerted effort and focus on the following ingredients: evolution, communication, standardization, hospitality, tradition, enthusiasm and member engagement.

The Role of Tradition and Culture
Like many other traits, tradition can be seen and heard throughout the club. Generally speaking, the focus is largely on the membership, as many of our members are living time capsules and major contributors to the club’s history. The other part of the equation is the role that employees play. We are the conduit to not only maintaining traditions, but communicating and starting new ones. Our members have embraced the role that employees play and have allowed our team to maintain and start new traditions that support our service culture. Some examples are staff parties, celebrations recognizing years of service and professional achievements, off campus employee trips, Monday golf, member and employee golf outings, naming hallmark events after long-time employees, personalized birthday cards and our employee “wall of fame” just to name a few.

It’s no coincidence that our expressions of culture take on numerous forms and is often a combination of multiple ingredients. More than 90 percent of our employee traditions involve some sort of member component. Our success and ability to not only maintain but also create new traditions is a shared passion of enthusiasm for Columbia Country Club. As Brian Chesky, the co-founder and CEO of Airbnb has stated, “culture is simply a shared way of doing something with a passion.” There will never be a one-size-fits-all workplace culture. A club’s culture should be rooted in the ingredients that are important and vital to your club’s success.

I’ve always believed that culture isn’t taught, it’s caught. If a leader can show employees what he or she loves, the employees will catch it. It starts at the top and it starts with enthusiasm.

William T. Duthe is general manager at Columbia Country Club in Chevy Chase, Md. He can be reached at 301-951-5000 or wduthe@columbiacc.org.
**H-2B visas can be a great staffing solution for clubs needing help to staff during their busy times of year using temporary foreign workers. Below are some best practices to make your H-2B visa petitions an even greater success!**

**Avoid the numerical cap by utilizing in-country transfer petitions**

The government limits the number of H-2B visas it issues to 66,000 annually. While winter-season clubs are largely immune from this problem due to lesser demand during that season, summer-season clubs with start dates from April through June are at risk of the government running out of visas.

Clubs can avoid the unknown of the numerical limit entirely by utilizing in-country transfer petitions whereby summer-season clubs recruit H-2B visa workers from organizations that have winter-seasons. These organizations are usually found in Florida, Arizona and ski country. H-2B workers transferring from one organization to another are exempt from the numerical cap. However, an H-2B visa worker can only stay in the U.S. for three years continuously, so make sure that the worker has enough time left to transfer to your club.

**Only use a lawyer for your H-2B visa petitions**

It is crucial that your club utilize a lawyer for your H-2B visa petition process because if legal requirements are missed, clubs can be fined for noncompliance. Also, due to the government initiatives aimed at H-2B visa petitions compliance, clubs have been denied and delayed petitions as well as punished for violations in H-2B visa petitions.

**Protect against the uncertainty of J-1 visas with H-2B visas**

Major J-1 visa reform is likely coming, so be careful about relying solely on J-1 visas to staff seasonally. This temporary exchange visitor visa cannot be used for ordinary employment—it must have bona fide training and experience components. Positions like housekeepers and dishwashers should be filled by H-2B visas rather than J-1 visas.

**H-2B visas, when done strategically, are a wonderful staffing option for private clubs across the country to fully staff for their busy seasons.**

**H-2B visa benefits**

While H-2B visa regulations do not force clubs to offer housing or daily transportation to and from work, this is something that you will be asked during your H-2B visa recruiting. Make sure that you can answer questions about where people will live and how they will get to work. Purchasing bus tickets or bikes for your workers or offering them rides from other staff members can lead to happy H-2B workers that want to return to your club year after year. Also, when it comes to H-2B visa reimbursement for travel costs, be consistent and think ahead. More and more clubs are instituting travel reimbursement policies to be transparent about what they will reimburse and for consistency from year-to-year.

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STAFFING APPS

Flexible hiring, the gig economy, on-demand workers are all terms that reflect the fact that freelance workers now make up 35 percent of the U.S. workforce. How can clubs tap this new economy of workers—often working for multiple employers—who manage their own schedules? Well, there’s an app for that.

In fact, there are several apps that help hospitality venues in particular to find skilled staff on short notice or for special one-off events and functions. New York-based Jitjatjo (jitjatjo.com) helps provide front and back of house hospitality workers like servers or a bartender when a rush of members appears—or if several regular employees take ill. According to co-founders Ron McCulloch and Tim Chatfield, the Jitjatjo app and its algorithm books the most qualified workers available within minutes. The matching process selects the best individuals for the job based on their proximity, work history and other data. A key feature includes a rating system for the workers and the clients—meaning if a client rates a worker poorly, they will never be matched again, and visa versa. In addition, the app uses a three-tier pricing platform to pay workers based on “solid” “outstanding” and “epic” workers. Jitjatjo charges a 15 percent service fee, 7 percent transaction fee and 18 percent payroll tax—and workers are paid through the app and charged to the clients after each job. Jitjatjo operates in New York City and Chicago.

Most hospitality apps for temporary workers provide the structure for paying the workers and withholding taxes and charge a fee to clients in addition to the workers’ earnings. Behavioral criteria. CEO Rahul Sharma knows that quality is of paramount importance to the employers and said their proprietary vetting procedures source the best and brightest people. He notes that 90 percent of applicants are rejected through Jobletics’ screening process.

San Francisco-based Wonolo (wonolo.com) is another gig app that provides a three-step application process to ensure workers have the proper traits. After taking a test within the app, applicants undergo a background check and an interview. Co-founder and CEO AJ Brustein says the company is looking for attitude over aptitude, but also offers opportunities for worker training so they can advance their skills in areas such as safe food handling.

Wonolo (short for Work. Now. Local) is in eight markets: Northern California, Southern California, Metro New York, Philadelphia, Chicago, Dallas and Columbus, Ohio and Tampa Bay, Fla.

As the gig economy grows and workers look for more flexibility in work schedules, clubs, too can look to the flexibility of hiring temporary workers at their fingertips to fill gaps and staff up for busy periods.
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THE ROI OF GOLF COURSE INVESTMENT

by Marc G. Whitney
Golf industry decision makers from across North America—including architects, golf course owners, operators, managers, professionals and superintendents—recently gathered at Longleaf Golf & Family Club and Pinehurst Resort for the American Society of Golf Course Architects (ASGCA) Foundation event, *From Tees to Green: A Symposium on Forward Tees and Other High-ROI Ideas*. The two-day event included golf at the “living laboratory” that is Longleaf and a day of education highlighted by quality presentations, including:

**Improving the golfer experience.** Hunki Yun of the United States Golf Association (USGA) provided data from a USGA survey of golfers, designed to help facilities provide a better experience for their customers. For instance, did you know that from the time a golfer drives onto a property until they leave, there are 1,000 touchpoints that impact the experience and their satisfaction? That’s far more than other industries’ experience, including hotels.

