



GLOBAL GOLF  
ADVISORS

# GOVERNANCE SERVICES

FROM THE LEADING ADVISORS IN GOLF

2016

## Guide to Implementing the Club Governance Model

### Description

This guide is written for clubs that seek to implement the Club Governance Model (Model), which was developed in 2007 and updated in 2014. The Model is built upon accepted principles and best practices in nonprofit governance. The Club Managers Association of America ("CMAA") has designated the Model as its standard of excellence in governance and Global Golf Advisors has adopted it as the primary reference for its Club Governance consulting services. Although this guide is directed primarily toward member-owned clubs, the principles embodied in the Model are no less applicable to clubs with a different ownership structure. The primary purpose of the Model is to optimize the flow of authority from the club owners to the club staff and the corresponding flow of accountability from the staff back to the club owners. The Model is simply a set of principles designed to keep communications throughout the organization clear and the roles of key participants unambiguous.



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## GUIDE TO IMPLEMENTING THE CLUB GOVERNANCE MODEL

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### SUMMARY

This guide is written for clubs that seek to implement the Club Governance Model (Model), which was developed in 2007 and updated in 2014. The Model is built upon accepted principles and best practices in nonprofit governance. The Club Managers Association of America (“CMAA”) has designated the Model as its standard of excellence in governance and Global Golf Advisors has adopted it as the primary reference for its Club Governance consulting services. Although this guide is directed primarily toward member-owned clubs, the principles embodied in the Model are no less applicable to clubs with a different ownership structure. The primary purpose of the Model is to optimize the flow of authority from the club owners to the club staff and the corresponding flow of accountability from the staff back to the club owners. The Model is simply a set of principles designed to keep communications throughout the organization clear and the roles of key participants unambiguous.

The extent of the changes required of a club to implement the Model will depend on the governance system that it presently employs. However, the ease of implementing the Model will depend less on the number and scope of changes needed and more on the commitment of the club’s leaders; namely, the President, the Club General Manager<sup>1</sup> (GM), and the Board<sup>2</sup> members. A Board considering the Model for its club must not only assess the necessary steps in moving to the Model, but it must also measure the resolve of its leaders to follow through on the implementation. Simply stated, *“don’t start the process unless you have the commitment to finish it.”*

Implementing the Model will often involve amending the bylaws, although the necessary bylaw changes are usually straightforward and non-disruptive. The implementation step that will

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<sup>1</sup> The General Manager at many clubs has the designation of Chief Operating Officer (COO) or even Chief Executive Officer (CEO). For this Guide, we have used the generic title GM.

<sup>2</sup> The central participant in any governance model is the Board of Directors, which may be called the Board of Governors or Board of Trustees or even another title. Whatever its formal title, it is critical to good governance that the Board maintain unity in the way it carries out its governance function. Although it may be grammatically incorrect, we have capitalized “Board” throughout this document to emphasize the principle of the Board acting as a unit and speaking with one voice in its decisions and its communications.





require the most effort, and therefore greatest commitment, is the development and eventual employment of a Board Policies Manual (BPM). From the time the Board approves the initial version of its BPM, this important document can serve as a governance management system that provides a clear-cut path to success. As with any good system that is utilized on an on-going basis, the BPM should be continually modified and refined to respond to a changing environment. As the Board relies more and more on the BPM to be its single and clear voice, it will reinforce the underlying principles of the Model and allow the club to accrue the substantial benefits of an efficient and effective system of governance.

## I. HISTORICAL CONTEXT

### HISTORICAL VIEW OF CLUB MANAGEMENT

Although the club industry is not “big business” by any technical definition, the average sized club in the US has more employees and takes in more receipts than three quarters of the nation’s companies. And the largest twenty percent of clubs are comfortably in the top five percentile of companies in the United States.<sup>3</sup> Even though the basic “business” of clubs is recreation, hospitality, and relaxation, their operations are no less complicated and their management no less challenging than similarly sized organizations in other industries. Yet, over the years, the reputation for efficiency and economy at clubs compared with their counterparts has been anything but complimentary.

Take, for example, the work of the noted management research team of Robert Blake and Jane Mouton, who, almost half a century ago, published a chart they called the “Managerial Grid” (Figure 1). The Grid was designed to communicate a style of management with its vertical axis indicating the degree to which a manager was “people-oriented” and the horizontal axis measuring the manager’s degree of “task orientation.” Therefore, a manager with a (7,2) label was more worried about getting the job done (horizontal level 7) than about considering the people involved (vertical level 2). If a manager was designated a (5,5), he was given the lukewarm label of “Organization Man.” Blake and Mouton also characterized the managers at the extreme corners of the Grid, e.g., Team Management (9,9), Authority-Obedience Management (9,1), Impoverished Management (1,1), and Country Club Management (1,9).

Not surprisingly, Blake and Mouton have an obvious preference for the manager in the upper right corner of their Grid. Even so, they concede that there are times when a situation calls for

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<sup>3</sup> Based upon statistics from the Census Bureau of all employer firms in the United States.

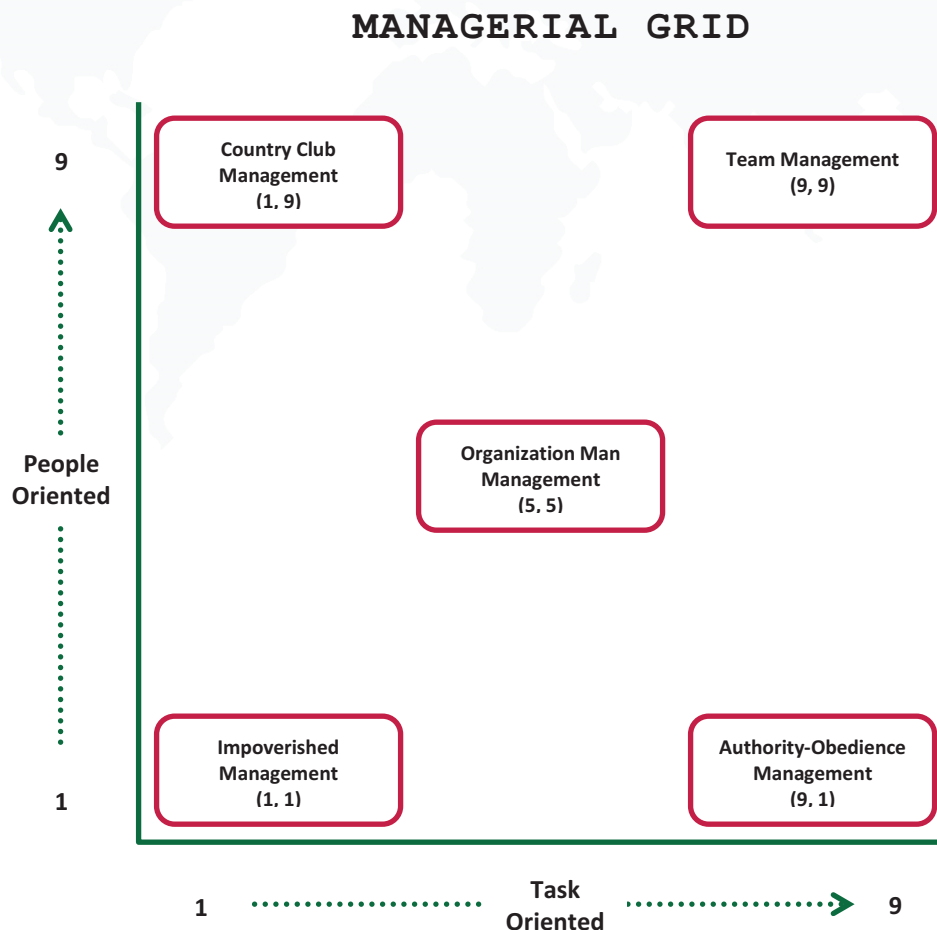




something other than “Team Management,” such as a military unit or a low tolerance production line that might require an Authority-Obedience type of manager.

Notice in Figure 1 the label given to the manager in the upper left corner. It appears that, in 1968, Blake and Mouton felt that running a country club was all about pleasing the people – with little concern about efficiency and economy. Notice further that this is the only label on the Grid that is industry-specific.

Figure 1



But Blake and Mouton were not alone in their perceptions of Country Club managers. Nor were their assessments unfounded. Many clubs had been established decades earlier and were saddled with antiquated management models articulated in anachronistic bylaws. Country Clubs were all about getting along and rarely about operating efficiently and effectively.

Fast-forward 30 years after the publication of the Managerial Grid. As the 21<sup>st</sup> Century approached, the entire management field gave way to a new function – leadership. Within a few years’ time, it was no longer enough to be a good manager. One also had to be a good leader.





Creative authors like Collins, Tichy, Senge, and numerous others emphasized the difference between management and leadership. Graduate schools began awarding a Masters degree in Leadership. Not to be left behind, Blake and Mouton republished their Grid, which looked exactly the same – except the Managerial Grid was renamed the Leadership Grid. Although Blake and Mouton gave slightly different labels to three of the four corners of their Grid (Team, Authority-Compliance, and Impoverished), the leaders in the upper left corner were still characterized as running their organizations like country clubs. The fact that these “country club” managers were now leaders did nothing to improve their being caricatured as inefficient people pleasers.

## **CMAA: CLUBS MEAN BUSINESS**

It's time for Blake and Mouton to refine their model yet again after taking into account some serious improvements to club management and leadership. Thanks to the efforts of the Club Managers Association of America (CMAA), the Leadership Grid will need a new label for the upper left corner. For the past 25 years, CMAA has steadily upgraded the standards for Club Managers -- not just in the way they serve their members, but also in the way they manage their clubs' resources. CMAA members have been required to stay on top of their professions through continuing education, chapter meetings, and national conferences. In the mid-1990's, CMAA introduced the COO Model, which has helped Club Managers gain the kind of freedom and flexibility that they need to run their operations efficiently. In 2001, CMAA introduced the Management to Leadership model that folded into its continuing education curriculum many of the modern ideas on leadership. In 2008, CMAA announced that it would begin awarding a Certificate of Chief Executive to Club Managers who meet the highest standards of leadership. Simply put, clubs that have taken seriously the charge from CMAA to adopt these leadership models and management techniques no longer belong in the upper left corner of the Blake and Mouton Grid.

