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Who Should Be On Your Board and How Do You Get Them There?

A PRIVATE CLUB'S BOARD OF DIRECTORS IS THE KEY TO SUCCESS, BECAUSE YOUR CLUB'S SUCCESS OR FAILURE DEPENDS ON HOW WELL YOUR BOARD PERFORMS.

But finding those people who make the board itself a success is often the dilemma many clubs face.

How do you find those board members who can accept their roles and responsibilities and work with a private club's senior management in furthering the aims and objectives of the private club?

The role of boards has changed significantly in recent years, and today's focus is on boards that establish a club's policies while leaving the implementation of the policies and the running of the day-to-day operations to the club's paid executives.

with campaigning by multiple members to fill each position. But it is generally accepted this is a poor way to select a club's leadership.

"Such open elections attract members...who have personal agendas, not board members that have the best talents and are committed to the betterment of the club.

"From the perspective of a purely democratic form of government, it seems that having a popularity contest election among two or three possible board candidates is a perfectly logical solution. Let the best person win. However, it is far from that simple.

"Board elections should not be popularity contests on who is most likeable or who can promise selfish agendas. Serving on a club board is hard work. It takes time away from fami-

If you truly have a partner in a top paid executive then you should listen to their input. If you're really trying to run your club like a business, then a board has to treat its top paid executive as a business partner and look to them for input, direction and guidance on a particular issue. The board may ultimately decide to go an alternative direction, which is still directors' right as ultimate 'owners' of the club, but you either trust your top executive and listen to their advice or you don't. If you don't, then you will have a hard time truly holding them accountable and responsible for outcomes," Kurt Kuebler

With these changes have also come changes in how most clubs select their board members and executive. Yes, the popularity contest of years past is on its way out!

"It's generally not an open, popularity contest held among many candidates for filling positions and vacancies," explains Frank Vain, president of the St. Louis-based McMahon Group. "Yes, there are still clubs that have open elections

ly and business. It means making a major commitment for three years or more," Vain added.

So with this kind of framework, how do clubs go about finding competent, effective and efficient board members? "I'm a fan of the general concept of strategically thinking about beginning with the end in mind. What's a board look

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like from a representation of the general member demographics perspective," explained Kurt Kuebler of Jupiter, FL, a partner with Kopplin & Kuebler, LLC, executive search firm.

"I also work with the 'No Horschak' rule...you know, the old TV character Arnold Horschak who always raises his hand when you need a volunteer. Many times clubs simply take "Horschak", the person who raised their hand, rather than really figuring out if that person has the right reasons, skill sets and competencies to do the job that they are volunteering for! These people are willing but not necessarily fit to serve.

"Who is it that brings the best overall commonsense perspective? We all know where we should find people with good commonsense, but, again, clubs often accept simply those who volunteer, rather than going out to 'recruit' those who have the right reasons to serve and, many times the commonsense to go along with such service," he said.

"That's why committee service is often a very good 'training ground' and provides an opportunity to see how someone conducts themselves, and if they have a good commonsense approach. One wise club president once told me that 'It may be commonsense, but its not common practice.' We simply need more people with commonsense and good overall judgment," Kuebler added.

Gregg Patterson, general manager, The Beach Club of Santa Monica, CA suggests the "board should be populated with members who are 'ready to govern' once elected.

"Ready to govern' requires an understanding of the club culture, the 'big issues' facing that culture and the governance process involved in deciding, executing and enforcing decisions impacting the club culture.

"For talented, enthused members who have been an active part of the club community for years, committee service is the best way to learn about the 'innards' of the club.

"And committee service is the best way for 'those who select' to identify future board members and to determine if they have the balanced judgment, intelligence, people skills and commitment required to make a quality board member.

"The general manager and senior management, who should know more members in a substantive way than anyone, are responsible for 'finding talent' within the membership and advising the board and committee chairs about 'upside potential' when they see it.

"To cultivate as much member talent as possible, the club should sanction lots of committees and fill each committee with as many members as is functionally possible, thereby exposing 'talent' to the club culture, its issues and the governance process," Patterson opined.

A key aspect of Kuebler's explanation reinforces Patterson's thoughts while focusing on the relationship between the board and the club's general manager...that collaborative

partnership whereby the general manager is a trusted partner with the board.

"If you truly have a partner in a top paid executive then you should listen to their input," Kuebler said. "If you're really trying to run your club like a business, then a board has to treat its top paid executive as a business partner and look to them for input, direction and guidance on a particular issue.

"The board may ultimately decide to go an alternative direction, which is still directors' right as ultimate 'owners' of the club, but you either trust your top executive and listen to their advice or you don't. If you don't, then you will have a hard time truly holding them accountable and responsible for outcomes," Kuebler explained.

"It's a never ending job to identify people for board service...there should be year-round prospecting and the general manager is, arguably, in the best position to do this. If they're active on the nominating committee identifying future leaders then you've got a good farm system in place via committee service or with some other means of identifying commonsense contributors to a club's success. This kind of input from the general manager is invaluable."