**A retrospective look at tees.** Jan Bel Jan of ASGCA presented the views of a number of golf course architects, including:

- H.S. Colt promoted a variety of teeing grounds more than 100 years ago to account for wind or other special aspects of play, and additional tees to adjust for play in winter vs. summer.
- Marion Hollins wanted to create a course for women that brought out their best. “Not the same design as men, because women cannot compete with men on equal terms for par or bogey.”
- In 1935, A.W. Tillinghast bemoaned the tendency to create greater length, “The fetish of distance is worshipped all too often.”

**Eliminating irrelevant shots.** Dan Van Horn of Longleaf and Bill Bergin, ASGCA, shared data on the Longleaf Tee System to scale golf courses to make them more playable and enjoyable for all players and the results to date. The Longleaf Golf & Family Club has increased tee locations from 67 to 116, and in the first year, 93 percent of men played their rounds from tees that had not previously existed.

Since the USGA rates any course that plays to 1,500 yards for 9 holes (3,000 for 18), all Longleaf players obtain a USGA handicap. Today, more 80 percent of all Longleaf rounds are played at 5,400 yards or less.

**Adding new tees.** Lynn Baugher, a member at Rancho Murieta (Calif.) Country Club, provided a golfer’s perspective. Baugher, who worked with ASGCA Past President Damian Pascuzzo to add tees at the club, shared the steps the club has taken to encourage members to move forward and give the new tees a try. Small-group discussions and one-on-one conversations have proven valuable, she said, and the result is the club sees more golfers playing more often.

Recommended yardage a golfer should play based on how far they carry their driver.

Marty Deangelo, Medinah Country Club in Medinah, Ill., reported an increase in players, lessons provided and rounds played since implementing their “Golf For Life” program.
**Reversible 9-hole courses.** Brian Conley of Bobby Jones Golf Course in Atlanta presented several unique aspects of their new “reversible 9s” course, designed by ASGCA Past President Bob Cupp. “At least three women have said to our staff in the first month, ‘I made my first ever birdie today.’”

**Golf for Life.** Marty Deangelo of Medinah Country Club in Medinah, Ill., reported impressive increases thanks to the new “Golf for Life” program (including a common senior group refrain, “I finally broke 90!”):
- Mixed-couples participation is up 30%
- Annual number of golf lessons is up 60%
- Junior golfers program is up 65%
- Senior participation is up 15%

**Disaster planning and recovery.** ASGCA Past President John LaFoy and Scott Brown, CGCS, highlighted the challenges and opportunities faced by facilities following natural disasters.

“Know your insurance policies,” Brown stressed. “Some policies pay for a course ‘interruption.’ But if you keep 9 holes open because the damage was not ‘too bad,’ that is not considered an interruption and will not be paid out.”

LaFoy noted hurricanes and other storms sometimes allow facilities to rethink some aspects of the course and expedite master plan projects.

**Design goals.** Arthur Little and Jann Leeming, who have spent decades in the golf industry, including time as golf course owners, defined “Design Fairness” as courses, properly designed, on which all golfers can reach greens in regulation. To achieve this, golfers play the set of tees matching their swing speed; if golfers play the tees/yardage that fits their swing speed they will have the same or similar clubs for their approach shots.

The symposium also marked the debut of *Forward Tee: Case Studies in Additional Tees*. The book, from ASGCA Foundation and The Toro Foundation, highlights more than a dozen golf facilities that have added tee options for golfers in recent years, with results of more players playing more often and enjoying it more. *Forward Tee* may be downloaded for free at https://tinyurl.com/y8j8o55m.

Marc Whitney is director of communications at the American Society of Golf Course Architects. He can be reached at 262-786-5960 or marc@asgca.org.
The 16th Annual National Club Conference will be held Sunday, April 28–Tuesday, April 30, 2019, at the Conrad Washington, DC. Join private club general managers and board members from across the country for expert presentations, networking and social events, including:

• Club-specific educational programs featuring the 2018 recipients of the Excellence in Club Management ® Awards and a panel presentation on club staffing
• C-suite presentations on labor and economic issues
• VIP dinner with Michael Mondavi

Governance at the 2019 National Club Conference

Several Conference events will be dedicated to club governance, including a Governance Reception for club managers and their board members, and special breakout sessions for club board members. Discounted pricing is available for clubs with 2+ attendees.

HIGHLIGHTED SPEAKERS

Justin Firestone
Founding Partner, Wheels Up

Tucker Carlson
FOX News Host
Tucker Carlson Tonight

Michael Mondavi
Founder, Michael Mondavi Family Estate

David Rubenstein
Co-Founder, Carlyle Group

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FOR FULL SCHEDULE AND ADDITIONAL DETAILS: Visit nationalclubconference.org or contact John Good at 202-822-9822 or good@nationalclub.org.
Winter Activities

Keeping Members Engaged Year-Round

By Phillip Mike

Youth ice hockey in front of the hockey lodge at Interlachen Country Club in Edina, Minn.
C

lubs are finding new ways to innovate during winter, drawing members and guests of all ages for exciting programming throughout the often considered “slow” months. Regardless of climate, private clubs have instituted creative indoor and outdoor activities that take advantage of the weather, facilities and time available to create memorable experiences for members.

Family-Friendly, Holiday Events
Clubs are providing a wide range of child- and family-friendly events in the winter. Farmington Country Club in Charlotte-

ville, Va., has extensive winter and holiday programming, hosting more than 10 winter and holiday events geared toward the entire family. Traditional youth events include breakfast with Santa with sing-a-longs and crafts for kids and adult beverages for the parents, photos with Santa and a family “ugly Christmas sweater party” with adult and kids’ menus.

Tavistock Country Club in Haddonfield, N.J., teaches young members cooking lessons with a Valentine’s Day cupcake class taught by a pastry chef, and this year the club will be hosting a Mary Poppins-themed children’s brunch. Park Country Club of Buffalo in Williamsville, N.Y., hosts themed-events geared toward boys and girls like its American Girl Brunch, a Superhero Brunch and “Tween Ninja” competition.

Snow
Winter often brings snow, covering the club and its courses for members to enjoy. Nearly a quarter of clubs with winter-pro-
gramming offer ski-related activities such as cross-country skiing, reports a recent NCA-member survey. Sledding on the club grounds is also popular at many clubs during the winter. Several others offer snowshoeing. While these activities are often reserved for northern states, in Santa Fe, N.M., The Club at Las Campanas offers show snowshoeing lessons to its members.

Ice Rinks
Numerous clubs across the country offer ice rinks for members to enjoy. Interlachen Country Club in Edina, Minn., transforms its tennis courts into an ice rink and offers complimentary skating lessons for children as young as 3 years, skating parties, cross country skiing and snowshoeing.