## **CMAA INTRODUCES THE CLUB GOVERNANCE MODEL**

Building on the success of the initiative to improve management and leadership at the club level, CMAA sought next to improve the way clubs are governed. Clubs had traditionally employed governance models that looked like Figure 2, which depicts in blue the key participants in a club's governance process and in red the key documents that contain policies at their respective organization level. The flow of authority down the organization and of accountability up the organization is shown to the left, indicating that authority is conveyed through the key documents (Bylaws and Operating Procedures).



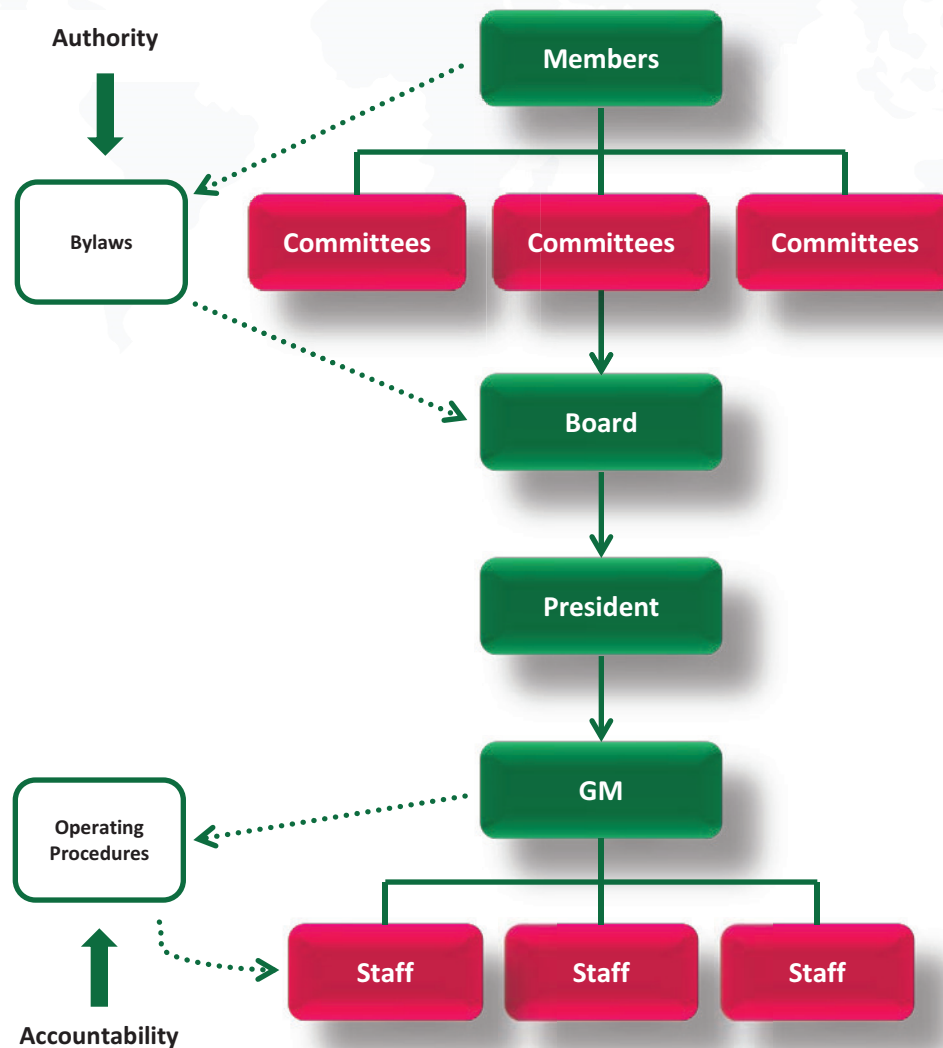




While a configuration similar to that shown in Figure 2 has served the majority of clubs for years and even decades, this governance structure has inefficiencies stemming from an uneven and unclear flow of authority and accountability. Under the traditional governance model, it is not uncommon for the GM to sense that he<sup>4</sup> has two and sometimes three or four bosses – the members, the committees, the Board, and the President. Looking from the top, the traditional governance structure can also leave members frustrated by not knowing who is responsible for what, i.e., basic accountability.

Figure 2

## TRADITIONAL GOVERNANCE MODEL IN CLUBS

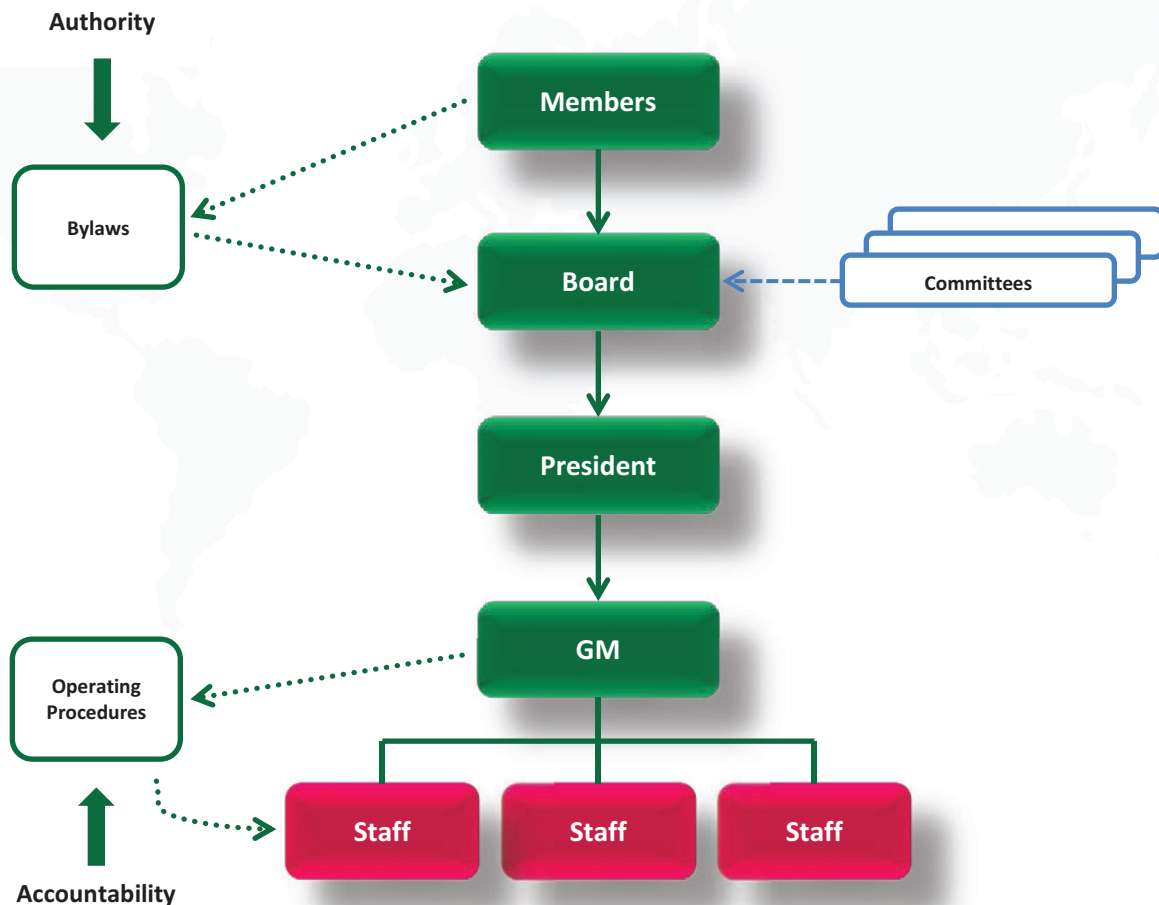


<sup>4</sup> The masculine form is throughout this document to mean both men and women.



Figure 3

## COO GOVERNANCE MODEL



In 2002, to address the fundamental issues of authority and accountability, CMAA introduced the COO Model of Leadership and Governance (COO Model), which is shown in Figure 3. The COO Model helped clarify the role of the General Manager as the operational leader and the role of the Board as governors and the strategic leaders of the club. The primary effect of the COO Model was to make club Boards aware of the inefficiencies that resulted from micromanaging. The COO Model caught on slowly at first, but has been steadily gaining favor to the point where it is now widely employed, especially by the larger clubs.

The COO Model moved clubs along the governance continuum and helped them reduce the confusion and inefficiencies that attend micromanagement by the Board. Encouraged by the growing acceptance of the COO Model, CMAA sought to expand the governance component of the COO Model and develop a governance model that incorporated lessons learned from





research and experiences in the nonprofit sector. For the past two and a half decades, authors and experts in the field of nonprofit governance have advocated a governance model based upon the writings and teachings of John Carver.<sup>4</sup> Although nonprofits vary widely in size and complexity, the research on principles of governance gave ample support for a list of best practices that apply across the spectrum of organizations. CMAA looked at the list of best practices in nonprofit governance and, with few exceptions, found that they mapped nicely with a list of issues in club governance. It then commissioned a Study Group of General Managers and Consultants to develop a model for club governance derived from the best principles and practices of nonprofit governance. The Study Group returned with its findings and recommendations in the form of the Club Governance Model as shown in Figure 4.

There are some obvious differences between the Traditional Model and the Club Governance Model, including:

1. The designation of committees as being Board Committees, i.e., those that support Board functions, and Operations Committees, i.e., those that support activities and operations under the direct supervision of the General Manager.
2. The placement of the committees to the side of the Board and the General Manager respectively and in an advisory role, not in the chain of authority.
3. The inclusion of the President with the Board of Directors and not as a separate link in the authority chain.
4. The insertion of a Board Policies Manual with the purpose of being the “voice of the Board,” i.e., containing all of the Board’s standing policies.”

While these differences help distinguish the Club Governance Model visually from the Traditional Model, it is the principles and practices embodied in the new approach that deliver the real benefits to a club. Moving to the Club Governance Model will require not only the reconfiguration shown in Figure 4, but also the incorporation of policies that give clarity, stability, and efficiency to the governance function. The next section describes how these policies are facilitated with the Club Governance Model.

