



JOHN G. FORNARO
PUBLISHER, BOARDROOM
PRESIDENT & CEO, APCD

It's the Intangibles That Make the Club!

MANY PEOPLE JOIN PRIVATE CLUBS FOR THE 'TANGIBLES' THEY CAN EASILY SEE WHEN CONSIDERING A MEMBERSHIP...THE OPULENT CLUBHOUSE, THE TOP DESIGNER GOLF COURSE, TENNIS COURTS, SPA, AND AMENITIES OFFERED MEMBERS IN THE CLUBHOUSE.

But what keeps them there? Is it these tangibles, the easily seen amenities, or the 'intangibles'...the friendships, the club's culture and tradition, all those hidden factors that give the warm fuzzy feelings?

You can go all over this country looking in on private clubs and you'll see what Gregg Patterson, general manager of the Beach Club of Santa Monica calls, "stuff...high quality stuff."

We're talking about 'stuff' like a brand new \$70 million E.M. Pei-designed clubhouse. A Jack Nicklaus golf course.

crowded and always available when the 'stuff's' needed." Indeed, another draw!

But as a matter of fact, these amenities just aren't enough to keep people as members of clubs...and that's been a fact from the beginning of time for private clubs. Build them a clubhouse and they'll come. They'll stay for entirely different reasons...the intangibles.

"A good beginning, but not enough. Every developer who's delivered and failed will tell you as much," Patterson related.

Matt Guzik, general manager of The Stock Farm Club, near Hamilton, Montana seconds that notion.

"Over the years, we've had many developers and club managers and boards of directors look at our club to get ideas or copy in other parts of the state or country," outlined Guzik.

I'm a firm believer that the clubs that focus on the intangible benefits for their members will lead to increased usage, and greater member retention, meaning fewer memberships for sale. And these intangibles will also increase the value of a membership at your club. I don't believe slashing initiation fees is the solution, or that your membership price is the reason why people aren't joining. Price is usually 'the excuse' but rarely the reason.

An Olympic-size swimming pool. A Thai-quality spa complex and/or a Michelin-rated restaurant.

The tangibles, we're very familiar with, and they stand for the amenities many of us want at our private club. And in many cases, these amenities have been enough to get someone to sign on the dotted line for a membership.

And as Patterson suggests, "Not only do clubs offer 'high quality stuff', they offer high quality 'stuff' that's never too

"They are always just looking at the log, stone, structures and layout and asked lots of questions. But never once did they ask the really important question as to why the Stock Farm Club is so successful, and that's because of our club culture, our staff, or membership, a sense of community, camaraderie, and belonging...the intangibles."

SEE PUBLISHER'S PERSPECTIVE - PAGE 136

The Stock Farm Club located in Montana's Bitterroot Mountains draws its members from all across the country – people who, if they've had to pick, have chosen The Stock Farm Club.

"Beyond amenities and aesthetics, the intangibles are the lifeblood of the Stock Farm Club experience. The sense of belonging each time you walk through the door, the way the staff anticipates your needs and wants, the way other members welcome your presence and the enduring relationships forged along the way. "These attributes make Stock Farm Club a comfortable, private member haven.

"It's because of the many intangible benefits here that they have chosen to continue as a member here while dropping their membership at other clubs," Guzik suggested.

"Intangible benefits have always been, and will continue to be important," commented Steve Skinner, CEO of KemperSports.

"Joining a club is an emotional purchase. People want a place where they can feel welcomed and comfortable, and the intangible benefits help deliver this type of experience and culture.

"You've got to continue to invest in club facilities and programming, but it's the personal connection to the club that will increase your retention of members," Skinner opined.

"There's a positive correlation between intangible benefits and membership sales. Younger couples and families now have less free time and disposable income than in years past.

"It's essential to introduce them to the intangible benefits of your club to show additional value for your membership beyond the traditional and physical amenities," Skinner suggested.