In addition to the rink, Interlachen transforms the club’s tennis center into a “hockey lodge” during the winter months and offers snacks, cocoa and warm cider. Winter menu items include hot dogs, mac and cheese and chili. The club also hosts member-sponsored skating parties with catering, warm drinks and adult beverages.

Other clubs with ice skating facilities, either on a manmade ice rink or on a frozen body of water include Chevy Chase Club, which hosts its own hockey league, and Columbia Country Club, both in Montgomery Country, Md.; Valley Lo Club in Glenview, Ill.; Medinah Country Club in Medinah, Ill.; Woodstock Club in Indianapoli-
s; Fiddler’s Elbow Country Club in Bedminster Township, N.J.; The Country Club of Buffalo; Adirondack League Club in Old Forge, N.Y.; and Glens Falls Country Club in Queensbury, N.Y.

Curling
Curling has been a longtime tradition at The Country Club (Mass.). It was introduced to the club in 1898 and now more than 120 years later, The Country Club is still active in the winter sport.

The ice sport has been popular at the club, but after the recent success of the United States’ curling team in the 2018 Winter Olympic Games, the game’s popularity has surged. Roughly 100 of the 1,300 members participate, with members taking lessons and booking the rink for company outings, birthdays for adults and children and team building events.

Inside the curling facility on the second floor is the Shot Rock Café, a cozy area for players to grab a drink after they play (as is tradition) and grab a bite. The café features a stone fireplace, big screen TV, bar and lounge.

The club’s quality curling facility has hosted international events, including Olympic playdowns and junior national play-
downs. The club also hosts an annual curling and dinner event for their board and an employee tournament called the Dale Lewis Bonspiel, named after the club’s retired ice professional. Due to the size of the program, the program has a director and assistant.

Extreme Cold Activities
Some clubs truly embrace the cold months, offering events to brave members and their children that test their cold tolerance.

On New Year’s Day at Farmington Country Club, the club takes part in its own Polar Bear Plunge. Members of all ages are encouraged to take a dip in the pool and are awarded a commemorative t-shirt. A New Year’s Day brunch is also available during the event. Valley Lo also hosts a polar plunge for members in its lake.

Riverside Yacht Club in Riverside, Conn., near the Long Island Sound, tests its members’ limits with Frostbiting Sailing. Members in the Riverside Dyer Dinghy Association (RDDA) are year-round sailors. According to the club, the RDDA holds races every Sunday from October through March off the Cos Cob Harbor. Races are two hours with as many as eight starts depending on conditions. There are more than 80 boats in the fleet, which is divided into two divisions. Male and female sailors’ ages extend from the mid-teens to mid-60s.

Weather conditions range from balmy breezes and warm water in October to snow and ice in January and February. Sailors are allowed on the water until the wind chill drops below minus 10–15 degrees or if the wind is more than 25 knots. While conditions can be intense, safety is a high priority and several crash boats are available to aid sailors in need. Through these events, boaters can stay sharp during winter months with practice and clinics. The
club also provides “lunch and learn” events with soup and sandwiches and keeps the bar open for sailors returning from their races.

**Competitive Shooting**

Clubs also use the winter time to enjoy competitive shooting. In the Philadelphia area, the hobby is popular at clubs and even features an annual tournament, according to *Golf Association of Philadelphia Magazine*. Club shooting activities typically include skeet and trap.

At Philadelphia Country Club, the club converts its cart barn into a trap-shooting area, equipped with a lounge, furniture and decorations. The club also has a locker room to store guns and other shooting equipment, and even features a trophy case and taxidermized golden bear. Some area clubs, such as Huntingdon Valley, operate their gun program from the driving range.

Each year local clubs participate in the “Hospitality Bowl,” a regional championship for Philadelphia club members to test their skills. The Union League Golf Club at Torresdale hosted (and won) the 2018 event.


**Indoor and Outdoor Golf**

For clubs in the southern part of the country, golf remains a popular club activity during the winter. However, clubs in colder climates have found several ways to keep their golfers engaged. Golf simulators like those at The Country Club in Brookline, Mass., and The Midland Country Club in Midland, Mich., allow players to get strokes in year-round. Golf performance centers are sprouting up at clubs as well, such as those at Chevy Chase Club, Baltusrol Golf Club in Springfield, N.J., and Interlachen Country Club, offering data and guidance to help golfers improve their skills. Olympia Fields Country Club in Olympia Fields, Ill., even features its own indoor golf tournament.

Non-southern states still utilize the outdoors for golf. Farmington Country Club hosts several fun sporting activities including the TrackMan Winter challenge, which pits golfers against each other to hit 15 shots at targets that are scored based on accuracy and distance control. The event has a men’s and ladies’ winner.

Scioto Country Club in Columbus, Ohio, has held a one-hole, two-club winter shootout for nearly 40 years. The tournament, called the Licklider One-hole Shootout, hosts roughly 20 to 30 two-man teams that are created through a blind draw. After lunch, five
or six teams head out at a time to play a short hole. One club must be a putter and if it snows, only the greens are plowed. Inside the club, competition continues in the form of a putting contest that involves turning a small plate upside down and trying to get the ball to rest on top of the plate. According to Scioto General Manager Greg Wolf, CCM, CCE, the event is a fun way to gather golfers together before the holidays.

Racquet Sports
Paddle tennis is one of the winter month’s most popular club activities. Nearly 55 percent of clubs in the NCA survey that indicated that they have winter-specific activities said they offer paddle tennis at their clubs. Much like with indoor golf facilities, paddle tennis is a great way to keep racquet players all of ages active and engaged year-round.

Indoor tennis is a popular wintertime activity as clubs throughout the country, such as Chevy Chase Club, St. Louis Country Club in St. Louis, The Kirtland Country Club, Farmington Country Club and Greenville Country Club in Wilmington, Del., provide enclosed facilities for members to enjoy.

Indoor Swimming
Clubs are ramping up indoor swimming activities, too. Scioto Country Club and The Union League Club of Chicago boast indoor swimming programs. In addition to indoor swimming programs, Valley Lo offers swim lessons, lifeguard training and water polo during the winter.

Darts
Great Oaks Country Club in Rochester, Mich., hosts a popular dart league during the winter. The men-only program was created as a way to give members a place to go to while the course was covered in snow, said the club’s former General Manager Traci Bichalski. It started with just 12 teams and two dart boards but quickly grew to support 24, then 60 teams and 8 dart boards. The club offers a buffet during each of the 9 weeks the league runs, but players often show up early to grab a drink with other members. Organically, a member became the “Dart Commissioner” and keeps track of scoring on a large monitor and emails the league on a weekly basis. At the end of the year, the club hosts a party and invites the members’ wives. This past year the club paired its championship with a chili cookoff.