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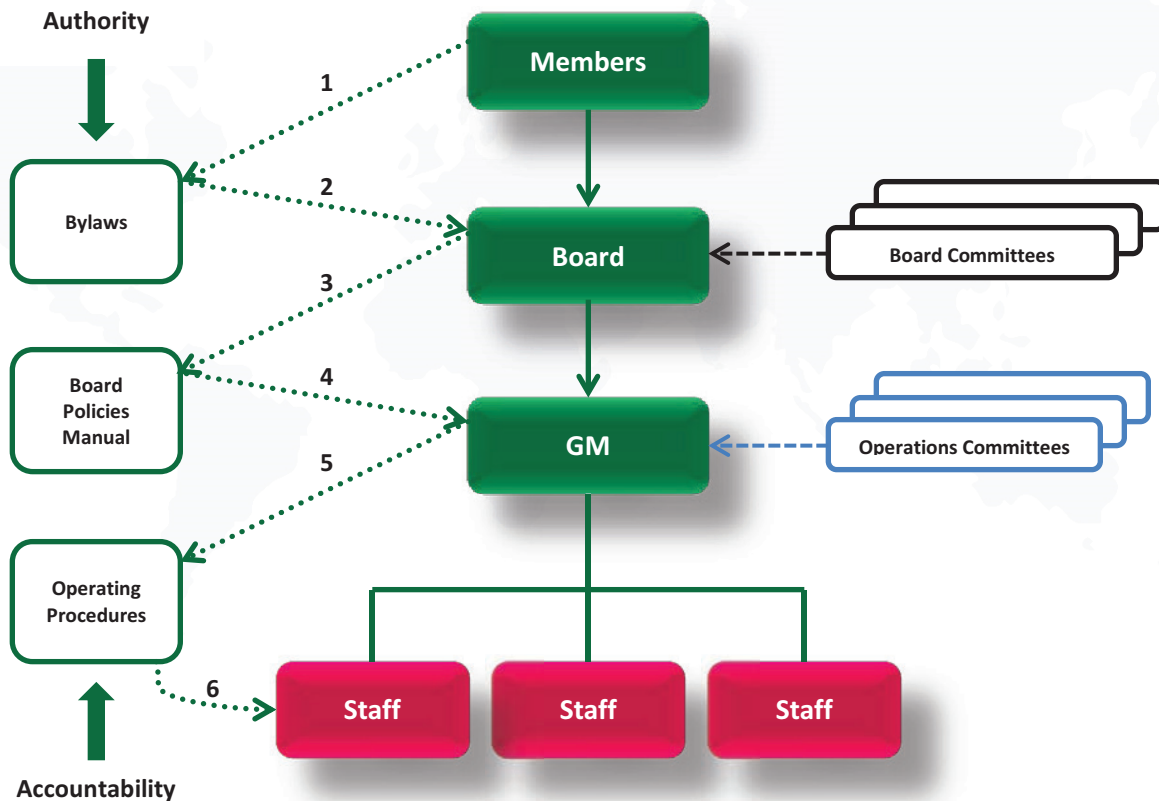
<sup>4</sup> Carver has written several books on the subject of nonprofit governance including *Boards That Make a Difference*, Jossey Bass (1992) and *Reinventing Your Board*, Jossey Bass (1999).





Figure 4

## CLUB GOVERNANCE MODEL



## II. THE CLUB GOVERNANCE MODEL

### DEFINING GOVERNANCE AND POLICY

Before discussing those features of the Club Governance Model (Model) that are critical to its effectiveness, it is important to define two basic terms as they are used in this Guide. The first term is **governance**, which is the making and administration of policy. The second term is **policy**, which is simply a course of action or directive from a person of higher authority. We sometimes hear that the Board develops policies and the GM implements them, but that's not quite correct. When we refer to policy, it is necessary that we identify the type of policy, i.e., who is issuing the directive. For example, member policy is determined by members, Board policy by the Board of Directors, and operating policies (or procedures) by the GM. Policies flow down through the organization – from the members to the Board to the GM and then to the staff –





with each level of authority being subject to the policies of higher levels of authority. This simple clarification avoids the misconception that only the Board sets policy. The distinction will also be referenced later in the discussion on the Board Policies Manual.

## KEY PARTICIPANTS IN THE GOVERNANCE PROCESS

A governance model is simply the way the function of governance is carried out in an organization, i.e., how policy at all levels is made and administered. Every organization has a governance model, whether it is explicit, implicit, or a combination of the two. Regrettably, too many models are more implicit than explicit, a practice that results in relying more on institutional memory than on clearly written policies. In such cases, decisions tend to be based on the opinions of the most influential officer or Board member and not on a documented decision-making process. Although implicit governance models are rarely given labels, some examples might be a “Committee Based Model” for clubs that are run primarily by committees or a “President Centric Model” for clubs that rely on the President to make most of the major decisions.

In contrast to these labels that describe implicit approaches to governing a club, the Club Governance Model is an explicit approach based on clearly documented roles for the key participants in the governance process, including the club members, Board members, officers, committees, GM, and staff. These roles can be summarized as follows:

### Club Members:

Although there are different types of memberships at most clubs, we use the term “members” in this context to mean voting members. Club members play at least two and often three roles in a club. First, they are its owners. Second, they are its customers. Third, when club members serve on committees or support the club in other ways, they are “volunteers” (see discussion under “Volunteers” below). Members serve in an ownership role **only** when they act (vote) corporately, e.g., when they elect Board members or vote on the bylaws. For example, a club member on a Club Activities Committee who is helping to plan a social event is serving as a volunteer – not as an owner or even a customer. The reason for this distinction is explained further below.

### Board Members:

Board members are, of course, club members. As such, they are owners, customers, and volunteers as described above. Board members are also trustees or governors in that they are elected to govern the affairs of the club subject to limitations that may be set out in the bylaws.



But Board members have the authority to govern (i.e., are “governors”) **only** when they are taking part in an official Board meeting. Even though Board members are often active in committee meetings or efforts to assist the GM and her staff, when Board members are not in an official Board meeting, they are serving as volunteers and not governors.

#### **Club Officers:**

Club officers, typically the President, Vice-President, Secretary, and Treasurer, are normally Board members with special responsibilities in addition to their duties as Board members. They are usually elected by the Board and subject to the Board's authority and direction. As such, they have the authority only when it is granted by the bylaws or the Board. This means that the President does not represent a separate level of authority and does not supervise the GM except as specifically authorized to do so in the BPM.

The President is almost always the Chair of the Board and is responsible for maintaining the integrity of the governance structure and related processes. He normally is the chief representative of the members and the spokesperson for the Board. As Chair of the Board, he sets the agenda of Board meetings and ensures that the Board stays at an appropriate level with its thinking, discussions, and policy development. The President is often an *ex officio* member of all committees. Therefore, he can serve both in a coordinating role among the Board Committees and in a leadership role in keeping them focused on their respective scopes of responsibility.

The duties of other officers are not discussed here because they have less to do with the governance structure and processes.

#### **Committee Members:**

As shown in Figure 4, the Model contains two types of committees. The **Board Committees** support the Board in Board-level functions (e.g., Governance, Finance, and Programs) while the **Operations Committees** (e.g., Golf Committee, Green Committee, Tennis Committee, Food & Beverage) support the GM. Board Committees study issues and recommend policies that support decisions at the Board or strategic levels. Operations Committees serve the GM by offering critical member (customer) input and in sharing the workload by helping with events and activities. As critical as the committees are in supporting both the Board and GM, they serve in an advisory capacity, not from a position of authority.





## **General Manager:**

The GM is the single agent of the Board with responsibility to carry out the purpose of the club within the policy boundaries set by the Board. Therefore he has operational authority to employ and allocate the resources of the club to serve its members so long as he stays within the boundaries set by the Board in the BPM. In the COO Model, the GM is the Chief Operating Officer (COO) and in this role meets the requirements as the single agent of the Board to manage the operations of the club. Giving the title Chief Executive Officer (CEO) to the GM also conveys this point unambiguously in that it clearly vests in the GM the full executive authority to carry out his operational duties.

Some clubs have designated the GM as the COO and reserved the title CEO for the President. Keeping the President as CEO has in many of these cases been a carry-over from the past and the title is typically nominal, since the President rarely functions fully as the CEO. Even though the title is nominal, the practice of retaining the title of CEO for the President should be discouraged as it can dim the clarity in roles and disrupt the smooth flow of authority and accountability.

## **Volunteers:**

For purposes of this Guide, a volunteer is anyone who is unpaid and who is assisting the Board or the GM. A high percentage of the volunteer work at a club is done through committees, be they Board Committees or Operations Committees. Although a club member may come to a committee with the perspective of an owner and a customer, when the club member is working with or on the committee, he/she is serving as a volunteer. Accordingly, while volunteers in general and committees in particular are invaluable to informing the Board and the GM, they bring no inherent authority to their volunteer role.

## **INCORPORATING BEST PRINCIPLES AND PRACTICES**

In addition to bringing clarity to the roles of the key participants in the governance process, the Club Governance Model draws on principles and practices that have proven effective across a wide spectrum of nonprofit organizations. These best practices touch virtually every aspect of governance – from techniques for running an efficient meeting to policies that specify how the Board will evaluate the GM. There are scores of books and hundreds of magazine articles that describe best practices and many clubs are taking advantage of them as they seek to make their governance processes more efficient. The challenge to these forward-thinking clubs is less about what best practices to employ, but rather how they are documented and integrated to ensure that they are consistently applied. In the Club Governance Model, that's where the Board Policies Manual comes in.





### III. BOARD POLICIES MANUAL – THE KEY TO SUCCESSFUL MODEL IMPLEMENTATION

We spoke earlier to the definition of “policy” and emphasized that the word needs a qualifier, such as *member* policies, *Board* policies, or *GM* policies. In the Traditional Governance Model, member policies are stated in the bylaws and GM policies are laid out in what are commonly called Operating Procedures. The obvious gap in policy documentation with the Traditional Model occurs at the Board level. In the Club Governance Model the Board Policies Manual (BPM) fills that gap and serves a central role in articulating and organizing the best principles and practices in nonprofit governance. If correctly developed and maintained, the BPM is much more than just another static organizational document – it’s a governance management system.

