

THE BOARDROOM

CELEBRATING 23 YEARS OF EDUCATING THE PRIVATE CLUB INDUSTRY

ISSUE 282 | VOLUME XXIII MAY/JUNE



Distinguished Clubs BOARDROOM Magazine

OFFICIAL PUBLICATION FOR THE ASSOCIATION OF PRIVATE CLUB DIRECTORS



INTELLIGENT RISK TAKERS FOCUSING ON INCUBATING IDEAS

10 | PUBLISHER'S PERSPECTIVE
WHY CLUBS WILL BE MORE RELEVANT THAN EVER!

60 | ON THE FRONTLINES
WHEN SUPPORT LEAVES THE MANAGER

70 | EDUCATOR OF THE YEAR 2018
WHITNEY REID PENNELL

90 | ON THE FRONTLINES
DRIVE TO MEMBERSHIP CAP MARKS
THE REVIVAL OF DANA POINT YACHT CLUB

94-96 | INNOVATIVE IDEAS
CHAMPIONS RUN
HOUSTON RACQUET CLUB
ST. ANDREWS COUNTRY CLUB

PICTURED L-R: Matt Lambert, GM/COO, The Country Club at Mirasol; Craig Martin, GM/COO, St. Andrews Country Club; John Herring, GM, The Club at Admirals Cove; Brett Morris, GM/COO, Polo Club of Boca Raton; Michael McCarthy, CEO, Addison Reserve Country Club; Achal Goswami, GM, Frenchman's Creek Beach and Country Club; Matthew Linderman, President/COO, Boca West Country Club



JOHN G. FORNARO

John G. Fornaro is the publisher/CEO of BoardRoom magazine, co-founder/CEO of Distinguished Clubs and the CEO of the Association of Private Club Directors (APCD). If you have comments on this article or suggestions for other topics, please contact John Fornaro at (949) 376-8889 or via email: johnf@apcd.com

Why Clubs Will Be More Relevant Than Ever!

Over time, and especially more recently, the focus for many private clubs has changed significantly, and for a variety of reasons, including the financial crisis that impacted the industry several years ago.

But what of the future? What will be the draw to join a private club? What experience do members want? How do clubs provide what members want?

For many clubs it all starts with defining who and what they want to be? What their brand is and how they appeal to people who want to be members of a private club today.

One fact is certain... private clubs have had to adapt and evolve with the time and for many clubs that has brought about change. So how do clubs make sure they're more relevant than ever so they can retain members and appeal to prospective members today?

"I recently read that Disney is offering end of life or funeral experiences. Can you imagine a rocket going up, exploding and hearing someone say, 'There goes uncle Jim! He loved Disney!' Clubs have to start thinking way out of the box!"

Shannon Herschbach, principal and co-founder of Pipeline, a brand marketing agency for clubs, says, "Studies have proven the more connected we are, the happier we feel and the healthier we are."

But there's another side to that coin – technology. "As technology connects us, we are becoming more disconnected than ever. The need for offline places that foster authentic connection is becoming more and more pronounced.

"In addition, our entire economy is being reshaped by a population that favors access over ownership, and a culture that prefers experiences over material items. By

We have our country clubs, the yacht clubs or city clubs ... today that's the town square in America. We have to sell our clubs as a gathering place to meet people, socialize and develop friendships. However, just saying it isn't enough. Your private club must have a usage and retention plan that will ensure new members use the club and meet people. The best clubs know this. They focus on 18 or 24-month plans to help their new members connect with others, to provide them with club functions, events and clubs-within-a-club.

"Growing through *member experience* will be very relevant. That's the key," explains Gordon Welch, president of the Association of Private Club Directors, the parent association of BoardRoom Institute, the educational arm of APCD and BoardRoom magazine.

"*Member experience* can't be talked about enough. That's why people join the club. Clubs will continue to play a vital role in family life. Clubs will need to be the center of the family home, offering "the experience" to all members of the family.

"Many people talk about the Disney way and providing that type of experience. I used to get tired hearing that," added Welch, "however, Disney knows what it's doing!

definition, private clubs should be in a strong position to embrace these shifts, while continuing to satisfy our more fundamental human needs for belonging, safety and aspiration," Herschbach added.

