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Ltd.

Sound ridiculous? Welcome to the wonderful, unique world of private clubs. A unique world it is indeed! While many of today's top-rated club operators or General Managers started their careers in the restaurant or hotel industry as fresh Hotel & Restaurant university graduates, few started their careers in clubs. Many have found the transition a challenging one. The differences abound; and if overcome can be quite rewarding — in their own unique way.

Almost all clubs, too often, are thought of by their Boards or owners as exclusive, prosperous and prominent. Unfortunately, many are not. Just as there are "star" ratings for hotels and restaurants, clubs also fall into classifications and can be informally rated. Fortunately, the differences and classifications for clubs are not standardized and members who have paid for membership can at times "cloud" a true

evaluation. They must after all, justify their entrance fee expenditure.

The demand for qualified managers far exceeds supply. The prerequisite required for a general manager varies from club' to club, as no two clubs are the same, and differ according to the numerous categories of clubs. They may even vary within the same category of club. As an example, two clubs situated in the same area may have quite similar physical facilities, locations and offer basically the same services and programs. However, chances are, the politics and membership composition are vastly different. Hence, a totally different work environment.

A truly successful club manager is one who possesses all the technical qualifications required to suit a particular property and have the ability to understand, influence and survive the politics of the elected Board and membership. The latter attributes become paramount in a private members-owned club versus a corporate-owned club. Even in clubs which are successful in

every sense, have continuous membership growth or a healthy waiting list and where the vast majority of members are pleased with the services and standards received, the success/equilibrium can be upset by a vocal minority. Perhaps one to two percent of the total membership can become a problem. The result, is the "tail ends up wagging the dog". The manager is forced to become reactive rather than proactive. In a very successful large club, the newly elected President lost his position with his company and literally moved into the club's office, challenging the club manager on how to run the operation.

Club management requires an individual who is patient and a good judge of people, patient, enjoys serving others and derives satisfaction from close personal contact with a variety of people and their families. The club manager must deal primarily with the same relatively small group of members and their families on an extended basis, day after day, as opposed to other hospitality managers who deal with a relatively large universe and see a guest several times a year only.

The club manager of a private club is an independent

contractor working on his own. He normally does not have a large corporate headquarters — staff directing policy or offering technical assistance. Basically, he has the opportunity to conceive an idea, develop and implement it and nurture it to fruition. The results can be very rewarding from a professional point of view. The manager has to involve his members in the successful accomplishment of his ideas. The successful manager will act as the "paid professional advisor" to the Board and as such can be most influential. He will know how to respond to members and provide them with the services and standards required. "The successful club manager can accomplish almost anything he desires as long as he doesn't care who gets the credit."

Yes, it is an unique world. However, the challenges can be most rewarding and fulfilling. In the words of James Thurber, "It's my world and welcome to it!"



Peter Fyvie
General
Manager
Granite Club,
Toronto

COMPARING A HOTEL VS PRIVATE CLUB AND WHAT MAKES A SUCCESSFUL CLUB MGR.

In 1991 when I joined the Granite Club in Toronto, I was fortunate to be involved in a financially stable organization with no debt and a large supportive membership of 8,600 in need of good management. The private club industry in Toronto was in the middle of its "big transition" into professional hospitality management. Today, most club general managers have extensive hospitality industry backgrounds and we have introduced many of the same services that are successful in restaurants and hotels. Outstanding member service, quality food and fine wines. We also brought a new attitude to trying programs and activities to clubs that today far surpasses what most boards thought possible in the 1980s.

Club managers say there are two secrets for success. They are to take care of the bottom line and manage interpersonal relationships. Those of us with hotel and restaurant background are well-versed in bottom-line management and payroll controls. We quickly establish a work ethic for the staff that

emphasizes service and training rather than long service and servitude. Inventory controls and improved quality combine to increase sales and cover counts. I learned that club politics is best managed by good governance regularly reviewed. Well-defined rules and roles for the board, staff and membership are in everyone's best interest. My attitude is based on working with my board and acknowledging them as my mentors. When I adapted this collaborative style, my relationships blossomed. Our successes with the Granite board can be measured by their new

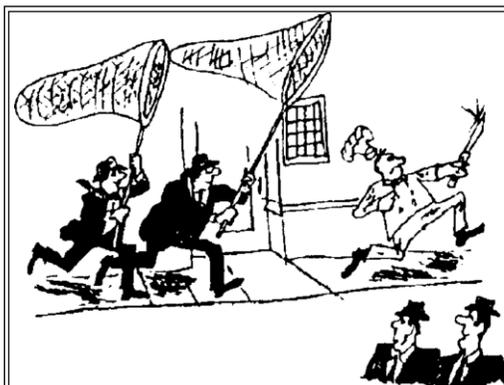
Our new members accept fewer mistakes than the traditional members. If you want to attract new members, it is imperative to stay sharp and on the cutting edge with member service programs and quality. We know that our customers can readily find what they want elsewhere. The secure clubs are those that are family oriented with diverse memberships that can adapt quickly to change.