All of which leads to establishing a nominating procedure pinpointing the 'best' candidates.

"It should be an open nomination process that creates the perception and belief of transparency and inclusion," explained Tarun Kapoor of Kapoor and Kapoor Consultants, and the BoardRoom Institute's dean of education.

"A club can and should have a nominating committee that is representative of all the stakeholder groups, i.e. women, seniors, juniors etc. In addition to the nominating committee, nominations should be solicited from the membership.

"The committee," Kapoor emphasized, "becomes the keeper of the process and the champion encouraging member involvement. The committee should present a slate of candidates to the board, and nominations can and should also be taken from the floor."

Patterson agreed that the nominating procedure should be "transparent and consistent over time.

"It should outline the committee service requirement; the length of membership requirement; the nomination process; and the selection process," Patterson explained.

"The process for developing and selecting board talent should be published and explained in the newsletter at least once each year; discussed during the board's and each committee's orientation; affirmed at each committee's 'end of year' debrief, and 'flashed' to the membership in a letter from the President to the membership a few months before the nomination process begins," said Patterson in outlining how the procedure happens at the Beach Club of Santa Monica.

"Failure to communicate and educate will inevitably lead to a whispering campaign by 'conspiracy theorists' when tough issues arise and controversy develops," he warned.

"I'm not a big fan of having contested elections," Kuebler related. He prefers "putting forward slates of candidates. If a thoughtful process is in place and you start to stock it with people who understand why the club needs to be run like a business, this helps get rid of kneejerk decision making.

"It's visioning it first, and clearly outlining to perspective board members what your expectations are and what the commitment will be if you put a person's name forward.

"All too often because someone has served on another board people assume they know what they should be doing coming onto your club's board, but it's not always so. It can be the difference between night and day," he explained.

"Educating prospective board members as to what they will truly be expected to do in their role is critically important. Service on one non-profit organization board does not mean that expectations of involvement and contribution will be identical; each club has its own unique set of expectations and those need to be conveyed before someone is even asked to be put up for nomination.

"Nominating should be done with a nominating committee. Some people will say it still the 'good old boys' club', and yes that still happens with some clubs. But the board should

clearly articulate the criteria upon which the nominating committee is doing its work.

"Qualifications should be no secret and these need to be clearly articulated. Transparency is critically important. There can be no backroom deals as the committee seeks people who will make good decisions on behalf of members," Kuebler stressed.

Even so, with a nominating committee, there are cautions.

"Researching who is most capable and who has the talents needed by the club must be done by someone, and that someone should be the nominating committee," expressed Vain.

"When clubs nominate multiple persons to run against one another, only one person can win. The losers are put in the embarrassing position of being turned down, and generally they will never run for election again. The result is a lost, possibly very capable director who will not be part of a club's future leadership.

"Don't let this happen at your club," he cautioned. "The critical issues in selecting board members are always to choose persons with abilities that are needed (like lawyers, accountants, architects, marketing type individuals, communications specialist, etc.), and then to be sure every person nominated is also dedicated to the club. For example, persons who will attend meetings, chair important committees and who are team players in working with fellow board members.

"A club does not need difficult, obnoxious, grandstanding persons on its board that can be generated by the unvetted, unresearched election of a special interest director," Vain added.

So who or what should your club be looking for in potential board members, and how do you attract these people?

Certainly clubs seek talented people for their committee and boards and "talented people want to be stimulated, by issues, ideas and projects that translate vision into action," enthused Patterson. "They want to connect with others, be part of something important, to 'give back' to the tribe, to participate in making things better.

"Committee service provides an opportunity for talented people to engage other members and staff in substantive dialogue leading to substantive action. A vibrant broad based committee system provides talented members with the opportunity to connect, to know and to contribute.

"Build a great committee system, and talent will come!!!"

A key point in this discussion also focuses on decisions that have to be made to ensure the club is here 10 years from now, says Kuebler.

"We see too many people with self serving or vested interests on the board, for example the tennis player, who can't totally set aside their parochial thoughts, yet they have to make decisions about other important club issues that might affect such things as golf. Or, vice versa.

"We need clear thinking big picture decision makers who can make decision for today and what's in the best interests of the club 10 years down the road.

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“And we also need people who won’t fall into the trap of saying, ‘not on my watch’. Too many board candidates run with platforms...when they have no idea of what will be on the club’s agenda or in the budget. They get on the board and no matter what they’re got a mindset that doesn’t benefit anybody.

“If you get three consecutive, ‘not on my watch’ presidents, because the nominating process was flawed, the club will likely find itself waking up one day facing a huge dues increase or other calamitous issue that should have been dealt with on an earlier ‘watch’ when it was likely easier to address. But because of that ‘not on my watch’ mentality, it wasn’t. Usually, but not always, money is root of it all,” Kuebler opined.

“Sometimes they put off other decisions, such as dues increases or assessments, because it’s on their watch and they’re difficult decisions or they don’t want their club friends to give them a hard time. So they defer the tough decisions to someone else’s watch, and by then, of course, it’s a much bigger deal. It just prevails too often.”