A safe environment remains mandatory.

"The attraction of community, and the attraction of a **safe environment** with a fully integrated lifestyle for the entire family where all your needs can be met on a daily basis from sports programming to entertainment and dining," are reasons why private clubs will be more relevant than ever, offered Craig Martin, general manager of St. Andrews Country Club in Boca Raton, FL.



INTELLIGENT RISK TAKERS

Focusing on Incubating Ideas

A few years ago, while visiting one of the private clubs in Florida's Boca Raton area, the general manager took me on a tour of his club.

The GM was very proud of the brand-new locker room in which we were standing, as was the club's president, who was also in the locker room. He immediately walked up to us and said, "I'd like to have a chat with you."

An avid reader of BoardRoom, he knew who I was. He asked the GM to wait in the clubhouse while we walked to the golf course. Going along the pathway to the first hole, he asked, "Do you know how much we're paying our GM?" I said, "No I didn't."

"Well, I want to share with you how much we value our GM. We pay him \$500,000 per year," the president offered. "The GM doesn't have a university degree and he's only 40 years old. What makes him special?" A very good question, I thought.

Then he added, "I was the CEO of a major New York company that employed over 10,000 people worldwide. For 41 years, I looked after my company and 10,000 employees.

PICTURED L-R: Matt Lambert, GM/COO, The Country Club at Mirasol; Craig Martin, GM/COO, St. Andrews Country Club; John Herring, GM, The Club at Admirals Cove; Brett Morris, GM/COO, Polo Club of Boca Raton; Michael McCarthy, CEO, Addison Reserve Country Club; Achal Goswami, GM, Frenchman's Creek Beach and Country Club; Matthew Linderman, President/COO, Boca West Country Club

"For 43 years I've taken care of my wife and for many years helped take care of three children. In other words, my whole life I've been responsible and taken care of many people.

"Now, I want someone to wake up in the morning thinking about me," he injected, "Someone thinking about providing me the opportunity to experience new things and be happy. I don't even play golf, but there are enough great things going on this club that I don't have to be golfer.

"So, we have 500 members and I think it's worth \$1,000 per person for someone to be in charge of providing us experiences for the last 20 to 30 years of our lives. That's the \$500,000 for our GM," the president explained.

Our BoardRoom's Distinguished Clubs group realized at that time that we need to recognize clubs for what and how they deliver a great member experience - not just the facility or rewarding a club because the GM is popular.

I've seen clubs that have been recognized among the top 250 private clubs in the country provide a mediocre member experience. And I've visited others, not even recognized as one of the best clubs, provide a member experience that is unforgettable.

No one in our industry can honestly tell you what the best clubs are. It comes down to the question, are your members receiving a great member experience?"

John G. Fornaro
publisher BoardRoom magazine
CEO BoardRoom's Distinguished Clubs

There are many great *BoardRoom Distinguished Clubs* and outstanding general managers throughout Florida who, quite often, as members of the CMAA's Florida Chapter, Seminole Region, for example, meet for discussions, an exchange of ideas and similar challenges they all face.

But here we're featuring a smaller group of general managers – that 'many times' function as a group within a group, so to speak – that sets its own agenda, that congregates on a regular basis and that at times includes spouses and families in their activities.

"These clubs, their general managers and staff in this part of Florida deliver an experience to their members that's not (seen) in many clubs across the country," Fornaro added.

All *BoardRoom Distinguished Clubs*, they include **Addison Reserve Country Club, Boca West Country Club, the Club at Admirals Cove, The Country Club at Mirasol, Frenchman's Creek Beach and Country Club, Polo Club of Boca Raton, St. Andrews Country Club and Woodfield Country Club.**

So how did these become the best of the best?

"Because these Distinguished Club managers have shown success with their delivery of *member experience* with renovation and capital improvement budgets, they've earned the trust of their members and boards to keep on allocating money for new ideas, additional renovations, capital improvements and hiring of the best of the best staff," explained Keith Jarrett, president of BoardRoom's *Distinguished Clubs*.