One of the great strengths and differences with clubs is the influence of professional staff. The Granite Club has 180 contract employees who teach, coach and develop members

The collaborative nature of this process requires expertise and trust. We have to reach out to consultants with proven track records, even if it is simply to support management's recommendations. We also must surround ourselves with the best possible senior managers, supervisors and staff. Career development for staff is crucial to this process.

Club managers network with each other more than in hotels and restaurants. We have no qualms about sharing our successes. When a local club undergoes renovations, a neighbouring club often shares space or helps out in other ways. There is a high level of trust and integrity that has taught me to respect the more important issues in life and work.

I had been told that club management was an easy 40-hour work week. However, hospitality professionals who have moved into the private club industry disagree: it is tough work. We have to keep our youthful outlook and stay in great physical and mental shape to remain competitive. We have to change and adapt to the politics of the membership. We have to embark on continuous education as a job requirement.



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This year we are developing a golf section and completing the facility planning for the next century. After 122 years in Toronto, they want to ensure another generation of progress, just like their forward thinking predecessors.

Member retention and recruitment are key issues. Only a few clubs have waiting lists. One of the down sides to club life is dealing with the short-lived relationships we develop with members who become friends and advisors and then move on or become inactive.

Technology is a big influence on today's clubs. The Granite Club handles a very complicated membership account process with industry software that required customization.

Except for clubs managed by companies such as Club Corporation of America, private clubs are independent organizations with no head office support. Managers from coddled backgrounds must adapt to this change to survive. Our Boards need a support network of consultants and experts to assist the GM/Chief Operating Officer.

The future for private clubs is rosy. Clearing up the bottom line and improving governance are first steps. Our tax-free status seems secure and governments recognize our positive influence in our communities. The professionalism of staff in all areas has greatly improved quality levels. Boards are open to change and adapting to social and ethnic issues. Salaries and benefits are in line with the hospitality industry. The hotel and restaurant business struggling with quality and service issues will find very capable and effective managers to recruit from the private club business.

**- WE HAVE
MOVED!**

Our new address is
121 Richmond St. West,
5th Floor
Toronto, Ontario
M5H-2K1 Canada

We can be reached at
the same Telephone and
Fax numbers.

Wolfgang Kappeler
Director
The International Group of Clubcorp

I had to contemplate for quite some time as to whether or not I should write this article, when Steve Renard asked me to make a short contribution on the pros and cons of running a private club. However, considering that I pursued a typical hotel career in Europe, Africa and Asia for nearly two decades prior to entering the private club industry, I came to the conclusion that I would be able to provide some interesting background for the club manager and hotelier alike.

I remember my old hotel days, when we used to laugh about any and every club manager. We, the big guys, running hotels with multiple food and beverage outlets, hundreds of rooms and often more than a thousand employees, would typically look down at the Tom, Dick & Harry Club manager who, if he was lucky, had two to three outlets, maybe a hundred employees, perhaps a few million dollars revenue a year (we did that in a few days) and all of that managed by at least ten committees and a board of governors.

In those days, we were convinced that a general manager of a private club could only be a wimp with no backbone, and a yes-man who enjoys being slapped around by the club members, committees and the board of governors.

Well, I have learned a lot since then. Changing from the hotel industry to private clubs in 1987 was not as easy a transition as I thought. A club manager is pretty much left to himself. There's no high-calibre corporate financial controller teaching him how to read a

balance sheet, nor are there fifteen engineers getting things fixed, there's no one to convince the banker to obtain bridge financing for that renovation programme etc.

The private club business is entrepreneurial and a successful manager of a private club needs to be an excellent businessman who knows how much cash he has in the bank.

Embracing the "hands-on" approach, a club manager needs to know what he is talking about in all areas of running a business from food preparation to budgeting, from sales and marketing to agronomy, as there is hardly anyone to whom he can delegate.

Nonetheless, managing a private club can also be a very fulfilling job, especially if one is able to park his ego and not perceive the members, committees and board members as adversaries. One has the opportunity to get to know, on a personal basis, the leaders who fashion and direct the future of their community and can establish long-term

In dealing with heads of states and industry leaders, nothing can be left to chance; every detail needs to be planned in advance and taken care of in the most professional manner.

My opinion of "Tom, Dick & Harry" has certainly changed since those hotel days. I now have great respect for the professional club manager, whose business is dependent upon some one to two thousand customers (members) only, and where member recognition, attention to detail and exceeding members' expectations are far more important than having the best china, glassware and silverware on the table.

I presume that all this also applies to the hotel industry. However, I have too many memories of the full-fledged hotel operator, who knew that his room occupancy was 93.2%, the average rate was 156.00 dollars, with Food & Beverage cost at 32.5% and payroll at



Committee Meetings

22%, but when asked "how much money he had in the bank", did not have the faintest idea.

So, if you are running one of these mega five-star hotels and you are just about to laugh at little Tom over at the club, think twice.