Here’s an analogy that illustrates the role of the BPM in the Club Governance Model. Many of us have a utility closet that seems to accumulate tools, spare parts, batteries, light bulbs, and devices of various kinds, which are often haphazardly arranged and the retrieval of which is sometimes a challenge. Enter the closet organizer with a hook for this item, a drawer for that, containers for others, and a cupboard with adjustable shelves. We install the organizer and store our “stuff” so that it is easy to see, retrieve, and return to its proper place. And if we don’t abuse the organizer with extraneous stuff and we take advantage of its orderly layout, it will serve us well.

A BPM is like an organizer of Board policies. It is structured in a way that affords easy retrieval, modification, and maintenance of policies. As with the closet organizer, as long as the BPM is maintained and kept current with policies at the relevant level (Board level), the BPM will serve as the governance centerpiece of the organization.

To carry the analogy a bit further, those of us who have installed a closet organizer appreciate that much of its value is realized during the process of cleaning out the closet and determining (1) where each item should be stored in the new framework or (2) whether we want to keep this or that item at all. Developing a BPM has the same effect on a Board. The process of determining what Board policies still apply and where they should be placed in the BPM provides the most straightforward and efficient route to implementing the Club Governance Model. Accordingly, the remainder of this Guide traces the steps recommended for developing a BPM, which contains the best practices that comprise the Model. By following the process for developing the BPM and then keeping it current, a club will have implemented the Model in the shortest and most economical way possible.







## DESCRIBING THE BPM

So far, we have identified the BPM as a compendium of policies and praised its value as a governance management system – all without describing the document itself. In this section, we outline the BPM and give the purpose and basic features of its principal parts. When we go through the actual BPM development process, we will add more detail relating to specific parts and the policies that will fill those parts.

The BPM is a document – really an organized booklet with a specific outline of topics -- that contains *all* the standing (on-going) policies that any Board needs to address. The BPM represents the voice of the Board to the GM, the staff, and the club members. Because Boards are supposed to think and act strategically, its policies are typically written from a high level – we like to say 5,000 feet. The size of a BPM can range from several pages to 20 pages long with most BPMs somewhere around 12-15 pages. The length is dependent on how specific the Board wants to be with respect to the number of policies and their level of detail. However, even though it is constantly updated, we recommend that your BPM be no longer than 15 pages. Appendix A contains a template of the BPM we will use throughout this Guide to illustrate how the BPM is put together and how you can tailor the BPM to fit your organization.

Just as the Board must comply with everything in the bylaws, so must all the policies in the BPM be consistent with the bylaws. Our preference is that bylaws contain only what the members absolutely need to pass along to the Board. For example, most club bylaws will go into considerable detail as to what committees need to be established and maintained by the Board. This practice, however, has led to a proliferation of committees, the structure of which is often antiquated and not suited to the current needs of the club. Simply stating in the bylaws that the Board may set up its own committees to carry out the mission of the club, not only makes for shorter bylaws, but also for a more efficient governance process.

## ORGANIZATION OF THE BPM

The recommended BPM structure has five distinct parts, the contents of which are always under review and which are refined by Board action as the Board adjusts to realities and becomes wiser in its governance leadership. Following is a brief description of each part of the BPM:

### BPM Part 1: Introduction and Administration

Because most people are not familiar with the BPM, few first-time Board members and other readers will know exactly what to expect from the document. It is therefore important to give the reader of the BPM a clear explanation of how to use this document. Part 1 to the BPM states



the purpose of the BPM, how it is maintained, and how it is employed in the governance model for the organization. Once the Board is comfortable with its description of the purpose and maintenance of its BPM, Part 1 will seldom be amended.

### **BPM Part 2: Organization Essentials**

One of the principles of the Board is to think strategically. In BPM Part 2, the Board has the opportunity to put its mark and blessing on the strategic direction of the organization, e.g., its vision, mission, values, strategic and tactical goals. These we call the “Organization Essentials,” which form the foundation upon which the organization’s other policies are designed and built.

In addition to the important statements about vision, mission, values, etc. included in this part, we also recommend that it contain the current organizational goals and priorities for at least the next 12-18 months. These current goals are often proposed by the GM, but the Board’s formal adoption of them allows the GM and the Board to align their expectations and to provide a basis on which the GM will be evaluated by the Board. Having the current goals in this part puts them in the strategic context, i.e., it permits them to be viewed alongside the other organization essentials to ensure that all Board and executive actions are in line with the strategic direction.

### **BPM Part 3: Board Structure and Process**

This part explains how the Board is configured and how it operates. It includes such features as:

- Governance style, e.g., outward looking, strategic in its thinking, speaking with one voice;
- Board job description, e.g., principal functions, scope of action;
- Board membership, e.g., size, qualifications, term of office, election process, rules for removal;
- Officers, e.g., responsibilities, terms of office, election process, rules for removal;
- Meeting content and conduct, e.g., consent agenda, pre-meeting materials, expectations for attendance, meeting rules of order;
- Board committees, e.g., number and type, scope of responsibilities, selection of members, relationship with staff, expectation of members; and
- Advisors and task forces, e.g., authority for forming, role in governance process.

Many of these features are covered in the club’s bylaws to some degree. Often, however, the bylaws are silent on important specifics. For example, they may specify that committee members are appointed by the Chair, but not address the terms of those appointments or who selects Committee Chairs. As suggested above, we prefer that bylaws be lean and that specific





structure and process decisions be left to Board members whenever they agree on changes to their BPM. To eliminate confusion on these matters, Boards may want to repeat some bylaw provisions in the BPM so that it provides a succinct but full explanation of a given topic. Doing so adds to the volume of the BPM, but it reduces the need to jump back and forth between the BPM and the bylaws.

## **BPM Part 4: Board-GM/Staff Relationship**

The most important relationship for organizational effectiveness is between the Board and the GM. A lack of clarity on their respective roles and how the Board and GM will interact almost ensures frustration from both parties. It is surprising therefore that so many clubs have not documented how the Board and the GM will work together. Part 4 includes everything the Board wants to say about its relationship with its one agent, the GM. Following are the typical topics addressed in this part:

- How authority is conveyed from the Board to the GM and what is expected of the GM;
- How, when, and by whom the GM will be evaluated;
- How, when, and what the GM communicates with Board members;
- Guidance on how the GM is to employ and treat staff; and
- What happens when the GM resigns or is asked to leave.

Part 4 therefore highlights the hand-off of authority between the Board and the GM. It also highlights the corresponding accountability that the Board expects from the GM. These policies are valuable to the GM in “managing up” and to the Board in “delegating down.”

## **BPM Part 5: Executive Parameters**

This part provides more specific guidance to the GM from the Board on the major functional areas of the organization. The GM is responsible for managing the organization within the parameters set by the Board. A common concern of some GM's is micromanagement from the Board. The flip side of that view is the Board's concern that the GM may not be employing sound management techniques. The resolution between these differing views can be achieved when the Board (1) documents policies superintending the GM, (2) leaves to the GM the responsibility of determining more detailed policies, and (3) monitors compliance with those policies.

Often the policies in this part are expressed as limitations, e.g., limits on spending, program expansion, hours of operation, or service delivery. Although most of the policies in this part





serve to limit the GM, we prefer the less negative label of parameters on executive actions, whether the statements indicate what the Board wants done or does not want done. Again, while some GMs and staff are at first leery about any limitations on their decision authority, having clear parameters around finances, major programs, fundraising, etc. actually frees them up to make professional judgments within the parameters without fear of being second-guessed by the Board later on. After the Board speaks to these issues, it must allow the staff to move ahead without hesitation or fear of criticism for making decisions.

## **BENEFITS OF THE BPM**

We stated earlier that the BPM was the centerpiece for the Club Governance Model. In this section, we are more specific about the benefits that the BPM brings to the club and its Board.

### **Board speaks with one voice**

Good Boards contain and accommodate a diversity of perspectives and thoughts. They give time and respect to the individual differences and they are rewarded with a message or a decision that the Board as a whole can support. Although there may be discussion, even vociferous debate, between competing viewpoints in a Board meeting, when the Board finally speaks to an issue in the form of policy, it should speak with one voice. The BPM ensures that the Board's voice is clear, consistent, and current. This is the primary benefit of the BPM.

### **Policies are explicit**

All Boards have policies, which are revealed in the decisions they make and the actions they take. Some of the policies are explicit (written down). Others are only implicit (unwritten). The problem with unwritten policies is two-fold: First, they may be known by only a few individuals within and outside the Board and second, these implicit policies are given by those in the know as reasons why explicit (written) policies are not needed. Articulating all standing policies in a concise, well-thumbed document provides an easy reference for Board members as well as the GM and staff so that they know at all times on which matters the Board has spoken.

### **Efficiency of Board policies in one place**

Boards are required to prepare minutes for their meetings and often these minutes will reflect policy decisions. Executive committees are usually authorized to create certain policies and the minutes of their meetings may also contain policy statements. Therefore, the Board's "voice" may be distributed in minutes over several years of Board meetings and executive committee





meetings. Anyone who has waded through the minutes of past Board meetings to decipher policy resolutions will appreciate the efficiency of having to look in only one place – the BPM.

### **Efficient orientation of new Board members**

One consistent criticism we hear from new Board members is that they lack confidence in assuming their new position because they are unsure of their responsibilities, what is expected of them, and how they fit in the Board structure. A BPM can go a long way in allaying those concerns and encouraging new members to be involved at an early stage of their term. A careful reading of the normal sized BPM typically requires no more than an hour. With that investment of time new Board members can understand:

- (1) What is required of them;
- (2) What they can expect from the GM;
- (3) Which matters the Board has spoken to in the past; and
- (4) What short and intermediate goals have been set for the organization.

### **Eases policy development and eliminates duplication**

It is not uncommon for Boards to address subjects or issues without considering their impact on policies that have already been established and that may reside in past minutes. As a result, policies are developed that either reinvent the wheel or, worse, actually conflict with current (but forgotten) policies. The most appropriate way to formulate policy is to put it in the language of the BPM and incorporate it into the relevant BPM section. There it can be put in the context of existing policies to determine how the new policy will fit. When a committee is asked to look at an issue that will find its way into Board policy, its report back to the Board should include the draft of the language for the BPM within the appropriate section of the BPM.