"It's one of the largest concentrations of residential country clubs in the world. So clubs in this area are not only selling membership, they are selling real estate that comes with the membership or vice versa. These managers are not only responsible for the *member experience*, they're responsible for the real estate values of their member's estates. We're talking hundreds of millions of dollars per club.

"Because these clubs have been run so well for so long, they've been able to lay a foundation that is solid and can be built upon. In other words, they are able to try new ideas, new innovations, new experiences that most clubs do not have the time or budgets to execute. They are the leaders in delivering member experience," Jarrett emphasized. ➤

We have 500 members and I think it's worth \$1,000 per person for someone to be in charge of providing us experiences for the last 20 to 30 years of our lives. That's the \$500,000 for our GM," the president explained.

CLOSE PROXIMITY

“First of all, there are many exceptional clubs all over the country that are steeped with tradition, have the finest facilities and are led by great leaders. The difference in Palm Beach County is the fact that there are so many within such a concentrated area,” explained Matt Lambert, general manager and COO of The Country Club at Mirasol, Palm Beach Gardens, FL.

“I believe there are over 75 private clubs between Boca Raton and Jupiter, which is approximately 40 miles apart. With so many outstanding clubs in close proximity, there isn’t a day that goes by that we don’t have one of our members visit another great club and come back and share their experience.

“This increases the expectations of members and drives the leadership team to continue to elevate the member experience – whether it’s from investing in our facilities, attracting and retaining the best staff, or offering the most creative or relevant programming,” Lambert related.

Yes, there’s a uniqueness about these clubs, but just as importantly, they’re idea incubators ... clubs that develop, share and collaborate with one another about their members experience ... they are indeed, leaders of the pack!

It all started back in the 1980s, when Jay DiPietro, then general manager at Boca Lago Country Club, Boca Raton, and a close friend, Bob Fordham, general manager at Boca Pointe Country Club, started introducing themselves to other general managers in the area.

“Our objective was to help each other and share our thoughts,” DiPietro recalled recently. “We never saw ourselves as competitors but people who wanted and needed to help each other. As other managers came into our area to work at different clubs, I made it my business to invite them to meet other general managers,” he added.

It’s camaraderie fostered not only by the relationships between general managers but also the wives and families of

these general managers in southern Florida. These folks, all well aware of the intricacies of the private club industry, have spent much time together during club functions, socially, on holidays and sometimes vacations.

But why the collaboration among competitors?

“We’ve been able to do this by developing a collaborative environment that focuses on the relationships among all the general managers in the area. Although we’re all considered ‘clubs’, we don’t feel like we’re in direct competition with each other per se,” expressed Brett Morris, general manager and COO of the Polo Club of Boca Raton.

“Each club community has a bit of a different feel and areas of member interests and as such, we can share ideas with each other and not feel like we’re giving away information or creativity that would hurt the communities we work in.

“I believe that my personality and style blends well with the ‘feel’ at Polo among the members. Having grown up in New Jersey and worked in New York for many years before coming to Florida, I am able to relate to our members, most of whom are from the same areas up north.

“Being able to identify with them and bringing an understanding of the culture, which exists at Polo, helped me to establish immediate credibility as someone who can ‘talk the talk,’” added Morris.

For St. Andrews’ Craig Martin, similar governance models also spur on the relationships.

“Each club’s governing body made the decision to recruit and hire an experienced GM/COO club leader from a similar level club and made the decision to support that club leader in delivering and maintaining the Club Management Association of America’s club governance model. These clubs have committed to providing the necessary resources to aid the management team in executing the strategic and day-to-day objectives resulting in exceeding member expectations.

“The GMs in our area have all been highly engaged with one another and support each other in meeting our personal and professional goals and deliverables,” Martin opined.

“At St. Andrews one of our strategic objectives is to select top talent in every area of the club while creating an environment and culture that inspires and recognizes achievement. It’s important to us that every team member believes in the culture and mission of St. Andrews and that they embrace each day as an opportunity to exceed expectations.