Card Games
Cards is a great way to attract members to the club. Kensington Golf & Country Club in Naples, Fla., offers a variety of games for members to enjoy in a fun environment. Players often gather after dining at the club and take part in games that includes the couples mixed bridge and ladies duplicate bridge, which sees as many as 80 participants. The club also offers lessons that increase its pool of players.

Roughly 15 percent of members at The Country Club of Coral Springs in Coral Springs, Fla., play card games, including gin rummy and blackjack. The program has been an important part of member engagement. At Hampton Hall Club in Bluffton, S.C., at least 50 card players meet each week to take part in the games, and there is an annual Mahjong marathon tournament, which raises money for charity.

Charity Events
At the Detroit Athletic Club, the club hosts its Miracle on Madison party, a fundraising event for the Salvation Army. The 2018 event featured a petting zoo, games, crafts, a visit from Santa Claus who arrived in a Detroit Fire Department firetruck, Christmas tree decorating and more.

In Florida, clubs in the Boca Raton area, including St. Andrews Country Club, Addison Reserve Country Club, Mizner Country Club and Boca Grove Country Club, team up each year to aid local religious groups’ efforts to feed area residents—most of them children. This past year the group donated 4,000 Thanksgiving dinners.
Themed-Events

Beach Point Club in Mamaroneck, N.Y. hosts several fun, summer-inspired winter events. Every Wednesday in the summer, the club hosts a grill night fully equipped with checkered tablecloths, all-you-can-eat lobster, cobblers, strawberry rhubarb pie and other warm weather favorites. The club decided to bring the popular event into the winter, hosting it either indoor or outdoor with the same summer menu on an occasional Saturday. The winter event brings roughly 140 to the club, including members who typically only frequent the club in summer months, said General Manager Randy Ruder, CCM, CCE.

The club also hosts Winter Lodge Night, another warm weather-inspired program. In the summer, the club hosts an event featuring two acoustic guitar players. The club received feedback that in addition to the summer festivity, the guitar players fit the feel of a winter ski lodge. Now, for the last three winters, Beach Point Club turns its ballroom into a winter lodge, featuring the two performers. The event includes hearty cold-weather dishes like knackwurst, bratwurst, venison, boar, a variety of chilis, fondue and other dishes. The ballroom is decorated in lodge-like fashion with multiple TVs displaying warm fires (in lieu of actual fireplaces) and quilts are hung to take the place of bear rugs on the wall. Further, attendees are asked to dress as though they just came back from the slopes. The festive night draws roughly 200 members, including young members who usually visit the club in summer months.

The club also hosts numerous themed parties during the winter months. At Springdale Hall Club in Camden, S.C., the club hosts Robert Burns Night on January 25 in honor of the poet’s birthday. The night features poetry readings, and “toasts to the lassies, toasts to the lads and a toast to the bard.” Attendance at Burns night has grown from 36 in its first year to an expected 80 in 2019.

Winter Wonderland

Winter months, while traditionally slow at many clubs, offer numerous activities and ideas to keep members of all ages engaged and excited. Whether indoor or outdoor in warm weather or cold, there are a plethora of opportunities available to clubs to provide interesting seasonal programs that make your club an attractive winter destination.

Phillip Mike is NCA’s senior communications manager and a regular feature writer for Club Director. He can be reached at 202-822-9822 or mike@nationalclub.org.
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When a club is contemplating food and alcohol beverage deliveries to members off-site, it is important to note that the laws, regulations and licensure requirements for off-site food and beverage services vary state-by-state and locality-by-locality. Generally, each jurisdiction has laws regulating preparation and handling of food, including disposal of contaminated or improperly handled food. Government agencies may also require a club to obtain and hold certain licenses and permits in order to lawfully offer food delivery and to-go services. Further, each state regulates alcohol beverage delivery uniquely.

With respect to alcohol beverages in particular, clubs typically hold on-premises retail licenses, and in some cases, hold private club-specific licenses that limit the sale of alcohol beverages to club members and guests only. The majority of states prohibit or heavily restrict on-premise retailers from delivering alcohol beverages off the licensed premises. Even if the state where a club is operating allows on-premise retailers to deliver alcohol beverages off-site, some states require (i) the retailer to hold separate delivery licenses/permits, (ii) the delivery personnel or agents to hold separate delivery licenses/permits,
and/or (ii) registrations for the vehicle used in the delivery. Further, alcohol beverage delivery laws also prohibit delivery of alcohol beverages to minors or intoxicated persons, restrict permissible times for sales and deliveries, as well as impose detailed record keeping requirements. The relevant alcohol beverage laws apply regardless of whether the club is delivering liquor or selling it packaged for off-site consumption.

Unfortunately, the regulatory hurdles for food, health, and alcohol beverage delivery services may be the least of a club’s concerns when it comes to food-to-go or delivery services. Pursuant to the Internal Revenue Code, 501(c)(7) tax-exempt clubs should also consider whether off-site food and beverage services would impact their tax-exempt status. That is, tax-exempt clubs need to engage in activities that further their tax-exempt purposes, such as pleasure, recreation and other nonprofit purposes.

In simple terms, activities that tend to bring members together are likely to further tax-exempt purposes. Those activities that do not can be deemed a nontraditional activity. Under current IRS requirements, clubs may earn a “de minimus amount” (generally understood to be up to 5 percent) from nontraditional activities. Off-site food and beverage service activities could be deemed nontraditional activities if they are not seen as bringing members together for the club’s stated purposes. Thus, if the income derived from an off-site activity is deemed to be more than a de minimis amount of nontraditional activity, the club could lose its 501(c)(7) tax-exempt status.

Ensuring that food and beverage services are being provided to club members in a manner that matches or exceeds its competitors in the on-demand economy is important, but it is also important to ensure that the club remains in compliance with federal, state, and local laws and regulations relating to or implicated by on-demand services. Federal internal revenue laws as well as club operational issues need to be considered, such as logistics, employee training, consistency of quality and appropriate and adequate insurance. Before implementing any new food or alcohol beverage service, clubs should consult with their respective professional advisors to make sure all of these compliance and operational concerns are properly addressed.

Michelle Tanzer and Hannah Becker are attorneys with GrayRobinson, P.A. in Boca Raton, Fla. They can be reached at michelle.tanzer@gray-robinson.com or 561-866-5700 and hannah.becker@gray-robinson.com or 813-273-5216.
In September 2018, the NCA Member Survey was sent to 1,540 individuals representing 373 Member Clubs. A total of 206 surveys were completed and submitted to McMahon Group, for an overall response rate of 13 percent. At least one survey was submitted for 166 of the 373 Member Clubs, for an overall club participation rate of 45 percent.

**PERCEPTIONS OF NCA**

How important is NCA to your club?