### **Clear guidance to the GM**

There is no more important job of the Board than assuring the performance of the GM and hence the organization. Although this is a universally accepted axiom of governance, too many Boards have either highly subjective methods for evaluating their GM or a process that is poorly documented or unevenly followed. The BPM makes it clear to the GM:

- That the Board owns the mission statement, as well as the key values and strategies of the organization, (Part 2 - Organization Essentials);
- What the Board expects of itself (Part 3 - Board Structure and Process);





- How the Board interfaces with the GM/staff (Part 4 - Board-GM/Staff Relationship); and
- What parameters the GM must observe in carrying out her duties (Part 5 - Executive Parameters).

## **Models efficiency/competence to GM and staff**

The Board has the responsibility to model the competence and excellence that it expects from the GM and staff. Working with the BPM demonstrates a commitment to clarity and transparency that sends the right signal to people inside and outside the organization. Even though the BPM is a Board document, its development and on-going maintenance typically involves a high level of input from the GM and the staff. As they work with the Board on the policies that go into the BPM, they gain an appreciation for the distinctive roles of the Board and the staff and a respect for how and why the policies were developed.

## **IV. DEVELOPING AND INTEGRATING THE BPM – STEPS IN IMPLEMENTATION**

### **IMPLEMENTATION -- A THREE-LEGGED STOOL**

This section of the Guide includes the steps recommended for developing a BPM and therefore implementing the Club Governance Model. While actually drafting and approving the BPM is a relatively straightforward task, it is only one of the three phases of the Model development process that is needed to ensure that it can be sustained over time. In that vein, the Model can be viewed as sitting on a three-legged stool, with each necessary leg represented by a phase in the BPM development process. Those phases are:

- Phase 1: Committing to the BPM
- Phase 2: Drafting and approving the BPM
- Phase 3: Integrating the BPM

Phase 1 is simply exacting from the Board the commitment to the BPM development process, including the pledge to employ the BPM once it has been developed (Phase 3). Drafting and approving the initial version of the BPM (Phase 2) is where most of the tangible work is done, but unless there is solid support for the effort up-front, not only will the completion of Phase 2 be in doubt, but also Phase 3 will never gain traction.







## PHASE 1: COMMITTING TO THE BPM

The objective at the end of Phase 1 is for the Board to state clearly in a formal vote that it intends to use the BPM as its governance management system, a commitment that must carry through both Phase 2 and Phase 3. Without a formal commitment, there is too strong a tendency to fall back into the old ways of governing. The BPM is to become the voice the Board to itself, to the GM, and to the members. It is therefore written, owned, and updated by the Board. If it isn't, its writing and maintenance are a waste of time. For some Boards, particularly those who are already familiar with best practices in nonprofit governance, selling the BPM concept should be a straightforward exercise. Even in these situations, however, don't take the Board's buy-in for granted.

If your Board has worked with a consultant in the past, you may ask him for help in securing the necessary commitment to develop and integrate the BPM. In our experience, of those Boards that have gone on to develop the BPM, most have been prompted to do so by a consultant. However, be aware that while a consultant can help generate enthusiasm for developing the BPM, don't take for granted that you will eventually get your Board's commitment to the BPM. There are many roadblocks that may be erected on the way to commitment. Unless you plan to use the consultant to help you through all three phases of BPM developments, don't presume that the running start your consultant may provide will be enough for you to complete the journey.

But we did not write this Guide to promote or to discourage the use of consultants. The Guide provides the tools to move ahead on your own if you are confident in your Board's openness to the principles of the Model. Accordingly, what follows is a simple process<sup>5</sup> for gaining the necessary commitment from the Board, a process not unlike what you would use to present any major proposal. It assumes that you will be starting from scratch with your Board and that you are not the current President. If you are the President, you can obviously skip over the first three steps below:

1. **Lay the groundwork:** Speak informally to your President about the Club Governance Model in general and the BPM in particular. Determine whether he is open to presenting something to the Board. Encourage him to look over this Guide or contact clubs that have implemented the Model. In most clubs, it's unlikely that anything will happen without the President's outright sponsorship or clear support. If you sense a sufficient openness with the President, move on to step 2.

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<sup>5</sup> Throughout the process of convincing your Board of the wisdom of adopting the Model, there will undoubtedly be questions. Exhibit B to this Guide contains some of those questions and answers that you may find useful in discussing the Model with your colleagues.





2. **Formalize your proposal:** Make a formal presentation of your case to a subgroup of the Board (including the President), perhaps a Governance Committee<sup>6</sup>. Here we recommend that you give a presentation similar to the one you expect to give to the Board.<sup>7</sup> Although it may seem like *overkill* for the subgroup, giving a full rehearsal will allow you to get feedback on how the entire presentation comes across. Moreover, the members of that subgroup may be the most influential members of the Board, especially if they are on the Governance Committee. Their support during the Board meeting will be invaluable to the success of your proposal. In fact, if you find enthusiastic support, perhaps the Governance Committee would be willing to bring it to the Board as a committee recommendation. Because the Chair and the GM's are usually the agenda-setters, the goal of the meeting with the subgroup is not only to secure its support, but also to secure a place on the next agenda of sufficient length to contain your presentation and the substantial amount of discussion that normally ensues. Depending on the size of the Board and the degree of resistance to the concept that you expect, we recommend a slot on the agenda of at least two hours.
3. **Refine your proposal:** Once you are on the agenda, you can turn your attention to selling the Board on the BPM concept. You probably will have received recommended changes during your meetings and discussions in Step 2. After you have made those changes, think about what may be helpful in preparing the Board members for your proposal. Some Boards have effective protocols for sending out materials prior to Board meetings. If so, you obviously want to conform to the pattern already set. If there is some flexibility as to what you can send out ahead of the Board meeting, we recommend sending material in advance that will alert the Board members to your proposal and the rationale for including it on the agenda. You may want to send them a copy of this Guide along with a transmittal note from the President testifying to his support of the concept. The additional preparation will save you time and energy during the actual Board meeting.
4. **Present to the Board:** As suggested above, you may be comfortable with less formality than indicated in Steps 1-3. You may be the President and may feel that you can make the decision to move ahead with the BPM without full Board discussion. However, there may be roadblocks that are thrown up along the path and the more deliberate you are

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<sup>6</sup> Although we recommend that Boards have a Governance Committee that is responsible for the quality of the governance functioning of the Board, most club Boards do not have them. If that is your situation, you may ask the President to form a Governance Task Force for purposes of looking into the Club Governance Model.

<sup>7</sup> You can download a sample presentation in PowerPoint from the Global Golf Advisors web site at [www.globalgolfadvisors.com](http://www.globalgolfadvisors.com).





in preparing the Board for a decision, the more likely you are to sell the concept. If the skids have been properly greased, your presentation to the Board should be a logical extension of your preparation, pre-meeting conversations, pre-meeting mailings, and follow-up communications with your Board members. In your presentation, be sure to emphasize the decision that you want from the Board. Don't let the Board members perceive their resolution as anything less than a commitment to all three phases of development. They need to know that not only will they be involved in the development of the BPM, but they will also be expected to make it an on-going focal point to the governance model for the organization. Following the presentation, ask for a formal vote from the Board on developing a BPM, including an approval of the process and timetable for its development. Include also the commitment of the members to review drafts and to offer clear, constructive feedback to early drafts and revisions. The Board does not need to be unanimous in this decision, but you will need a clear consensus of support on the vote. A bare majority normally does not translate into a commitment, and not only will your development effort be more onerous without a commitment up front, you could be faced with an uneven integration of the BPM as you try to make it the centerpiece of the Club Governance Model.

Armed with the Board's commitment to follow through on the development of the BPM, you are ready for Phase 2.

## **PHASE 2: DRAFTING AND APPROVING THE BPM**

The objective of this phase is to emerge with the first version of your BPM, which has been approved by the Board and which the Board accepts as the current expression of Board policy. We recommend the following steps to completing this phase. The steps in our recommended BPM development process are:

1. Assign a coordinator
2. Start with a template
3. Fill in template with known data
4. Distribute draft of BPM to a Review Team
5. Update and refine BPM from Review Team feedback
6. Conduct legal review
7. Present BPM draft to full Board
8. Begin operating with approved BPM

In addition to describing below what is involved with each step, we give you an estimate of the time that should be set aside for each step. Bear in mind, however, that times for the individual





steps will vary with a number of factors and our estimates are, for the most part, averages across a variety of organizations.

1. **Assign a Coordinator:** This is the person who can move the BPM through its phases and have it emerge as a living, breathing document. We don't call this person the "writer", because we want the Board members to think of themselves as the writers. The Coordinator essentially facilitates the involvement of the Board members and keeps the process moving. The desirable traits of the Coordinator include someone who:
  - a. Has credibility in the organization and with the Board;
  - b. Is productive, objective, and persistent; but
  - c. Is also patient and diplomatic; and
  - d. Knows well how the organization functions.

Some Boards look to their General Counsel or an in-house or outside attorney to be the Coordinator. While we are not against this approach, be careful that the BPM is written in straightforward language and not "legalese." Although we clearly recommend a legal review of the draft BPM (Step 6 below), we don't want it to be perceived as a document that requires a lawyer to draft or edit.

Other Boards will ask a consultant to serve as Coordinator. This can be a cost effective approach if the consultant is familiar with the BPM and is prepared to serve in a Coordinator role. A word of caution here as well -- for the same reason that you don't want the BPM to be considered the "General Counsel's document," you don't want it to be perceived as the "Consultant's thing."

Prior to moving on to Step 2, the Coordinator should be prepared to spend a few hours familiarizing himself with the remaining steps in this phase, the template that we are recommending in Step 2, and with the documents that he will draw from *fleshing out* the BPM. We estimate two or three hours being required for Step 1.

2. **Start with a template:** Unless you have a good reason to adopt a structure for your BPM different from those of countless other successful organizations, go with the proven format. It is likely that the Board will have selected a format when it made its decision to support the BPM concept. Therefore, we don't see this step requiring much time from the Coordinator. For the remainder of this Guide, we assume that the BPM will be in a format similar to the template attached to this Guide (Exhibit A).