Certainly in recent years, as many clubs have become more family-centric, the decision to join a private club has shifted from being a male-dominated decision to one made more jointly in the family, often now with the woman of the family making the decision.

The intangibles, in some sense of the word, become even more valuable because families, not just a male in the family, seek that emotional stuff, the camaraderie for Dad, Mom and all the kids.

If that's where their friends are, that's where they want to be.

And while the intangibles may vary somewhat from club to club, the nuts and bolts remain the same for every club. And in reality it's both the tangibles and the intangibles that keep them there.

"People join, use and stay at great clubs because they 'deliver the goods members want'... the tangibles and the intangibles. Consistently. Predictably. Reliably," Patterson explains.

Doesn't matter where you go...the story's the same, as with this one from Frank Gore of Gore Golf, and the chief analyst for BoardRoom's Distinguished Club program.

"When first introducing the concept, I explained it in the following way to a small group at The Columbia Tower Club in Seattle, Washington, on the 74th and 75th floor of the largest building west of the Mississippi.

"The view out one side of the club is the view of the Pacific Ocean and the Strait of Juan De Fuca. Out another side is Mount Rainier, snow capped 365 days a year. On yet another side the view peers at downtown Seattle and the space needle several floors below, built for the World's Fair many years ago.

"The views are magnificent from every private room and dining area of the club. The women's restroom is famous and the subject of many media stories, because when ladies take their seat in the restroom stall they have a floor to ceiling view of the Pacific Ocean.

"The walls of the club are covered with African mahogany; the furnishings are plush.

"And Microsoft's Bill Gates is a member of the Columbia Tower Club," he explained.

"I told the audience that day if I was the membership director I'd give a prospective member the tour of the private rooms, the view, and the ladies' restroom. And I'd add:

CLUB RESOURCES

SINCE 1991





STRATEGIC PLANNING

BOARD RETREAT FACILITATION

CONTRACT MEMBERSHIP SALES

MEMBER SURVEYS

SERVICE AND FACILITIES AUDITS

MANAGEMENT RECRUITMENT

PROUDLY ANNOUNCES JIM MULDOWNEY
AS OUR NEW PARTNER/DIRECTOR

CONTACT: BOB BODMAN,
 PRESIDENT/DIRECTOR
 800-267-6758
 Bob@ClubResources.com
 Visit Us at: www.ClubResources.com

'We have a legend, probably not true, but the legend has it that one day from table 32 Bill Gates was so inspired by the view he came up with the word 'WINDOWS' for his software,' Gore added.

"The point is this: If a new member prospect joined the club they would go home and not necessarily brag about the views but about the fact that they were members of the same club as Bill Gates.

"That elevates their personal image. They envision themselves someday on the elevator to the club with Bill or perhaps at a cocktail party with him etc.," Gore explained.

"That's IQ...the intangible quotient that includes things like famous events that have taken place, or famous people and celebrities who have shown up at the club. The club's part in history or its role in shaping a city are part of the club IQ."

Succinctly stated, influential members and the club's unique member roster are all part of IQ, something that's more important than tangibles because 'intangibles' are unique and memorable.

"Great clubs address the deep seated emotional needs of their members – the 'non-stuff' side of the club equation, the intangibles," Patterson related. "Great clubs fill a member's 'emotional self' with things they can't touch but desperately need. And they'll (the members) give their loyalty to those clubs who deliver.

"In a day and age when 'stuff' can be bought with a wagon load of debt and 'social media' is a pseudonym for 'loneliness', the intangibles – the Cheers Factor where everyone knows your name – are more important than ever in attracting and retaining members.

"People are looking for the human connection more than ever. More will join clubs if they know 'what we sell' is more than a golf course, swimming pool, cheeseburger or beer. The intangible 'non-stuff' they can't get in the larger community.

"Winning means going 'back to the future'...selling *tangibles* filled to overflowing with the *intangibles*, acknowledging that the big bucks *ain't* enough," said Patterson.