- **96%** rely on NCA for monitoring, affecting and reporting on government legislation and regulations.
- **94%** say that “NCA’s Mission Statement adequately represents what I feel the Mission of the NCA should be.”
- **95%** are likely or very likely to renew their NCA membership.
- **92%** are somewhat or very likely to recommend NCA to others.
- **95%** are satisfied or very satisfied with NCA.
- **92%** agree or strongly agree that “My club receives good value for the cost of our NCA Membership.”
- **88%** look to NCA for protecting the industry from damaging legislation.
- **84%** say NCA is important or very important to their club.
- **83%** say NCA is important or very important to them personally.
- **56%** turn to NCA for providing governance best practices to boards and managers.
- **84%** agree or strongly agree that “My club receives good value for the cost of our NCA Membership.”
- **83%** say NCA is important or very important to them personally.
- **53%** have been NCA members for more than 6 years.

**Club Demographics**

**Club Affiliation**
- Country: 60%
- Golf: 12%
- City: 11%
- Athletic: 3%
- Yacht: 3%
- Other: 11%

**Position at the Club**
- General Manager: 30%
- COO: 19%
- Equity Owner: 18%
- Board Member: 17%
- CFO: 10%
- President: 6%
How could NCA better accommodate the needs of your club’s board, GM/COO and senior staff?

<table>
<thead>
<tr>
<th>Board</th>
<th>General Manager</th>
<th>Senior Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Engage boards and NCA at the local/chapter level</td>
<td>- Continue the robust content at national and regional events</td>
<td>- Share NCA’s information with club senior staff</td>
</tr>
<tr>
<td>- One-on-one seminars and symposia offered regionally</td>
<td>- Keep clubs informed with state and national issues</td>
<td>- Continue offering webinars on current topics to keep clubs informed</td>
</tr>
<tr>
<td>- More board-specific articles to pass along</td>
<td>- Consistent support from NCA leadership to club boards, not just management</td>
<td>- More examples of issues from other clubs and resolutions (best practices)</td>
</tr>
</tbody>
</table>

If you could allocate 100 percent of NCA’s resources and efforts, what percentages would you assign to each of the following?

- Advocacy for the club industry: 47%
- Trends in the club industry: 23%
- Governance best practices: 26%
- Other (please specify): 4%

What is the one thing NCA could provide your club to assist in your club’s success?
More benchmarking, best practices and trends

Top three challenges the club leaders are facing at their clubs: (Key words in no certain order)

- CAPITAL NEEDS  (budgeting for projects, maintenance expenses after renovation)
- HUMAN RESOURCES  (labor shortages, labor changes, recruitment)
- MEMBERSHIP  (growth, aging, attrition, retention, engagement)

Club’s NCA Membership how important are the top benefits:

- Information on how federal, regulatory, state and legal issues will impact your club: 97%
- Club Trends magazine: 89%
- Club Governance Standards: White papers tailored to private clubs: 87%
- Club Director magazine: 85%
- Access to NCA’s members-only website content, online tools and publications: 83%
- Special Member Alerts: Breaking news updates on private club issues: 82%
- Club Director Reference Series of white papers: 82%
- Washington Weekly Update: Government relations newsletter: 81%
- NCA CONNECT: Monthly e-newsletter covering private club news, trends and analysis: 80%
- Board Toolkit: Leadership Essentials: 75%
- Club Industry Brief: Biweekly private club industry e-news digest: 75%
- Access to NCA’s staff for customized research: 68%

How long has your club been a member of NCA?
- 39% have been members 11 or more years
- 17% have been members more than 20 years

How could NCA better accommodate the needs of your club’s board, GM/COO and senior staff?

- Continue the robust content at national and regional events
- Keep clubs informed with state and national issues
- Consistent support from NCA leadership to club boards, not just management
- More examples of issues from other clubs and resolutions (best practices)

Size Club (Members)
- 300 or less: 7%
- 301-500: 23%
- 501-700: 23%
- 701-1,000: 14%
- 1,001-2,000: 16%
- Over 2,001: 17%

Revenue in Millions
- Under $5M: 14%
- $5M – $9.9M: 36%
- $10M-19.9M: 33%
- Over $20M: 16%
Our industry is attracting a more diverse set of passions than ever before. So how is this affecting today’s private club experience?

AT LAST YEAR’S annual National Club Conference in Los Angeles, Calif., VIP attendees became special guests at the Academy of Magical Arts, a premier private club for magicians. Under the leadership of President & CEO Henry Wallmeyer, NCA has recognized the challenges brought about by an ever-changing private club landscape. Our industry is attracting a more diverse set of passions than ever before. Following are ways the private club experience is evolving.

The bar plays the lead role no matter what type of club. One of the biggest trends today is the essential need for a bar to be the captivating attractant for the food and beverage experience. The atmosphere and energy the bar creates is more important than the menu in attracting member joy and spend.

The much-discussed addition of fitness in our industry is well documented and certainly will continue. We all want to live healthy and meaningful lives, but are fitness facilities enough? Next step initiatives to enrich this area include wellness and vanity offerings to help us feel better about ourselves (and our loved ones). Programming and products that support mental health by connecting members to one another, encouraging physical activity, and creating joy and satisfaction elevate the club experience and help both men and women take care of their spirit.

More kids are welcome at our clubs today than ever before, translating into a demand for safe spaces dedicated to unstructured and unsupervised play. Most members have fond memories of enjoying adventure and entertainment without the facilitation of a parent, and the opportunity is ripe for clubs to find a way to deliver this unique experience to the children of today.

The blur between work and play continues. Former U.S. Surgeon General Vivek Murthy noted in a 2017 Harvard Business Review article that “we live in the most technologically connected age in the history of civilization, yet rates of loneliness have doubled since the 1980s.” Murthy further notes that working in excess has become the norm in America, contributing to a diminishment in well-being for so many people. Clubs have become a refuge to aid in fulfilling the need to be productive while simultaneously being surrounded by friendly faces. In our annual surveys, member satisfaction is now driven more by interaction with a club’s staff and leadership than with its amenities by a wide margin, so it has become essential to encourage and provide a culture where both employees and members feel valued as individuals.

As this generation’s stewards of our precious industry, my hope for us all in 2019 is that we embrace our unique challenges and step into the new opportunities that will make our modern-day clubs not only survive but thrive.

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OUTSOURCING IS a relatively new business idea first identified by management consultant Peter Drucker in 1989. Drucker advocated that companies should only seek to outsource in those areas in which it demonstrated no special abilities. In doing so, they could improve overall performance and achieve the service needed by taking advantage of the specialist provider’s knowledge and economies of scale. There are no signs of a slowdown with this approach in years to come.

Over the decades, outsourcing of tasks and services has spread across national boundaries and nearly all industry lines. In fact, it has become its own industry. Initially used as a tool for large textile, manufacturing and IT companies, outsourcing today has become increasingly popular in much smaller operations—including private clubs.