Tom, Dick or Harry may have just been living in your community for the last ten years, has a nice family living in the right neighbourhood, be on a first-name basis with the "Who's Who" of society, has just finished lunch with the CEO of the largest local bank, and is going for dinner at the Mayor's home tonight.



Heinrich Hahn
General Manager
Mimosa Golf & Country Club
Philippines

the major difference between hotel managers and club managers is that the use is different.

friendships and associations.

In areas where a hotelier focuses mostly on managing the daily affairs and tries to excel in quality and profitability, the club manager, as such, needs to work much more on each individual members' needs and expectations.

In the club business, the majority of new members come from existing member referrals. To keep the fine balance between member personal satisfaction and profitability of the club, it is absolutely vital that the manager is visible and a hands-on operator and seen by employees and members as the engine of the club.

I am a strong believer that the club manager, or in this respect, the hotel manager is on the floor during the peak hours, regardless if it is a small or big club/hotel.

At Mimosa Golf and Country Club plus its Montevista Hotel, we will have eventually over 900 employees. In my opinion, it is very important to structure the club key employees in such a way that each of them work independently almost like his or her own general manager. As this is not new to the business, I am always flabbergasted by some managers who regard themselves as "I know it all".

A 1998 STUDY ON RUNNING A HOTEL VS PRIVATE CLUB AND WHAT MAKES A SUCCESSFUL CLUB MGR.



*Paul D. Thompson
Managing Director
Lyford Cay Club
Bahamas*

How Do They Operate?

There are a large variety of different types of membership clubs around North America and in all areas of the world.

Clubs vary from luncheon clubs, yacht clubs, country clubs to full hotel resort clubs. Each variety of club operates with some similarities while the larger and more complex clubs operate much more like a hotel or resort.

In general, all clubs present the number of members they will accept and from this membership, they elect a board of governors. This is intended to cover the diversity in the membership

requirements and likes, e.g. golf, tennis, restaurant, croquet, water sports, yachting, real estate, etc.

From this mix of governors, the overall membership will be well represented and the health of the club promoted from all sides.

The board will internally select their chair, deputy chair and a small working executive committee.

It is this executive committee that will set the parameters that the general manager will work within. However, the chair of the board and the executive committee is the governor the general manager will report to on a regular basis.

The chair of the board will set up various sub-committees to work with the membership on their

particular area of interests.

Each of the committees are responsible to study their areas and membership wishes, then make recommendation to the executive committee of the board with the hope their wishes will be approved and then given to management for action.

I have just outlined the top structure of the line of authority from the membership in general to the general manager. However, from this point onward, the organizational chart will be similar to that of an hotel.

In other words a definite line of reporting is followed at all times with little or no deviation.

It is very, very important that a structure similar to this outline be followed by any club for success to be achieved, the most common problem that occurs in clubs that fail is direction given to the staff from the committees of the membership in general.

The duty and the responsibility of the general manager is to clearly establish with the chair and the executive committee the reporting lines that cannot be crossed and the internal club rules can be written to incorporate these rules in every area.

Now that the structure is clear what makes a club manager successful?

WHAT MAKES A CLUB MANAGER SUCCESSFUL

For ease of reference, I will list some of the most important qualities in point form and order of importance:

1. One has the heart of a hospitality person (loves to serve his/her members).
2. Being around and being seen by the membership in their areas of enjoyment at critical times, i.e. during meal times in the restaurant, just greeting members and checking on the quality of food and service. During golf and tennis tournaments checking with the various participants.
3. Being available to discuss concerns of the members with a very quick response.
4. Team leadership and team building ability for your staff.
5. Emphasis on continual training and staying up to date with the service expectations of your membership.
6. Staying current on the menu content for your members considering their diversity and the changing healthy life styles today. Also, the level of service must be consistent and always better than any commercial establishment.
7. Being on top of the management of your golf course in regard to healthy greens, tees, fairways, and pro shop management. Be professional in your approach to all of these areas.
8. Bedrooms, public areas, landscaping, etc. must be professionally managed by observing details, details, details, then taking action, action and action. In this way you will exceed the expectations of your membership.
9. Be a prudent budgeting expert and always stay on budget or under. No surprises for your board.
10. Forward long range planning to meet the changing needs of your membership in regard to the age, etc. of the next generation of new members.
11. Practice all aspects of Total Quality Management.
12. Study the types of resorts and restaurants your membership

frequent when they are not staying with you and match or outdo some of the highlights they enjoy in these places.

Managing a private club can be the most rewarding and satisfying experience of your hospitality career if you clearly understand the differences between hotel management versus private club management and then follow the mandate as it should be without crossing certain sacred club lines.

One last but very important point to remember when you consider the management of a private club. In all you do, there can be absolutely no commercial ring but much more genuine friend to friend conveying of the details in an easy to understand way and style.

Having spent 14 years in all aspects of the hotel business and the last 16 years in a wonderful private hotel club resort, I am fully able to understand both of the distinct environments of these different worlds and they are so close in many ways. I absolutely love my career in both arenas. — [Paul D. Thompson](#)

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