



FRANK VAIN

Frank Vain is president of McMahon Group, a consulting and planning firm service to private clubs. He can be reached at fvain@mcmahongroup.com

Grow Experiences to Experience Growth

Its axiomatic that club members have a good deal of success in business and a high degree of financial acumen. Average dues at country clubs now run more than \$10,000 per year.

Add in other fees and usage, and the annual cost of membership can easily push \$20,000. That's a significant discretionary expense in almost any household budget.

Club members didn't reach their standing by accepting the status quo. They first planned for personal growth by investing in themselves, so they had the skills they needed to get ahead. Then they joined or started a business and set about growing it, creating value for their customers and income for themselves.

They are good capitalists and it's paid off in a rewarding and successful life.

Considering how hard these individuals worked to get where they are, it is startling that growth is rarely a focus of club boards. All too often, the goal is only on maintaining the club's current position instead of shooting for new highs.

Most board meetings are designed only to monitor past performance, with a bent toward keeping cost in check, or worse, cutting programs and services to save a buck. Expense monitoring is of course a duty of governors, but the husbanding of resources should be part of the plan to build for the future, not cheapen the present.

The club world would be a lot better off if more club leaders turned their attention to how to grow their club and left expense management to the treasurer, general manager and CFO.

There is a major shift taking place in society that bodes well for clubs, should they be in position to leverage it. The up and coming generation of consumers increasingly value experiences over possessions. This is being driven primarily by Millennials, who are now about one-third of the U.S. population.

Having grown up in a world of plenty, they are known as the "experience generation", eschewing the acquisition of things for authentic experiences and interactions with real people. This is increasingly the attitude among all generations of affluent consumers, however, as this segment is fortunate to have most of the things they could want.

It's part of what's driving the strong growth in spending at bars, restaurants, resorts and luxury travel. It is fuel for membership growth, if you are poised to capture it.

The first part of your growth strategy should be to make club membership more than the pursuit of an activity. Golf, tennis, fitness and the like are things that members can participate in at the club, but they are not the sole reason people join.

The basic human desire to connect with others is resurgent in our increasingly digital world. The club's setting must appeal to our senses, signaling you've arrived at a special place and it must be powered with programs that forge connections.

The new consumers coming into clubs want value, which is derived from an experience that is broad-based and of a special quality. This requires financial resources, so you can build and maintain the proper facilities and drive participation with innovative programming.

Club boards must continually focus on ways to increase their member numbers and participation, so they can generate the capital required to invest in facilities that draw members to the club more frequently and position it to attract the next generation.

Indeed, the ability to raise capital to continually invest in the membership experience will be the primary determinant of success in the club world of the future.

Growth is the result of smart business planning. Club boards and managers must identify what their club aspires to become and then set aside part of their monthly agenda to discuss ways to generate the capital they need to create it.

This involves shifting the focus of the discussion from the expense side to the revenue side of the ledger. It includes continually researching and discussing changes in expectations and desires, among your members and in the external marketplace.

It leads to development of new facilities and programs and increases the relevance of your membership experience. **BR**