“Their commitment to our mission and basic standards makes it so much easier for top management to focus on creativity and innovation, resulting in new services and programs that elevate our brand. Our member satisfaction and retention is only achieved by our most important asset: the ladies and gentlemen on our professional team,” Martin added.

Matthew Linderman, President and COO of Boca West Country Club likens membership in the CMAA’s Seminole Region Chapter “very much like being part of a family, especially the local group of managers.

“We are all there for each other, which is rare for the hospitality industry considering the many ways we’re all competitors looking for similar members. On any given day we can all pick up the phone and call someone to ask for help – whether it’s one club working on a strategic plan or a master plan and renovation or just on a search for a key manager and if they know of anyone that is looking or ready for that next step in their career,” Linderman, who after DiPietro’s retirement took over as Boca West’s President and COO, said. ➤

“Recently a manager invited about eight local GMs to gather for lunch to review drawings for a renovation, with the idea of getting input from the rest of the group on lessons learned. When was the last time that happened in the hotel industry? Or restaurant industry...where neighboring GMs would all get together and be open to criticism knowing that we are all just trying to help one another be successful?”

“As we all know, the club industry can be extremely challenging at times for different reasons – but knowing we all have each other’s back is a great feeling,” Linderman expressed.

Linderman, who started at Boca West under DiPietro’s tutelage 14 years ago, related how a group of competing managers would meet regularly to “exchange stories and insight on how they could help each other. It was really remarkable to me.



“After 18 plus years in the very competitive, somewhat cut-throat industry of hotels and resorts, where we actually tried to steal each other’s ideas and/or steal each other’s key employees, this has been such a pleasant life lesson on how the ‘South Florida’ club managers not only work together in a very positive way, exchanging ‘best management practices’ but actually assist each other with developing the pipeline of future club management superstars,” Linderman added.

He feels a measure of success comes from “knowing your audience and for whom you are performing.

“You must listen to what everyone around you is saying... not only to you but just as importantly what they are saying to each other – where they dine, where they vacation, what their families are up to, what their clubs up north are doing, etc. It all helps to paint the picture of what the ‘playing field of expectations are,” Linderman explained.

“Once you know it, you deliver the results without the members asking for it – that’s the WOW FACTOR. This is why Boca West has such a great reputation in the industry globally. We know what the members are looking for and we deliver.”

It’s Michael McCarthy’s belief that “developers initially set the ground work (for success) by building very attractive communities.

“It was after the turnover to members from the developers when the members realized that they wanted more out of their clubs. In most cases, volunteer leadership, i.e., boards, realized that these were large businesses that they were now in charge of overseeing. Many clubs went through significant growing pains until they understood that professional, experienced management was necessary,” said McCarthy, CEO of Addison Reserve Country Club.

“Not only has it been management’s responsibility to protect and enhance billions of dollars of real estate investment, it’s also management’s responsibility to make sure that they were providing the best member experience and continuing to raise the bar, which led to increased *member experience value*.”

For McCarthy, “continuity of key management staff members is critical. They understand the core values and the standards that allow a club to excel. They’re people who have worked for a club for many years, who embrace the club’s standards of excellence and they work hard at ensuring that there is continuousness of effort.

“A club’s continued success depends on maintaining those standards of excellence brought about by a culture of continuity, longevity and low staff turnover.

“Understanding that it has always been about our mission – *Excellence is our Standard*, our commitment to that mission has never wavered. Creating an environment for the members to want to continually participate in their club and socially interact with one another has been paramount to our success. When the members pay the level of dues that they pay, the services that we provide have no room for error,” McCarthy opined.

“The member experience has grown beyond golf and formal dinners,” offered Eben Molloy, GM at Woodfield Country Club. “Today’s members are using the club differently than members of the past with many looking for more casual activities, relaxed dress codes and social experiences. The club has become their living room, dining room and backyard.

“Social events have also evolved from dinner dances to events that are more casual with a less restrictive timeline. We’ve incorporated painting and wine events, scotch and cigar evenings and ▶

even a wine festival into our social calendar,” Molloy added.