The advantages of outsourcing include:

- Greater overall budget flexibility (no need to hire more employees, or provide training, benefits, etc.)
- Increased ability to pay for services and business functions when needed
- Reduced need to hire and train specialized staff
- Built a partnership that provides value and reduces risk
- Improved company focus
- Accessed world-class capabilities through a larger talent pool
- Released internal resources for other purposes
- Improved efficiencies

Despite the economic benefits and legal protections that come with outsourcing, the term is sometimes wrapped in negative connotations particularly for industries and companies at the high end of the scale, such as loss of jobs.

With a proper fit, outsourcing embodies everything a club wants in terms of lower costs while keeping at arm’s length everything it doesn’t—including legal exposure. What if outsourcing solutions could turn around a department and reflect the overall mission of the club? Outsourcing represents a means to that end.

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How do You Know if it’s Time to Renovate Your Golf Course?

**GOLF COURSE**

**EXPERTS’ CORNER**

**How do You Know if it’s Time to Renovate Your Golf Course?**

Paul T. Stringer

**MANY GOLF CLUBS** today face the decision of when to renovate their golf course. There may be some specific circumstances that confront the daily maintenance and presentation of the golf course. The board of directors, management and members may have various opinions on how the golf course is presented (e.g., mowing practices, speed of greens), and there could be many issues or conditions that lead up to considering a renovation.

Here are some reasons to consider renovating your golf course:

- **Safety concerns:** New housing, roadways, dangerous holes that may run parallel and cause daily safety concerns.
- **Golf course maintenance issues:** An aging golf course causing contaminated or poor turf conditions, poor drainage, an irrigation system that may need replacement, greens that are contaminated with other grasses or have shrunken over time, bunker sand that needs to be replaced or not draining, cart paths that may need to be replaced or re-positioned, overgrown or too many trees.

- **Modernization of the Golf Course:** Golf balls going further, need for larger “member” tees, become more relevant and competitive in the market place.
- **Golf course design issues:** Slow play caused by improper routing or poor design, lack of character, bunkers that are in the wrong places or too many to maintain, too many or not enough water hazards, finishing holes that are not near the clubhouse.

- **Natural maturity of the golf course and property:** Need for more practice facilities, (i.e., driving range, practice putting greens, chipping greens) and other club amenities that may need to expand on the property, or new roadways that may impact the golf course.

After establishing some of the reasons why a golf course may need to be renovated, what is the best way to proceed with how much to renovate and when?

**The Renovation Process**

First, determine what you want the golf course to be in the near future; this includes some or all of the following:

- Better condition and presentation
- Improved playability
- Better design and shot making values
- Adjust tees for aging demographics
- PGA Tournament or top amateur/state tournament
- A competitive market forcing improved conditions and golf experience
- Increase pace of play
- Profitability due to the renovation and modernization in fees/dues

Next steps to begin the renovation process include:

- Interview golf course design companies
- Spend significant time talking with your superintendent and head golf professional
- Interview other golf consultants (contractors, agronomists, irrigation designers and irrigation companies)
- Spend significant time with the board of directors organizing the thoughts and results from your interviews
- Establish a priority list of those items you wish to renovate (from the best-case scenario to a more modest renovation)
- Once a list is established, have golf course contractor and/or golf course designer give you a range of pricing to determine a budget

Implementation steps for the best outcome and result for the renovation process include:

- Present the budget to the board of directors
- Have the golf course designer create a master plan of the changes to present to membership
- Establish a time line for the renovation (including closing one nine at a time or all 18 holes or spread out over years) with a program start date and completion date
Clubs planning to re-turf or do a significant renovation should account for best growing windows of turf grass, seasonality of your club, etc.

Create a nursery for turf grass if space is available on property

Agronomist makes a recommendation on turf grass based on your water quality, climate and maintenance practices

Be clear on what the expectations are for the renovation and keep members informed (through communication or renovation boards in clubhouse)

Document visually by drone or video (before and after results) and best to time-lapse video for membership communication

**Fund the Renovation**

There are several options to cover the costs of a renovation including:

- Bank loan in connection with the clubhouse renovation
- Assessment to members (could be in combination with loan or assessment on its own)
- Owner to fund project if club is owned by a private owner
- Increase initiation fees, dues and/or increased green fees from the renovation
- Proper marketing of the club during the renovation to help with new member prospects

When considering the renovation of a golf course, remember it is a living, breathing thing that has a shelf life. Many clubs don’t properly prepare for renovating the golf course until the course has significant problems. Proper planning and budgeting in advance will produce the best result in a timely and economic manner.

There are many good golf course designers and consultants in the industry who can be a great asset to your club. Make sure you are confident that the goals of the club for the golf course will be met by the golf course designer, contractor and consultants and deliver the golf course on time and within budget. Give your club a contingency on costs and also time in case of adverse weather conditions or other unforeseen factors.

Lastly, it is very easy to do a “band-aid” approach to the renovation process. Take your time in planning and organizing the renovation and your overall results will be successful and lasting.

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WHILE CLUBS CONTINUE to study what will drive member attraction and retention in today’s world, one of the biggest issues is that the club membership of yesteryear is a lot different than today. Value is a driving force.

Value is an important equation in looking at club memberships. When prospective members (and existing members for that matter) look at what a club offers, they want to know they are getting good value for the amount of money they are spending. Most members would agree that they receive maximum value in the prime seasons; however, it is those off-season months that are now becoming important to members as well. They ask (and we hear it a lot in focus groups), “what can I do at the club during the traditional slow months?”

Today a club must be a year-round lifestyle center for members and their families. No matter the club type, providing year-round activities is essential for success. All across the country, clubs are realizing the importance of engaging members continually and are providing the activities and amenities that members are looking for in a club experience.

One of the first activities to usher in this year-round ideology was fitness. As many of you know, this is a staple at numerous clubs across the country and has evolved beyond just a gym with equipment. The real impact is on the programming side with classes and personal training, even extending into areas like physical therapy.

Other aspects that are helping to build upon the year-round mantra are winter sports like paddle tennis, one that is growing rapidly in the northern clubs. (See “Winter Activities,” page 28, for more ideas.) One of the biggest trends is improving the golf experience at clubs—whether you have a golf course or not—by enhancing practice facilities. Time is a precious commodity to members and a traditional golf round eats up a lot of it. These new indoor practice facilities are popping up and include indoor hitting stations with the latest technology, golf simulators and socializing spaces around these activities.

While dining has been a constant amenity, members are clamoring for a better dining experience. More than 90 percent of those in our database stated they want their club to be a favorite place to dine, but only 44 percent think it currently achieves that status. What a tremendous opportunity for private clubs.

Having a good understanding of your members and a clear sense of your club’s purpose will help guide decisions and keep you attractive and successful for years to come.

