

# If You Build It, Will They Come?



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**In today's ever competitive club environment an important consideration of many clubs remains renovations, enhancements and upgrades to the club's facilities.**

In the 1980s and 90s the golf industry in general and club industry in particular operated on the basis of, *"If you build it they will come."*

Now, as the environment has become more and more competitive and many clubs are either closing or selling to for-profit operators this has become a question: ***If you build it, WILL they come?***

In recent years, it has become clear that clubs that undertake reinvestment programs, enhance their facilities and price their memberships attractively are turning positive. Clubs that elected to forego improvements in favor of a singular focus on price find themselves at the bottom of the food chain.

Some are simply closing their doors or opening to the public. Others have chosen to recapitalize by selling to a professional (for-profit) operator who promises to invest in capital improvements with no threat of assessment.

Regardless of who ends up owning the club, the question has to be asked ***objectively*** whether the suggested or proposed improvements make economic sense. There are several ways to measure this.

The not-for profit club may only be concerned with the cost of the improvements, how to pay for them and what level of assessment would be accepted by the membership.

If the club is seeking to add new members, the question might be asked differently, simply calculating how many new members it takes for the project to be a break-even proposition.

The for-profit club typically evaluates these proposals on the basis of return on investment (ROI), which can be measured by club usage, membership development and the ability to increase dues and cash flow over time.

Many clubs, including those currently thriving, as well as the struggling clubs, need a plan for the future. Pilots are trained to "stay ahead of the airplane" and club leaders, managers and owners need to do the same.

Planning in a realistic and objective manner includes not only the club's "wish list", but also consideration of the existing facilities, location and membership profile (present and future). A club that is thriving, and wants to continue to thrive needs to understand where it's going and change (however difficult) will always be a part of that.

A club in distress often has more difficult decisions. These clubs can't afford what other clubs might, may have more problems and often need to consider the option least desirable to some of selling the club or alternatively leasing the club or retaining the services of professional management.

Before any decision for the future is made, it's a good idea for any club to do two things:

1. Establish a mission (figure out what you want to be when you grow up)
2. Analyze all the elements:
  - a. Membership (present and future)
  - b. Competitive market
  - c. Physical facilities
  - d. Operations
  - e. Financial

The hardest part can often be establishing a mission. For instance, does a club cater to families, businessmen or some other group? Some will invariably decide that more (or less) rules are needed, that food needs to be a focus or that the only thing that matters is the condition of the golf course. These priorities are different for every club and not always easy to establish. Understanding the dynamics of the market as well as the strengths and weaknesses of the club and its facilities is critical.

A useful study format that would allow leadership to make sound decisions includes each of these and possibly a survey of the membership, though membership surveys can sometimes be deceiving.

Once club leadership is informed, sound decision-making can occur. So before embarking on a costly project, be ready to conclusively answer the question: ***If you build it WILL they come?*** **BR**

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