“Today’s members are also more time-crunched. Many are still working and have young families making their time extremely limited. We offer on-site babysitting services for members looking to snag a minute to themselves, as well as delivery dining options. These are just a few of the ways we are shifting our member experience to appeal to this new type of members.

“The key to our success is not forgetting about our youngest members and offering a lifestyle for the whole family. They want a welcoming place where they feel comfortable, safe and can spend time as a family unit,” Molloy commented.

“I’ve been very fortunate to be a part of the opening team at Mirasol and work for a visionary developer Craig Perna, who truly understood what it took to create the finest country club communities,” intoned Mirasol’s Matt Lambert. Perna also developed the Polo Club of Boca Raton and Addison Reserve.

“Our success continues to be built on our foundation of outstanding facilities and a high caliber professional staff. Our success wouldn’t have been possible without the outstanding board volunteers who have continued to reinvest in our facilities, and are primarily focused on transparent governance, setting policy and appropriate budgets while letting the professional team run the operation.

“We’ve been successful because I am fortunate to have the best team – very loyal and dedicated to our mission. We have a great employee culture of taking PRIDE (*Personal Responsibility in Delivering Excellence*) and a *plus one* mentality where we never rest on our laurels and stay committed to constant improvement. Of course, none of our success would be possible without the trust and support from our membership,” Lambert added.

So how has the synergy of the South Florida group helped McCarthy and his fellow club executives?

“South Florida, being the country club capital of the world, is not always

the easiest thing. However, I would never want to be anywhere else in the world,” McCarthy expressed.

“The finest clubs with the most amazing facilities are operated by the best managers and team members anywhere. This is what we get to benchmark every day. There is not a year that goes by that one of our peer group clubs is not in the process of another major renovation or expansion. We continually, as GMs, push each other to the highest level because at the end of the day, that’s what our members want and expect,” he added.

“I think it goes back to the fact that because we don’t feel like we’re in direct competition with each other, we freely share ideas that have been successful (*as well as warnings about those that weren’t so successful*) and support each other along the way,” injected the Polo Club’s Brett Morris.

“If you don’t feel threatened by the successes of other clubs and other managers, it creates a very positive and collegial working group of managers.”

John Herring, general manager and COO of The Club at Admirals Cove, Jupiter, FL, says, “The fact that we all collaborate regularly, it challenges all of us to stay ahead of the curve and consistently introduce new ideas to improve services and the overall guest experience.

“We share all aspects of our operations to include what works and what doesn’t. What makes it work is the fact that we communicate openly and honestly with one another to overcome obstacles that may get in our way. We collectively strive for total membership satisfaction. Because of this camaraderie, I believe we’ve been able to offer some of the best club member experiences in the industry.

“I remember at the beginning of the 2008 financial crises we all got on a conference call and started discussing how to reduce costs in purchasing, labor, and operations – each of us sharing ideas to reduce costs while not harming the overall operations. This conversation proved to be extremely successful for all of us,” Herring explained.

“When I first became a GM in 2005, you can only imagine how fortunate I was to have this peer support only a call away,” offered GM Lambert. “Any issue I was dealing with, I could count on the sound advice from the best in the business.

“As a club, when first turned over from the developer and we were transitioning to member-owned, because of my relationships, I was able to provide my board members with any information they needed.

“The confidence my board has because of the trusted insight from the other clubs, has helped us form a great foundation of governance. For example, at turnover, I asked Michael (McCarthy of Addison Reserve) to come up and speak to my members and board about the mistakes they made at Addison during the transition. I know Michael’s honesty helped pave a smoother path for us.

“When we merged our club and the Home Owners Association, I had Achal (GM Achal Goswami of Frenchman’s Creek Beach and Country Club) and his team share their experience as an HOA. Without these relationships, I know neither I nor my club would have been as successful. And now, I have had the opportunity to ‘give back’ our knowledge and experience with merging to Michael and Craig. This is invaluable to be able to learn and share with the best,” Lambert added.

“We share and exchange our best practices through effective and frequent dialogue without competing with each other. Our success has been as a result of collaboration and not competition. Through open and transparent commu- ➤

nication, we have created a strong bond among us, which has enabled us to become more strategic, creative and innovative with our operations,” added Goswami.