Bill McMahon, Jr., is vice president of McMahon Group, a full-service private club consulting firm that has served over 2,000 private clubs around the world. He can be reached at bmcmahon@mcmahongroup.com or visit mcmahongroup.com.
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COMPUTING the unrelated business income tax of tax-exempt organizations, including social clubs, has become increasingly complex. Simply stated, among other things, the recently enacted Tax Cuts and Jobs Act (Public Law 115-97) (the Act) provides that losses from one unrelated trade or business may not be used to offset income derived from another unrelated trade or business for tax years beginning after December 31, 2017.

The Act added § 512(a)(6) to the Internal Revenue Code (IRC). Prior to its enactment, Treasury Regulations provided that, with respect to an exempt organization that derives gross income from the regular conduct of two or more unrelated trades or businesses, Unrelated Business Taxable Income (UBTI) was the aggregate gross income from all such unrelated trades or businesses less the aggregate deductions allowed with respect to all such unrelated trades or businesses. However, IRC § 512(a)(6) changes this calculation for exempt social clubs, with more than one unrelated trade or business.

The new rule, as a general matter, thwarts tax-exempt organizations, including social clubs, from offsetting UBTI generated by a profitable unrelated trade or business with a loss from an unprofitable one. Unfortunately, the statute left uncertain the scope of the activities that could be grouped together as a single unrelated trade or business. Gains and losses have to be calculated and applied separately. This requirement is generally known as the UBTI Silo Rule.

The Internal Revenue Service (IRS) has provided interim guidance discussing the application of IRC § 512(a)(6) to exempt social clubs.

- That unrelated business taxable income . . . shall be computed separately with respect to each such trade or business.

Simply stated, the IRC provides special rules applicable to 501(c)(7) clubs with respect to the computation of UBTI. For exempt social clubs, the IRC provides that the UBTI means the gross income (excluding any exempt function income) less the allowable deductions that are directly connected with the production of the gross income (excluding exempt function income). Thus, social clubs are taxed on their non-exempt function income, which generally includes investment income and income derived from an unrelated trade or business.

In particular, the IRC defines “exempt function income” as the gross income from dues, fees, charges, or similar amounts paid by members of the organization as consideration for providing such members or their dependents or guests goods, facilities, or services in furtherance of the purposes constituting the basis for the social club’s tax-exempt status. However, the code specifically excludes from the definition of “exempt function income” gross income derived from any unrelated trade or business regularly carried on by such organization.

Example
A social club’s nonmember income is treated as gross income from an unrelated trade or business.
Accordingly, even though IRC §512(a)(3) uses terminology different from IRC §512(a)(1), IRC §512(a)(6) applies to an organization subject to IRC §512(a)(3) if such organization has more than one unrelated trade or business.

**Example**

A social club that receives nonmember income from multiple sources, such as from a dining facility and from a retail store, may have more than one unrelated trade or business and therefore be subject to the requirements of IRC §512(a)(6). If so, gains and losses would have to be calculated separately.

The IRS example is informative, and we can imagine issues arising about rental income (sources: room rental and cell tower rental). For example, in a city club or other club with room rentals, it may be reasonable to include room rental and food and beverage revenues and expenses in connection with a social affair being held at the club in a single silo because the room rentals are an essential part of hosting guests for the social affair. It may be reasonable to conclude that all non-member activities should be in a single silo. Until final regulations are issued by the IRS, we suspect that there will be more questions than definitive answers. Until then, social clubs should exercise reasonableness with respect to the silo issue regarding unrelated business income determinations.

As noted earlier, the computation of the UBTI of tax-exempt organizations has become increasingly complex. The determination of the various silos that must be considered will likely evolve over time, but the IRS example distinguishing between revenues from a dining room and retail store discloses the initial thoughts of the IRS. The IRS has invited comments regarding this matter. We would recommend that any comments that club officials would like to submit be reviewed by their tax advisors.

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The club industry is at a crossroads. At the center of the dilemma is an aging population, with baby boomers representing the majority of club members. Logic dictates that the next generation will replace the boomers when they relocate, age out or die. While generation X (ages 37 to 52) fits what we think of as the optimal age range for private club membership, issues begin to surface as we dig a little deeper into demographic data.

The most obvious concern is size, with generation X being 28 percent smaller than the baby boomer generation. For clubs with golf, pressure is amplified by significant declines in the number of avid golfers over the past decade. The jury is still out on whether the gen Xers or their successors in the millennial generation, ages 19 to 36, will ever value private club membership in the same way as boomers, but it is a safe bet that it will take more than golf course updates and clubhouse makeovers to capture the affections of those younger generations.

Based on our research, innovation will play a major role in determining which clubs make it through the generational divide and which do not.

Analysis of Club Benchmarking member survey data shows today’s members place an increasingly high value on innovative, nontraditional offerings like quick-service dining, fitness centers, child care service, alternative sports like pickleball and resort-caliber aquatics. Clubs offering expanded amenities typically have higher initiation fees and many of them have waiting lists. Through innovative thinking and strategic capital investments, they are proactively cultivating loyal members willing to invest in the club through vehicles such as capital dues and reaping the benefits through sustained growth in the club’s net worth over time.

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How is technology helping to grow the game of golf?

Throughout the golf season, millions of viewers tune in every weekend to watch PGA TOUR golf and, in 2018, viewership skyrocketed as the world watched Tiger Woods’ exciting comeback. That said, the younger players on the TOUR, who are compelling in their own right and have huge followings on social media, bring viewers too. The interest in golf is there. The challenge is how to convert those interested in watching the game into actual golfers.

Let’s face it, with its play etiquette and rules, dress code requirements and rich history that goes back 500 years—golf can be intimidating. An awesome sport, for sure, but intimidating when you are first learning the game. A key to growing the game is introducing it in a nonintimidating setting, and technology may be the key.

The outdoor golf and gaming entertainment category has experienced prolific growth over the past several years. Golf entertainment venues, such as TopGolf and Drive Shack, have grown immensely in popularity. In the past year, ClubCorp also has experimented with technology golf entertainment at several clubs with the Drive Zone, an innovative driving range experience with interactive games, food and drinks, TVs, putting greens and an outdoor lounge, as well as indoor golf, lounges and social hubs that feature golf simulators.

We are now diving deep into the golf entertainment sector. This past December, ClubCorp purchased a controlling interest in BigShots Golf, a cutting-edge golf and entertainment company, to broaden the future of golf entertainment and recreation among every age group and interest.

The technology offers activities for every level of player. Avid golfers can play full rounds on virtual golf courses or practice their swing complete with statistics that include ball speed, club speed, ball spin rate and more. Nongolfers, families and children can play a variety of captivating games such as knockout, pinball, islands and more with players hitting golf shots onto a fun, multi-colored range area.

