

A R T I C L E S E R I E S

GET READY FOR 2009 -

A NEW REALITY FOR PRIVATE CLUBS

CLUB RESOURCES

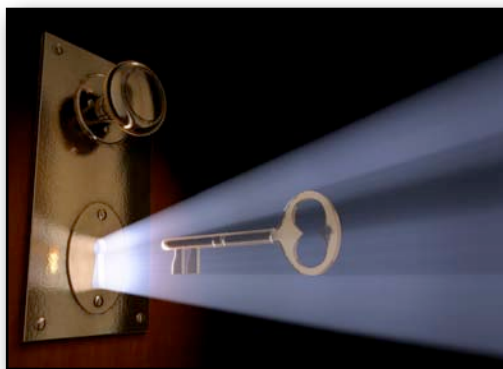
OCTOBER 2008

by Bob Bodman

Get Ready for 2009 - A New Reality for Private Clubs

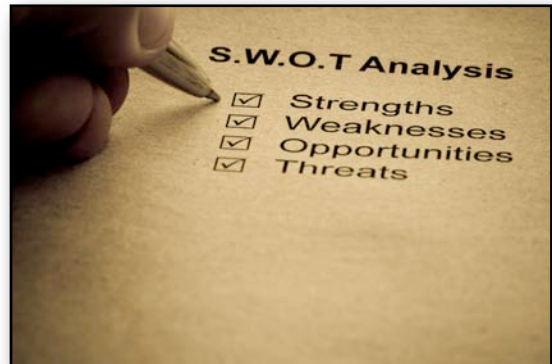
How will the shrinking of the US and world economies affect the fortunes of private member-owned clubs and what can club leadership do to minimize the impact of the new reality on their club?

Private clubs, as an industry and as individual institutions, are rapidly evolving away from a model of tradition to one of pragmatism and commercialism. The history of the private club industry has always experienced cycles and swings, typically moved by generational values and standards, but what attracted members to clubs generally remained fairly consistent. Evidence now suggests traditional methods and models are no longer attracting new members like they once did, even at the most venerable of clubs. Additionally, many clubs are finding it increasingly difficult to collect enough dues to provide the high level of services members expect, initiation fee revenues are not covering the capital needs of aging facilities and assessments are increasing, many times beyond the affordability of many members. Private clubs need to embrace new ideas to compete and survive in this new environment.



Evidence indicates that, in periods of economic slowdowns, members use can actually increase, such as immediately following 9-11. This may be due to a retrenchment in travel or a sentiment such as "We are paying higher dues, therefore, we need to use the club more frequently." Evidence also indicates that the clubs delivering high quality services and programs actually prosper during downturns in the economy. Whereas, giving only lip service to being a "Family Club" goes nowhere. Clubs must actually deliver on such programmatic statements. Overall, the features that once attracted prospective members to the club, such as a great golf course, are no longer the features that make the difference.

The recent near-meltdown in the economy and financial markets will surely affect the private club industry in many ways (i.e., equipment leasing, borrowing for capital projects, market affluence, current member price sensitivity, members' ability to absorb assessments and increased cost of goods, to name only a few). Add these factors to an overbuilt, highly competitive club market and an aging club population and you have a "new reality" in the making.



We believe now is a critical time for club leadership to embrace comprehensive Strategic Planning in order to fully understand and address the "new reality" affecting their club, and to ensure their club makes the changes necessary to appeal to the next generation of club members. Club leadership may now be faced with a serious challenge of retooling for a very different-looking future. Status quo leadership will only pass the buck on to a future Board at the expense of losing serious ground in the battle for future members.

Bob Bodman is the Author of The Guide to Membership Marketing and Principal of Club Resources, a club consulting firm specializing in membership solutions and strategic planning. Contact Bob: Bob@Club-Resources.com

STRATEGIC PLANNING

There are times in the life of a private club that require a comprehensive study of its trends, facilities, membership profile and, indeed, its future. CLUB RESOURCES has developed a system that brings organization and structure to the strategic planning process, while engaging the membership and involving them in the process throughout.

As all clubs have different needs and different levels of internal resources, our Strategic Planning process is designed to offer a component approach. Our strategic planning process features ultimate flexibility allowing clubs to determine which components they need, which components they can perform in-house with our guidance, or a more comprehensive approach utilizing our full range of services.

Ask us for a free Strategic Planning Consultation - 800-267-6758 or Bob@Club-Resources.com

Member Input Study
Overview Summary
September 3, 2007
MONTEREY PENINSULA COUNTRY CLUB
PUEBLO BLVD., CA

Membership Marketing Plan
May 15th, 2009
CORDE VALLE

Market Evaluation
and
Comparative Club Study
June 23, 2004

The graphic also includes three images: a compass rose, a conference room with a long table, and chess pieces on a board.