FRANK VAIN

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# Opportunity Knocks

**As the old saying goes, challenges are opportunities in disguise.**

While many prognosticators continue to portray the club industry as severely challenged, it faces nearly unprecedented opportunities. The economic malaise brought on by the Great Recession is over.

The equity markets are at all-time highs and the unemployment rate is around four percent in most parts of the country. Interest rates and gas prices are low. The financial system is awash in cash and the folks in D.C. are working on tax cuts. These and other factors have pushed consumer confidence to record levels.

The stars are lining up from a demographic perspective also. Over the course of the next decade, some 80 million Millennials will move into what has long been the prime joining years for most clubs, ages 35 to 45.

This will produce more well-suited candidates for membership than at any time since the Baby Boomers crossed those lines back in the 1980s. Don't write off those Boomers just yet either. About half of them are still in their mid to late-50s, making them great candidates for membership at second home communities in the Sunbelt or city clubs as some portion of them downsize to the urban core.

There is also a much higher level of receptivity to change within clubs than ever before. Long on tradition and often stymied by inertia, most troubled clubs became that way because of the resistance to change that builds up among memberships. Those days are also gone.

Anyone that has been paying attention is no longer surprised when their club's board recommends a new and different course. In fact, many memberships we encounter are well ahead of their boards and ready to act on opportunities that improve the club.

If your club has yet to partake in this party, what's stopping it? You'll first want to check your offer. As in all businesses, the first rule of successful marketing is to have something great to sell. If your club has yet to respond to the trends sweeping the country, it is time to make it happen.

Readers of The *BoardRoom* know well that means embracing today's casual lifestyle, giving a broad set of features and benefits in your membership experience, becoming family-focused and offering new and innovative programs. It is vital to adopt technological innovations that let you communicate more effectively and better serve your members.

Create spaces in the club when electronic devices are welcome. Continually identify and roll out initiatives that build community, the ultimate reason why anyone chooses to join a club.

One of the key barriers between those clubs stuck on the challenge side of the ledger and the opportunists is their ability to raise capital to reinvent their facilities. Your physical facilities need to be up to date so you can deliver the experiences and programs members want and need.

Your plans must include ample amounts of funding for annual capital repairs and maintenance and, periodically, funding for improvements to grow your club. Tap all the sources that might make sense for your club.

With all the money out there, members are as willing as ever to pay a reasonable assessment or increase their monthly payment, so the club can take advantage of this unbelievable lending environment. If these traditional routes fall short, innovate.

If you have excess land, consider selling it. Better yet, find a developer who will build nice homes on it and package it with a club membership. Or take up the offer from those wealthy members who continually express a willingness to help, either through gifts or their ability to supplant the banks as your lender. It's all happening and it's working.

Who knows how long these good times will last? The economic cycle has not been repealed. What we know from earlier downturns is that the clubs with the strongest membership and best offerings fared well and the laggards fell farther behind.

Club boards should be using this period of economic expansion to develop and bring forward a sustainable vision for the future. The opportunity is there. BR