When it comes right down to it, four points enumerate the intangibles, explained Keith Jarrett, president of BoardRoom's Distinguished Club program.

1. Personalized and timely service with frontline staff and management recognizing and knowing individual members wants and needs and *their names*

2. Not only having, but promoting and displaying the club's unique tradition/history

3. Universal member usage – a club that's active and supplying the types of services and events that members enjoy and use, and

4. Fun or productive – ensuring the club is a fun place to be or serves a productive need like a city business club does.

PUBLISHER'S FINAL THOUGHTS


No question, the intangibles are the meat with the potatoes (the tangibles). I'm a firm believer that the clubs that focus on the intangible benefits for their members will lead to increased usage, and greater member retention, meaning fewer memberships for sale. And these intangibles will also increase the value of a membership at your club.

I don't believe slashing initiation fees is the solution, or that your membership price is the reason why people aren't joining. Price is usually 'the excuse' but rarely the reason. Today, more than ever, members and prospective members are looking for value, not necessarily something 'cheap', but they want to be able to justify what they are spending.

So a club's intangible experiences can give your members what they're seeking in a private club and also can increase the value of a membership equal to what a new club house or great golf course might increase the value of a membership.

Club boards and management should be asking themselves daily, 'Are we creating real value for our members or merely claiming to create value?'

SEE PUBLISHER'S PERSPECTIVE - PAGE 138



Helping private clubs become educated technology consumers.

Bill Boothe, President
20+ Years Experience
with 300+ Private Clubs

- Strategic IT Planning
- Software Selection
- Best Practices Review
- Software Re-Engineering

TBG The Boothe Group, LLC
(561) 281-0459 • bboothe@boothegroup.com
www.boothegroup.com



The First and the Only Association created and designed specifically for the education and advancement of Club Catering Professionals

ACCP ENABLES YOU TO:

- Increase your Club's catering revenues while providing the ultimate in Member service
- Grow professionally as a Catering Director through club-specific education
- Network among like-minded individuals with common goals in the club industry

Educating the Club Industry...
One Catering Director at a Time

Contact:
Lynne LaFond DeLuca at
Lynne@TheACCP.com



www.TheACCP.com

**DO YOU NEED A
GOLF COURSE
SUPERINTENDENT?**

Our professional connections with over 70 years experience can recruit a superintendent with the education and skills to maintain your course in ideal condition.

CONTACT US



699 Westchester, Saginaw, MI 48603
or Call: (989) 797-0677
www.egsinc.net

It's a whole lot easier to claim value than actually create it, and part of the disconnect in the club industry is: Who defines the value...your board, management or staff? And generally what members or potential members perceive as value is probably different.

A beautiful clubhouse and great golf course are the products but value is what our members get out of them.

It's really simple...as long as your members believe that the benefits they receive outweigh the dues they are paying, they will consider they have received value.

This is why when we raise dues and don't increase the members' benefits that some members become dissatisfied and decide to quit the club.

Our target should be member satisfaction not just membership service.

Satisfaction is the emotional state of feeling good when our needs are met, and the intangibles will get you there.

Many clubs do not spend the time or resources to connect members with other members, especially new members.

All too often, new members are left to fend for themselves. One of the most important benefits (intangible) for members is enjoying the club with their friends, friends who are the fellow club members.

My friend and colleague Frank Gore sums up best what the intangibles mean to every member of a private club:

"I believe the intangibles are an attractive reason to join a club and an equally powerful retention tool. The club's a haven of refuge.

"I see a person walking down the street struggling to move forward as the wind and blowing snow swirls around.

"Then in the distance they see the big wooden door of the club. They open it and are welcomed 'home' by the staff, calling them by name and ushering them to an overstuffed chair next to a roaring fire and a piping hot cup of coffee.

"Yes I believe a private club has great value in this cold world of ours."

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 or via email: johnf@apcd.com