3. **Fill in the template with known data:** As your Coordinator reads through the template, he will be able to drop in data specific to your Board, e.g., the vision, mission, and perhaps the values of the organization. The Coordinator may also know of existing policies with respect to other sections such as the description of existing Board committees, the nomination process, financial controls, etc. Regarding some of the general language associated with the BPM (e.g., the structure and processes of the Board, the responsibilities of the Board and officers, and the description of the role and relationship of the General Manager), we suggest that the Coordinator include the language already in the template unless it clearly conflicts with existing policies. Most of the language is standard and leaving it in the initial draft will allow the Board members who review the draft to read it in context and then decide whether or not to keep it. On policy that is not covered in the template, the Coordinator can suggest some language or simply leave the section blank and draw it to the attention of the Chair of the committee responsible for the relevant section.

This step can take several hours, depending on the volume of material that the Coordinator must go through to pick out policies for insertion into the initial draft. A consultant who is familiar with the BPM template and development process can usually complete this step in three to five hours. For purposes of estimating, however, and assuming that you have not hired a consultant, plan on between ten to twelve hours for Step 3.

4. **Distribute the draft BPM to a Review Team:** The purpose of the Review Team is to give the Coordinator feedback on the initial draft, to offer other material for the first version of the BPM, and to work with the Coordinator to ready the draft for presentation to the Board. On one hand, you will want this group to be small enough to be efficient and manageable. On the other hand, you will want the team to include multiple perspectives and disciplines to help the Coordinator with constructive input and editing. Most Boards will include their President and General Manager among the reviewers. We also recommend that you include on the Review Team the Committee Chairs or at least one member of the standing committees so you benefit from their different perspectives. As much as it is possible here, select reviewers based on their availability and willingness to respond to at least one and sometimes several iterations of the draft of the BPM that will initially go to the Board. It's better, for example, to have on the Review Team an active, responsive member of a standing committee than the Committee Chair, who may not have the time to give her input.

In addition to sending this first draft to a Review Team, you may want to send a copy to each member of the Board. Distributing the draft to the entire Board may seem





premature. After all, you don't need or even want the Board to approve this initial draft. Nor do you want the unfinished nature of the draft to lower the Board members' confidence in the BPM concept. The offsetting benefit to those risks, however, is that the Board members will see the BPM from two important perspectives. First, they will see the BPM in its entirety and not simply as isolated sections or parts, giving them a sense of what the final product will look like. Second, as they see the BPM modified and amended, they will appreciate that it starts as and will always be a work in progress. Finally, there is no rule that says that only members of the Review Team should be heard during this step and some other Board members may offer useful feedback during the initial draft stage.

The time required of the Coordinator for this step is combined with Step 5 because of the give-and-take of working with the Review Team. Our estimated level of effort for Steps 4 and 5 is included below the discussion of Step 5.

5. **Update and refine the BPM:** to incorporate input from the reviewers. This step in the process is where your Coordinator will earn his spurs, as he is the person you will rely on to encourage the reviewers to read the drafts, opine on certain policies that have been incorporated in the draft, and identify other policies that should be included. Getting feedback from the reviewers can be done in a committee setting, via email, or one-on-one. The Coordinator may need to employ one or all of these techniques to ensure that he gains consensus on the policies in the initial draft of the BPM.

For example, many organizations have financial policies that apply to the day-to-day accounting as well as to Board level parameters. Committee Chairs may instinctively try to include too many details in the BPM without distinguishing which are Board policy and which are management's operating procedure. Here's where the Coordinator can serve as coach to the reviewers in reminding them that the BPM is limited to Board policy.

This process of determining which of the existing policies deserve to be in the BPM is a useful training exercise for the reviewers. At the end of the day, how deeply the Board dips into management prerogatives with its policies is a decision fundamental to its role of governing. This step and Step 7 where the full Board is involved to confirm the language in the BPM are like calisthenics for the Board members, in that they are exercising their ability to make policy at the appropriate strategic level.

The time needed to complete this step and Step 4 varies widely with the size, age, and complexity of the organization, the competence of the Coordinator, and the







cooperation of the reviewers. Although the calendar time for this step may take weeks and even months because of scheduling conflicts, the actual Coordinator hours on these two steps is normally as low as five hours and rarely more than fifteen hours.

6. **Conduct legal review of the revised BPM:** This may be done by your General Counsel or by an outside attorney. The legal review should consider all areas in which the BPM must conform, e.g., the Articles of Incorporation and the bylaws of the organization as well as any Federal or State/Provincial laws that might be relevant. It is a good idea to ensure that the attorney who conducts the review be well acquainted with the BPM, its role in the hierarchy of documents, and its role in the governance structure. Otherwise, you might see a tendency for your attorney to cover all legal and even political bases in the BPM. We mentioned that there is no requirement or even a preference that the Coordinator be an attorney. If he is, however, we still recommend an independent legal review. Finally, in response to the legal review, while you want to be careful to heed the advice of the attorney, keep the BPM clear and readable. The BPM is the voice of the Board, not a contract that is designed to protect your Board against every legal challenge.

This step requires very little time from the Coordinator, unless there are substantial comments from the legal review that have to be worked into the BPM. Normally, the calendar time for the legal review is a week or two, but the actual time needed from the Coordinator is only three hours or less. Because we are not attorneys, we are reluctant to give an estimate of the amount of time for the actual legal review, but for a lawyer who has been properly briefed on the BPM, we believe it can be completed in a few hours.

7. **Present draft to the full Board:** While you are preparing to present the first version of the BPM to the Board, don't let "perfect" stand in the way of progress. Not even the revised draft will be 100% complete and acceptable to everyone on the Board. Don't wait until there is a critical mass of policies in the BPM before it is adopted and made operational. There will be plenty of sections that are either "to-be-written" or "to-be-agreed-upon." If there are sections where the Board is not comfortable with the policies or the language, leave them out. Even a BPM that is essentially just the initial boilerplate language can serve its role and you can wait for the substance (Board policies and decisions) to evolve.

There will be preparation time required of the Coordinator and possibly some follow up time, depending on how many additions or modifications that the Board identifies. Most of the preparation is distributing copies of the draft to the Board members and ensuring





that they have any supplemental material that may be helpful during the meeting where the draft is discussed. The estimate time needed from the Coordinator therefore is less than three hours.

8. **Begin operating with the BPM:** The Coordinator can now hand off his duties to the Secretary or whoever will maintain the BPM. The Coordinator will have put in somewhere between twenty to twenty-five hours, the reviewers perhaps another three to five hours each, and each of the other Board members two to three hours. The product is a BPM that is operational and a Board that:
  - a. Is equipped to carry out its governance functions using the best practices in the nonprofit world;
  - b. Comprises committees that translate their recommendations into language that will go into the BPM;
  - c. Uses the BPM to orient and train new members; and
  - d. Has a GM who asks for clarification on the issues in the form of policy guidance and who assists the Board in drafting new policies.

In short, the BPM will begin doing its job in that it is helping the Board and GM do their jobs.

## PHASE 3: INTEGRATING THE BPM

Once you have developed your initial BPM, albeit at a high level, you embark on the third phase of the BPM development process. Every Board action hereafter is taken in the context of the BPM, either from the standpoint of following the policies already recorded in the BPM or from the standpoint of policies between formulated and approved for inclusion in the BPM. Every study, discussion, and action is either related to an existing Board policy or to a prospective Board policy. If it's something else, you might question why it is taking the Board's time.

1. **Integrating the BPM – Use it or Lose It:** If you have ever tried to learn a second language, you will understand the difficulty in speaking a language when all you have done is read vocabulary words and grammar rules. Typically the most efficient way to learn a new language is to immerse yourself in it and in the culture where it is used.

The same is true with integrating the BPM. Once you have the first version of your BPM, you want it to be your basis of operation, i.e., you want your Board to immerse itself in the BPM. From the outset, your BPM is the voice of the Board -- the *only* voice





of the Board. There may be what were considered policies before you adopted the BPM, but which have not been included in the early versions of the BPM. These former policies may in fact be queued up to be incorporated into your BPM; but they are no longer “policies.” They are “policies-in-waiting.” If you cannot agree on how a policy ought to be written into the BPM, it probably doesn’t enjoy the level of Board support that every policy should have. It can therefore afford to wait until the Board can agree on the BPM language.

2. **Allow the BPM to gain traction with the Board:** In this section, we offer some techniques that we believe will allow your BPM to gain traction in your governance structure and processes. These techniques follow logically from the language in the BPM in our template. If in your initial draft of the BPM you have retained much of the material in our template, this section of the Guide will merely encourage you to systematically honor the principles and practices in your BPM. To help your BPM get that critical foothold in your Board processes, the following points (3,4) highlight a few areas where it can be employed as soon as its first version is approved.
3. **Let the BPM inform your meeting content and efficiency:** One of the first ways the BPM can serve your Board is to inform your meeting agendas. For example, whenever an agenda calls for a GM’s report, the outline for that report could be taken from Part 2 of the BPM where the GM’s goals are listed. Also BPM Part 3 contains information that may affect your meeting agenda. Notice in Section 3.5 of our template that we include language about how the Board will conduct its meetings, including how the schedule of Board meetings will be set well in advance, how materials will be sent to the Board members prior to the meetings, what the meetings will contain in the way of substance, etc. Following the instructions in Section 3.5 is one of the first ways in which your Board can honor the role of BPM in guiding the way the Board does business.
4. **Use it to guide committee work:** Committees do the work of the Board and give focus to the policies within their scope. As issues and questions arise, they are usually referred to a committee where they can be researched and discussed before being presented to the full Board. And, if a committee recommends a Board policy to cover a particular issue or circumstance, it should bring forward the policy in language for the appropriate section of the BPM. For example, if the Finance Committee determines that more guidance is needed in the area of, say, long-term financial commitments; it should identify which section of the BPM (Section 5.2 in the template) should contain the policy and then draft the language for presentation to the Board.