“There are no secrets,” expressed Addison Reserve’s McCarthy. “We sincerely care about one another and really look after one another to make sure that we are all successful. Not many people in corporate America can say that their competitors are their best friends. I can honestly say most of my closest friends are in the club business and are my competitors.”

And friends they are. “These general managers have become very close personal friends. Our wives have become friends as well and we frequently get together socially for dinner, holidays, and sometimes even vacations. The respect we have for each other strengthens our relationship and we support the sharing of information and best practices that helps us all,” expressed St. Andrews’ GM Martin.

“What I love and cherish about this group, and the Florida Chapter as a whole, is how we always include our spouses and the families whenever it’s possible,” offered Boca West’s Linderman.

“For example, the FLCMAA summer conferences are geared around education as well as family interaction and activities. My daughters have forged amazing relationships with the children of the FLCMAA... as they have grown up together for 10 years. We work long hours and are away from home a lot – so bonding with managers and their families allows for opportunity to share on common synergies,” he added.

“This group of general managers are not only some of my most trusted peers and mentors, but also my friends,” related Lambert. We truly help, support and care for one another. The communication and respect amongst the group is one of the things that I cherish most in my career.

“Every single one of these outstanding leaders is always willing to help you through whatever situation you are dealing with, or is available for a quick stress break, because we can laugh and joke about whatever we are dealing with,” Lambert added.

“We also have fun challenging each other to raise the standards of excellence by our innovative ideas – like an incubator of ideas that focuses on how we can do it better each day for our membership or staff. How we improve the club each day when we come to work is our highest priority and each of us in the group have that same attitude and relentless pursuit of exceeding expectations,” Martin injected.

“I know from my top managers that this is also the case with their colleagues; they too, have become very close friends over the years and are socially active with their families.

“Overall, it is at the core of why each of our clubs are considered the *best of the best*, we feed off of one another and are always encouraging one another to do more, do better and lead the industry with our best practices that we are all too happy to share,” Martin emphasized.

“As I write this, I have just returned from an incredible lunch with the group over at the Polo Club, where once again, I ate more than a week’s worth of calories. I have the good fortune, along with many of my counterparts, to continue what Jay started,” opined McCarthy.

“We’re in the member-pleasing business, and though we operate multi-million-dollar businesses, with billions in real estate investments, we shall never lose focus on the basics.

“We work for the members and are here to serve them and satisfy them when they come to the club. There is no other business anywhere where people will pay ahead of time for services and amenities that they have not yet received. Continue to focus on increasing the member experience and it will always be easy to expand amenities, services and facilities. The members will always support those initiatives if you are delivering at a standard of excellence,” McCarthy explained.

“We envision a bright future for this industry with a lot of growth potential. The future business model includes adding even more conveniences and amenities and making these clubs a ‘one-stop shop’ that encompasses the needs of a more diverse and evolved demographic,” added Goswami.

“I have never worked in the club industry anywhere but Florida so these relationships and support are all that I know,” explained GM Lambert.

“As a past president for the Florida Chapter, I can tell you that this is what FLCMAA is all about. The comradery, networking and sharing of knowledge and information is what makes us all better. It’s something that I truly cherish and I explain to young hospitality students all the time. The culture of the club management profession in Florida is special. There are so many opportunities here, and Florida is where you can work at the finest clubs and learn from some of the best leaders in the industry,” he opined.

“Part of who I am today, is because of these amazing general managers, and the dedication they have with their members, the private club industry and helping others succeed,” exclaimed BoardRoom’s Fornaro.

These GMs question themselves the moment they wake up. How can this be better, what would I like to change about the current situation, are among the many questions they ask themselves daily.

They are confident with their ideas, research the information carefully and because of their due diligence are confident they can make their great ideas work. They are, in few words, *intelligent risk takers*.

“Jay DiPietro, my mentor and friend, has been a big part of creating this think tank. Today, the next generation is carrying on from where Jay left off.

“Remember, instead of focusing on your competition, focus on your members.” **BR**