

# The Private Club Advisor™

A PUBLICATION FOR THE DIRECTORS, OFFICERS, OWNERS, AND MANAGERS OF PRIVATE CLUBS

## • EFFECTIVE STRATEGIC PLANNING PART ONE •

Most club executives recognize the importance of planning strategically for their club, yet there tends to be confusion about the process and inconsistency in execution which makes the strategy less than effective. Often thought to be an event that happens once and then not again for a long period of time, strategic planning is actually the ongoing organizational process of using available knowledge to document the intended direction of the business. It involves analyzing the club and its environment today in order to create a formal program to guide its development and success tomorrow.

During a seminar at the World Conference on Club Management, representatives of The McMahon Group, a club consulting and planning firm, provided this definition of strategic planning: an organization's process for defining its strategy or direction and making decisions on allocating its resources to attain strategic goals. It happens when business leaders map out their vision for the organization's growth and how they are going to get there. Strategic planning defines who you are as a business and lists concerted actions to achieve defined goals.

“Strategy is much deeper and broader than wanting to redo the clubhouse,” explained Frank Vain, president of The McMahon Group, who noted they get many calls from club executives who believe they want help building a strategic plan, when actually they are thinking about facility master planning. He shared that strategic planning is how a club is governed and managed and includes how the board functions. While all strategic plans include a facilities management and enhancement component, the process also includes aspects such as:

- Governance and management
- Member programs and experience
- Membership plan and new member development
- Financial and capital planning
- Communications and technology (how do we employ those factors)
- Other initiations as determined from research

“Before you can talk about improving your clubhouse or take on capital plans, you have to have your ducks in a row,” Vain advised. “Every club needs a strategic plan to know where it's headed and to prepare the organization to adapt to change and build a strong, aligned team.” Clubs that utilize strategic planning minimize potential conflicts between the board and management. Spending time as a group to clarify what you want to accomplish is essential.

As The McMahon Group notes, the only elected body within the club is the board. The board and the general manager should do the strategic planning for the club. “Do not let the board farm out strategic planning to an ad hoc committee (such as a Strategic Planning Committee),” Vain warned. “A committee can do some research but the board should be the decision makers—then they are more inclined to achieve it.” Having the board buy in to the strategic plan ensures they are focused on strategy and not in the weeds with other priorities or club operations. When the board owns the plan, there is a much higher probability that the plan gets done.

Stay tuned for Effective Strategic Planning Part Two in the May *PCA*.