5. **Keep BPM and Board perspective at the appropriate policy level:** Once the BPM has been approved, it can assume the central role in your governance management system. Every issue or item on the Board's agenda should be traceable to a section of the BPM. New issues are tested with the following questions. Is it something the Board should be addressing or is it better left to the GM? If the issue belongs on the Board's agenda, is there a policy in the BPM that already covers it? If not, what is the right policy, how should it be articulated, and where in the BPM should it go?

Just as a golfer tries to establish a "muscle memory" that is repeatable under any situation, so too a Board wants to adopt a reliable process for the way it reviews and decides on situations that arise. Once your governance "muscles" are accustomed to working with the BPM, you will gain confidence in the "repeatability" of the process and the reliability of the BPM as the centerpiece in your governance model. Your agendas will be filled with issues that are worthy of the Board's attention; your new Board members will be productive early in their tenures; and your Board will survive changes in key people like your General Manager or your President.

6. **Keep the BPM manageable:** Once you have developed your BPM and feel that it is integrated into your governance structure, it is time to leverage its role and its full range of benefits. Remember that the BPM is both comprehensive and concise. On one hand, you want the BPM to cover all of the Board's standing policies. On the other hand, you want the size of the BPM to be manageable. Some policies require the preparation of related documents, which can be extensive in length. Embedding these documents into the BPM can expand its size beyond the 12-20 pages that we recommend. For example, some Boards have long Conflict of Interest Statements that are required to be signed annually by each Board member. In such cases, we recommend storing the Conflict of Interest Statements in a separate Board Reference Book (BRB) and simply including a reference in the BPM indicating: (1) the requirement to sign the statement, (2) which version of the statement is current, and (3) the file where it will be stored.

Other documents that may be cited in the BPM and stored in the BRB include:

- Board Profile [Description of desirable Board member skills, diversity, and experience that informs the Governance (Nominating) Committee in its selection of new Board members];
- Annual Affirmation Statement;
- Strategic Plan;
- GM Succession Plan; and





- Specific processes (that may be too wordy for the BPM), e.g.:
  - Nominations
  - Board-sponsored awards

## V. THE END IS THE MEANS

To summarize the basic themes in this Guide, all organizations have governance models, even though they are rarely given that label and they often don't lend themselves to graphic representation. In a member-owned club, the authority of the owners is delegated eventually down to the staff, who provide the services according to certain procedures. The governance model is a trace of the policies that flow from the delegated authority. The quality of the model is measured by the clarity of those policies at every level of the authority chain. A model's quality is also measured by its consistency over time.

The Traditional Club Model contains two features that reduce its quality. First, there is typically a gap between the documented policies of the members (bylaws) and the policies of the GM (Operating Procedures). Second, the Traditional Model is susceptible to disruptions due to changes in key personnel such as the President, a Committee Chair, or the GM. With this governance model the "way things are done" can therefore fluctuate from year to year, even though the basic organization has not changed.

The Club Governance Model addresses both of the potential shortcomings of the Traditional Model. The BPM fills the gap of undocumented policies and the BPM provides the continuity and stability over time to minimize the disruption that can result from changes in key personnel. But just to underscore the watchword of Phase 3 of the BPM development, the BPM must be integrated into the fabric of the governance process. It's not a "one-off" document preparation effort, where you put on the finishing touches, place it on the shelf, and dust off your hands. In the words of Winston Churchill, completing and approving the first version of the BPM is the "end of the beginning" of the Club Governance Model. Like that old golf swing that you are trying to replace with a new swing, if you're not diligent in your new technique, the old swing will creep back – and often at times of greatest stress when it can do the most damage.

Finally, as you exercise the Club Governance Model, you will find it capable of accommodating new ideas, strategies, and major changes in the size or culture of your club. If you are intentional about implementing the Club Governance Model, it will allow you to start slowly, build on its solid platform, and, after it's in place, flex with the times. The purpose of the Club Governance Model or its "end," is therefore a "means" or a way of communicating authority from the members that will serve them well in the near term and well into the future.





## APPENDIX A: Frequently Asked Questions

Any change in the way a club is structured or the way it operates will be met with legitimate questions and outright skepticism. What follows are questions that we have heard in response to explanations of the Club Governance Model in general and the BPM in particular. You may find them helpful in selling the Model to your President and the Board.

**Q1.** *Our governance system isn't broken. Why should we go to such great lengths to fix it? For example, the BPM seems like a lot of bureaucratic effort for little return. We have our House Rules and our Golf Club Rules, which the Board addresses and changes from time to time, but we don't need much more in the way of documenting Board policies.*

**A1:** The dictionary defines policy as *"a plan or course of action adopted by an organization designed to influence and determine decisions, actions, or other matters."* All clubs and their Boards have policies – both written and unwritten. Often the written policies are tucked away in past minutes known only to a few current Board members and maybe a handful of past Board members. With some clubs the unwritten policies are simply *"whatever the President or the Executive Committee says they are."* Unwritten policies tend to drive out written policies because Board members begin responding to *"the way things are done around here"* rather than to a documented set of policies.

If your club governance system *"isn't broke,"* there is still value in moving to the Club Governance Model, if only to preserve your system. Our guess is that your Board has both written and unwritten policies. Boards that govern primarily from unwritten policies normally have a learning curve that new members are required to climb. Sometimes, the steepness of the curve is worn like a badge by the *"old hands."* Mounting the learning curve is considered a sort of initiation or rite of passage for new members. Unfortunately, this is too often the mentality of those who like the oral tradition, who feel safer in subjectivity, who prefer to rely on institutional memories, or who presume that the policy at the time is whatever the Board Chair or the CEO says it is. This type of rationale should not be the basis for foregoing the benefits of a BPM.

To apply the definition of policy to the Club Governance Model a *"Board policy"* is a statement of the Board to the General Manager designed to influence how he manages the Club. The General Manager will in turn have policies for his staff across the various management functions – food service, golf course maintenance, accounting, and so on. The objective of the BPM is to put in one place the boundaries on the actions of the General Manager as set by his *"boss,"* the Board.







Under the new Model, there are only written policies – those in the BPM, which represent the single voice of the Board. There is no “lore” of unwritten policies or any steep learning curve for first year Board members. Nor does the General Manager need to guess what the boundaries are for his actions. If he is within the policies in the BPM, he is within his authority. The time taken to document the policies in the BPM is far less than the time wasted by various participants in the governance process trying to learn the unwritten policies. That fact is not changed by putting the pejorative label of “bureaucratic” on the BPM. Hundreds of nonprofit Boards have benefited from writing out their policies in a BPM and are using it as a primary tool in their governance process. It’s about time clubs receive the same value from this best practice.

- Q2.** *Our Secretary keeps excellent minutes during our meetings, which can be searched electronically. Why do we need another layer of documentation like the BPM?*
- A2.** Most Board minutes, even those written in considerable detail, are written in a narrative fashion. Even though they are normally required by law, meeting minutes are rarely written with the kind of specificity of well-constructed policies. More than to articulate policies, minutes tend to document Board actions and to reflect ad hoc, time specific decisions. Archives of minutes usually constitute very inefficient libraries and using them to research policies, even using computer search tools, is often clumsy, inaccurate, and time-consuming.

A Board that is careful about its minutes, both in substance and in process, will certainly have an easier time researching the minutes’ archives for past and existing policies. Even in these cases, however, the Board loses the clear value of the BPM as the single voice of the Board, a concept that encompasses not just *plain vanilla* policies and Board resolutions, but also the strategic direction of the organization, Board style and structure, and the GM/Board relationship. In addition, assume you are an incoming Board member and you have a choice as to how you become oriented to your new job. Which of the following scenarios are you likely to prefer?

**Scenario 1:** Review several documents, including (1) statements on vision, mission, values, strategy, and current goals statements; (2) minutes of Board meetings from the past five (or more) years; (3) a description of the Board, including officers, committees, protocols, periodic reports, and the expectations of Board members; and (4) possibly a list of policies, which may or not be in the minutes that you reviewed in step (2) above.

or

**Scenario 2:** Read the BPM, which covers all of the material above. Scenario 2 is a decidedly more efficient path for orienting a new Board member. Moreover, the same





lopsided comparison applies to anyone who wants to learn about the organization – club members, prospective club members, outside auditors, or others. The BPM rarely includes information of a confidential nature or for Board members’ “eyes only” and Boards with transparency as one of its values have found the BPM to be particularly effective in reinforcing that value. This is especially true with clubs where the Board wants to maintain clear lines of communication with its members.

**Q3.** *The Club Governance Model seems over-engineered and the BPM too formal. Our club is known for its relaxed and friendly environment. Wouldn't the heaviness of the new Model and its BPM threaten our culture?*

**A3.** For most clubs, their culture is their brand and they guard it with zeal, and rightly so. The stronger the club’s reputation, the longer its waiting list for new members. As one of the primary determinants of reputation, a club’s culture is well worth protecting and preserving.

But how does a club go about protecting and preserving its culture? Usually it’s by clarifying what it expects of its members, its leaders, and its staff. Its values can be found in the House Rules, in the mutual respect shown between members and staff, and in the quality of service that is delivered to the owners. For culture to be protected, it must be intentional and clearly articulated. Accordingly, so far from threatening a club’s culture -- be it formal/informal, traditional/modern, or family-oriented/adult-oriented – the Club Governance Model serves to clarify and preserve it. The values that the club holds dear should be embraced by the Board and repeated in its policies – in writing. Just as the House Rules state policies respecting decorum and behavior within the club, so too the BPM states policies that the Board will honor in carrying out its duties. [See Section 5.3 in the Template]

**Q4.** *Our General Manager is not ready to be the CEO or even the “sole agent of the Board” as shown in the CGM. Why should we put him in a position where there is a good chance of failure?*

**A4.** This is a legitimate concern for the Board. It has a responsibility to work with the General Manager to help him succeed. But making the General Manager the “sole agent of the Board” does not mean giving him *carte blanche* to run the club. It simply means that the Board is clear on the boundaries within which the General Manager can operate. As with any profession, there is considerable variance in experience, skill sets, training, and willingness to lead among General Managers. It is the Board’s responsibility to know how to delegate its authority so that the General Manager can carry out his duties within the authority limits.