The goal at our clubs is to always enhance the member experience. As the world raises the bar, so should we. BigShots Golf will enable us to provide another lifestyle amenity for our members as well as introduce more people to the game of golf—and convert many of those golf-loving fans watching on TV to golf-playing club members.

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OCCAM’S RAZOR is the work of a Franciscan friar and theologian, William of Ockham, who reasoned that it is better to keep things simple when attempting to understand complicated ideas. This is good advice for club directors and managers when trying to plan ahead.

The confusion begins in answering, “What do they want?” As club leaders’ eyes have turned from generation X to the millennial generation, a good source for answers can be found from Kris Hart, the co-founder and CEO of Nextgen Golf, whose motto is “Live Life. Play Golf.”

Hart emphasizes two basic needs that clubs meet for millennials: flexibility and community.

“Millennials are often on the move and need flexibility for when they can play. More importantly, having flexible membership costs and initiation fees are an important factor for millennials when joining a club,” says Hart. “Some may
not stay in one city for a long time, paying up-front costs are less attractive.”

According to Hart, millennials need to be part of something. “Clubs that have younger members and a good community around the club are attractive. Millennials rely heavily on recommendations from family and friends and want to hang out with people like them.”

Now the largest market segment in America, the millennial generation has high expectations, in general. “Millennials expect to be treated the same as a full adult member and do not want to be restricted or looked down upon as a young adult member.” Hart advises.

And first impressions are important! According to Hart, “Technology expectations are continuing to increase. The club’s digital presence and online reputation has become much more meaningful given millennials can go right to google and research everything about a club in a matter of seconds.”

Health and wellness are imperative for this generation. Clubs that have gyms, fitness classes and embrace the health and wellness movement will be better prepared for this generation.

Millennials are getting married and having kids later in life than previous generations. As millennials continue to age, family-focused clubs are increasingly more important, Hart stresses.

Keep it simple if your club wants to attract millennial members.

Henry DeLozier is a principal at Global Golf Advisors, an international club management consulting firm that provides specialized services to more than 3,000 clients from offices in Toronto, Phoenix and Dublin (IR). He can be reached at hdelozier@globalgolfadvisors.com or visit globalgolfadvisors.com
What are some ways clubs can compete for entry-level employees in today’s job market?

Robert C. James CCM, CCE, CHE

IN OCTOBER I had the pleasure of serving on a panel with Henry Wallmeyer and two other industry experts on the topic of “Workforce Challenges” for the Metropolitan Golf Association’s President’s Council fall conference. Although the attendees were primarily presidents and general managers from the New York metropolitan area, the concerns and challenges we discussed pertain to all areas of the country.

A steady decline in hospitality industry workers is posing significant challenges particularly for attracting entry level positions at seasonal private clubs throughout the nation. Unemployment in the U.S. is at historic lows while the hospitality industry, as a whole, is growing both nationally and internationally.

The hospitality industry has more jobs to fill than there are interested and available workers. It will all come down to survival of the fittest, and that will necessitate some thoughtful strategic planning. CMAA’s 2017 Industry Study, Recruiting Hourly Employees, found that only 5 percent of clubs responding to the survey evaluate their hourly staffing needs three to five years out. A majority plan for annual needs but 21 percent leave this important managerial responsibility to simply a seasonal look ahead. Unfortunately, the crises that is looming will require a much more strategic forecast for those who expect to be fit enough to survive. The need for long-term workforce planning has arrived. The other 95 percent need to climb on board, fast!

A key takeaway from the conference was that clubs will need to compete aggressively to survive in what has become a global competition for entry-level employees. We have many tools at our disposal, but a one-size-fits-all template is not available. Each club must evaluate their individual short- and long-term needs and create their own sustainable plan.

Peter Petrina, founder of Petrina Group International, which sources J-1 visa students and H-2B visa seasonal employees for private clubs, cautioned the attendees that the U.S. regulatory cap on H-2Bs—along with growing global competition for seasonal employees—is limiting the growth of this source of entry-level employees. While expected to remain a vital staffing source for many clubs for the foreseeable future, these sources may no longer be the panacea they had once been.

Anne Catherine Nielson, SPHR, SHRM-SCP, director of human resources at Westchester Country Club in Rye, N.Y., provided insights into the trends of social media and online employment search engines as effective recruiting tools. But she emphasized that the ultimate success will be dependent upon the quality of your employee programs and advancement opportunities, which should be effectively represented on your website career page.

The club’s brand image is very important, not only its employment and benefits philosophies, but also its public image. Millennial and generation Z employees want to work for companies that reflect high standards, community involvement, diversity and, most importantly, a reputation for a positive workplace culture.

This is not a simple order, as it necessitates full buy-in from the members to club leadership and down to all management levels. Without a great workforce the club will never achieve its aspirational goals, but this is not a “chicken or the egg” scenario. The club must first maintain high standards for itself to then attract a quality workforce.

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A CLUB’S AMENITY MIX makes a difference. Clubs with expanded offerings command higher initiation fees and attract more members. The yellow slice in the pie charts below represent the percentage of fixed operating expense allocated to non-golf sports and recreation (i.e., racquet sports, fitness, aquatics).

**0%–5% of Fixed Operating Expense Allocated to Non-Golf Sports & Recreation**

- Net Assets: $3.7M
- Dues Revenue: $2.7M
- Operating Revenue: $5.6M
- Course Maintenance Spend*: $1.2M
- Sports & Recreation Spend: $93K
- Full Member Equivalent Count: 366
- Initiation Fee/Dues: $14K / $7,000

**5%–10% of Fixed Operating Expense Allocated to Non-Golf Sports & Recreation**

- Net Assets: $3.6M
- Dues Revenue: $3.3M
- Operating Revenue: $6.9M
- Course Maintenance Spend*: $1.2M
- Sports & Recreation Spend: $270K
- Full Member Equivalent Count: 424
- Initiation Fee/Dues: $24K / $7,400

**10%–15% of Fixed Operating Expense Allocated to Non-Golf Sports & Recreation**

- Net Assets: $4.1M
- Dues Revenue: $4.0M
- Operating Revenue: $8.0M
- Course Maintenance Spend*: $1.4M
- Sports & Recreation Spend: $580K
- Full Member Equivalent Count: 577
- Initiation Fee/Dues: $24K / $7,200

**15%–20% of Fixed Operating Expense Allocated to Non-Golf Sports & Recreation**

- Net Assets: $6.1M
- Dues Revenue: $6.0M
- Operating Revenue: $13.2M
- Course Maintenance Spend*: $1.6M
- Sports & Recreation Spend: $1.2M
- Full Member Equivalent Count: 868
- Initiation Fee/Dues: $57K / $7,100

* On a per-18-hole basis, values are $1.0M, $1.0M, $1.2M, $1.2M
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