In Patterson’s view, board members need to be ‘deep generalists’ in the club culture.

“Special skills may be needed – lawyers, architects, finance types – but it’s more important that the board member has a broad based understanding of the club, knows the governance process, is balanced and reasoned and is logical in their approach to club issues.

“Deep specialists’, who are needed to address a specific highly specialized technical issues such as construction easements, are needed at the committee level and should always be available when serious specialized issues arise.

“But a deep specialist, who has a passion for a single issue, is rarely the best person for a board needing ‘deep generalists’ who know when and how to work with ‘deep specialist’ committee members,” Patterson explained.

He also suggests it’s important the nominating committee know why someone wants and is willing to serve.

“Since people can say anything during an interview, the best way to know a person’s ‘why’ is to see them ‘in action’, at the committee level over several years. During the give-and-take of committee meetings, a person’s agenda, motivations, commitment and ability are exposed.

“Expectations for committee and board service are part of the committee/board orientation each year,” Patterson outlined of the Beach Club’s procedures.

“By the time a member is considered for board service, they’ve heard it all before, and have lived those expectations. If they haven’t equaled those expectations, they wouldn’t be considered for board service in the first place!!!”

The Spring Lake Country Club, Spring Lake, Michigan, led by its first women president, Sue Jerovsek, is one club that’s put a lot of these suggestions into practice.

Jerovsek, featured in a *BoardRoom* story, *May/June 2012*, *Private Club Women in Power*, by Nancy M. Levenburg, was

elected as president in 2011, the club’s centennial year. She’s one of a handful of women across the U.S. who has been elected as their club presidents.

“At Spring Lake Country Club, board candidates typically come through two avenues – self-nomination (through an inquiry to the GM) or by nomination from a current board member. The club’s executive committee and the GM narrow the list to match their background and qualifications with the vacancy. It is important to maintain a mix of expertise and experiences, depending on the anticipated issues facing the club both short-term and long-term,” Jerovsek explained.

“We look to members who serve on various sub-committees for potential board candidates. If the member is willing to commit time and energy at the committee level, and develops good working relationships within the club structure and show leadership qualities, then they are identified as a potential board candidate,” she added.

“We have also had success in recruiting candidates who have served on other prominent community boards. They understand how a board operates, and take very little time to get up to speed.

“One note of caution, however, is that these candidates may not have the necessary time available to dedicate to the

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club's board. Schedule conflicts are inevitable (and can be disruptive)," Jerovsek stressed.

Before the club's last election, the executive committee and general manager interviewed candidates. "We used this opportunity not only to get to know the candidate, but also to explain the roles and responsibilities of becoming a board member," Jerovsek explained.

"Part of recruiting a candidate that will become a successful board member is making sure that they understand the expectations of the position, and the time commitment that is required.

"We're looking for board members who are first and foremost passionate about the club...members who are true supporters and who use the club frequently for a variety of activities. With that as a foundation, any expertise they bring to the table is a bonus.

"And yes, you should know a candidate's motivation and also their expectations as a board member," she added. "If you find a hidden agenda, be wary. The board is team!"

And as Frank Vain says, "for long term success, the selection of the nominating committee itself is important. These committee members need to understand the issues facing the club, and be familiar with the club's strategic plan, if they are

to select directors able and committee to following it. Remember, it is the nominating committee that decides who leads the club!"

PUBLISHER'S FINAL THOUGHTS

It's a fact; your board of directors is the face of your club. Recruiting and appointing boards members is vital, so recruit with some specific qualities in mind. And you want to know why recruits are interested in becoming a board member. One idea is to have each potential board member answer questions about why they are interested in becoming a board member. For example, what kind of skills or expertise can you offer? How will the club benefit from your experience? What kind of time commitment are you be able to make? Do you have previous board service, or leadership and volunteer experience that can help you contribute to your club's board?

And here are a few other specific points:

- Make sure potential board members have integrity.
- Although passion alone is not enough to fulfill the many duties asked of each board member, recruit board members who share the passion and club's stated goals.
- Look for potential board members who will not micro-manage your senior executives and staff.
- Recruit people with specific and demonstrable skills; members who will make the time commitment and attend board meetings. Seek out potential board members who will come well prepared for the meetings, who will review proposals, budgets and other documents in preparation for board meetings.
- Your board members should be people who are either experienced in non-profit board functions or who are willing to proactively learn about the roles and responsibilities, and acquire the tools and knowledge to be competent contributors, and
- Lastly, what are your club's strategic priorities and what traditional skills or new skills or expertise might your club's board need to help achieve your club's priorities. Remember, your board members need to be the right people with the right skills to help your club achieve its strategic goals. Recruit those who share the vision of the club, who have the skills and can dedicate their time and commitment to fulfilling your club's mission.

At least that's the way I see it! **BR**

John G. Fornaro, publisher

If you have comments on this article or suggestions for other topics, please contact John Fornaro at (949) 376-8889, ext. 4 or 105 or via email: johnf@apcd.com

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