We have found that the title “CEO” is problematic for some Board members because they associate the position with a large corporation where the CEO has almost unlimited authority and they aren’t comfortable giving that degree of freedom to their General Manager. But we use the title to clearly convey responsibility and not to suggest an absence of limitations. Quite the opposite. The club that makes its General Manager the CEO should look to its Board to be even attentive to the policies that limit the CEO’s authority.

Whether your Board chooses to designate the General Manager as the CEO or the COO, the Board has the responsibility to employ the most appropriate way to work with its “one agent to the organization.” For example, a Board that requires an experienced General Manager to get its approval to hire staff may be making work for itself and frustrating (and eventually losing) a good General Manager. On the other hand, with an untested General Manager, a Board may impose more restrictions in the form of executive parameters in Part 5 of the BPM. As the General Manager demonstrates capabilities in the respective areas, the Board can reduce the strictures. By working with the General Manager to arrive at the right balance of Board policy parameters, the Board can keep that balance between monitoring and meddling.

Finally, you might have a General Manager who has the potential to be a CEO if he is just given the chance. By working together on the BPM over time, both will contribute to their mutual relationships, to their mutual growth, and ultimately to the efficiency of the governance process.

**Q5:** *What is the difference between the Model and the COO Model that the CMAA has advocated over the past several years?*

**A5:** The primary difference is that the Club Governance Model contains more detail on the matter of the Board’s role, its structure, and its processes, all of which are articulated in the BPM. These differences are more extensions of the COO Model than major changes, but they are significant in that they bring an extra measure of clarity and continuity to the governance function. Greater clarity is achieved by plainly defining the roles of the key participants so that there are clean lines of authority and correspondingly clean lines of accountability. The greater continuity results from the fact that the CEO does not change with the election of a new President. As effective as the COO Model has been, it is still subject to the potential unevenness of the relationship between the President and the General Manager. This stems in large part from the President’s term of office, which for most clubs is one year and sometimes two years. Ask yourself this, would you as a stockholder want to invest in a company that changed its CEO every year? Even if the criteria for selecting the CEO stayed relatively constant from year to year, would you want





the operations of your business to fluctuate annually with the change in the personality or leadership style of the CEO?

**Q6:** *CMAA has been advocating the COO Model for years. Why is it now suggesting that clubs scrap the COO Model and adopt the CEO Model?*

**A6:** Until CMAA began recommending the COO Model, club leadership and governance severely lagged behind businesses of the same size and complexity. It was not surprising that in management and leadership literature the “Country Club” label was used to exemplify businesses that had a high regard for people, but little regard for productivity. The COO Model represented a meaningful, but also manageable move toward the more efficient business approach. Clubs that adopted the COO Model saw considerable improvements over the traditional model. The Club Governance Model brings the club leadership and governance structure even closer to the best practices in business and modern nonprofit organizations. Far from scrapping the COO Model, we see its features and principles in the Club Governance Model, making the transition from the COO Model much easier. While, say ten years ago, there were few clubs that would have been ready for the Club Governance Model, there are now hundreds of clubs that can take advantage of this approach.

**Q7:** *We are careful to choose Presidents of high stature and competence. We want them to be involved in leading the club. We also want them to get the recognition that the position deserves. Why would we want to downgrade the role and the prestige of that position?*

**A7:** Making the General Manager the CEO or the COO is about strengthening the club, not about weakening the President. Most club members don’t know or care about the titles CEO or COO. They want to be provided good service and to have their culture preserved in the most efficient way possible. The President under the Club Governance Model loses no prestige in the eyes of the club or the community. He is still the highest ranking of the members and responsible for chairing and managing the Board, which has direct authority over the General Manager. In short, the photos of Presidents under the new Model will seamlessly join those of their predecessors along the hallways of their clubs.

Nor does making the General Manager the CEO reduce the amount of Presidential involvement. Even when a decision is his to make, a wise General Manager will still seek the counsel and good offices of the President. The question here is one of clarity of roles. The best practice in the nonprofit sector is unambiguous on the matter of the CEO being the single agent of the Board – not the single agent of the President or the Board Chair. In





addition to being a matter of clarity of roles, it's also a matter of sanity for General Managers, who don't need to see their direct reports change every year. Under the new Model, the Board as a unit represents the members in the authority chain and the General Manager is accountable to the Board as a unit.

**Q8:** *But the Board also changes from election to election. Doesn't that dilute your point on the continuity of the new Model?*

**A8:** That's where the BPM comes in. If the Board has taken care to document its standing policies, the impact of the changes in the Board profile (i.e., new members) will be attenuated. Introducing a new Board member or even a slate of new members will not affect the "voice" of the Board that is reflected in the BPM. If the opinion of the Board on a policy matter changes, it will change the BPM accordingly, but these adjustments to policies will be based more on changes in the situation than on changes in the make-up of the Board.

**Q9:** *We have always relied on our committees to be a communications bridge from the members to the General Manager and his staff. It seems like the new Model reduces the role of the committees to a strictly advisory status. How can we be sure that the committees will not lose their influence under this new scheme?*

**A9:** Even though committees play an important role in clubs, it is still an advisory role and not within the chain of authority. That said, any General Manager or staff person who is not heavily influenced by the input from the various committees will probably not last long in the job. Committees provide invaluable input from the members as customers and they provide necessary volunteer labor in the planning and implementation of club activities and special events. The Club Governance Model is not intended to weaken the committees' influence in any way – only to put it in context. It situates the Board Committees as speaking to the Board and not for the Board. The Board Committees are extensions of the Board. They inform the Board on Board policy. In a similar way, the Operations Committees speak to the General Manager and not for the General Manager (or for the Board). They serve the General Manager as volunteers in an advisory role.

**Q10:** *There may be ultimate value in the new Model, but it seems like a lot of work, time, and money. We are not a rich club and we have more pressing issues than documenting our policies. Why should we ask the Board to take time and effort away from the obvious problems in order to address something of such intangible value?*





**A10:** This may be the most frequent response from a Board that is considering the new Model. There is work involved in developing a BPM and most club Board members have a limited amount of time to do even the basic necessities of their job. Taking on the major investment of writing a manual of dubious value is not high on the list of most Boards that we have worked with. There are officers to elect and budgets to pass and members to admit and other critical tasks that should not be sacrificed just so that the Board can say that it has a policy manual. Board members may concede that there are benefits to the BPM, but they feel that they don't have the dollars or the hours to support the effort of developing one.

It's true that developing a BPM is not a trivial exercise and we do not want to suggest otherwise. The real question, however, is not whether developing a BPM takes work, but whether it takes "too much work," i.e., its costs exceed its benefits. For that particular test, we ask that Presidents and Boards look to a horizon more distant than the end of their terms, because a true measure of the BPM's value is over time. While the start-up costs are typically incurred in the short-term, the first year or two of implementation, the benefits accrue as long as the Model is in place. We realize that many Presidents and Board members have more tangible measures of success for their tenure – a manicured golf course, renovated facilities, better food in the dining room, etc. – and that a better way to govern is rarely in their top ten success measures. But equipping the Board to serve the members more efficiently will produce more durable returns over the long run than any of these more obvious accomplishments.

One more point on how to assess the "cost" of implementing the BPM. The objective of documenting policy in the BPM is not to avoid the cost in time of discussing different points of view and resolving them with compromise language. On the contrary, there is a sense in which the longer it takes to resolve differences, the greater the need for the policy to be documented. With some Boards, there seems to be an attitude that time is saved if controversial topics are deferred or left unaddressed altogether. But leaving fundamental issues unresolved only increases the time that will be needed to discuss and resolve associated issues. Avoiding the tough issues also does a poor job of modeling basic values like integrity, respect, and transparency. Good Boards take on issues where there are differences among its Board members and then they document the consensus in the BPM. They incur the "cost" of working out the differences, but they incur them only once. And they recoup those costs when they build on that agreed-upon language in the policy – and their successor Board members recoup those same costs many times over in the form of benefits of a living, breathing governance management system – the BPM.







**Q11:** *There appears to be areas where the Club Governance Model conflicts with our bylaws and amending the bylaws requires a vote of the membership, an exercise that takes time and energy. Is amending the bylaws always necessary in order to implement the new model?*

**A11:** The short answer to your question is “no, it is not always necessary to change the bylaws in order to implement the Club Governance Model.” However, it is not uncommon for the bylaws to include provisions that conflict with the model. For example, the bylaws may designate the President as the CEO and they may list the committees that must be formed and maintained. Because amending the bylaws can be a time-consuming process, we recommend that the Board develop the BPM as if bylaw changes had been effected, i.e., as if there was no conflict. This will allow the Board to develop the BPM on the merits and circle back to the bylaws to identify where the bylaws need to be changed in order to make them compatible with the BPM. Doing this will help convince the members that the Board has addressed the substance of what the bylaws require, but that they are simply making it Board policy rather than member policy.

Demonstrating to the members how the Board intends to manage itself and monitor club performance is a good way to instill confidence in the new governance system. For example, if the members see virtually the same committees listed in the BPM that are in the bylaws, they will be more receptive to changing the bylaws. In a similar manner, if the members see how the Board is led and how it monitors the General Manager, they will be less concerned about taking the CEO label off the position of President.

**Q12:** *I understand that CMAA has announced a new designation for club managers called the Certified Chief Executive. Shouldn't we delay promoting our General Manager to CEO until he has attained this level of recognition?*

**A12:** The Certified Chief Executive (CCE) designation is another example of CMAA encouraging its members to think of themselves as executives who are running businesses of significant size and complexity. And someone with the CCE label will certainly be a prime candidate for a club's CEO. However, an essential feature of the Club Governance Model is the clarity of the relationship between the Board and the General Manager, whether the General Manager is CEO, COO, or simply the Club Manager. The key is how the Board delegates its authority. For example, say the Board of Club A designates the General Manager who is a CCE as the CEO, but continues to operate through implicit (unwritten) policies in a haphazard way. Say Club B has adopted the Club Governance Model with its clear delegation of authority in the BPM, but has chosen not to give the General Manager the CEO title. Of the two examples, the preferred approach is Club B's, notwithstanding its reluctance to designate its General Manager as the CEO.





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