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OCTOBER 2016

2016 European Private Club Leaders Symposium

Survey Results



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2016 European Private Club Leaders Symposium Symposium Survey Results

In September 2016, Global Golf Advisors (GGA), in collaboration with the Club Managers Association of Europe (CMAE), hosted club executives and leaders from Europe's most esteemed private clubs for a symposium to identify and discuss emerging trends and best practices within the private club business segment. The first European Private Club Leaders Symposium explored topics relating to the continued development of Europe's most elite clubs including current trends, research, key performance indicators, and top issues facing clubs now and in the future.

In advance of the Symposium, participants were sent an initial survey which asked several questions relating to factors currently impacting their club as well as factors that they believe will impact their club in the future. This initial survey also extracted high-level information about strategic thinking and perceptions regarding Britain's exit from the European Union.

After the Symposium, GGA solicited feedback from attendees on key topics and discussions raised during the symposium via a post symposium survey. This secondary survey gathered information about club profiles, club governance, capital, membership trends, methods of intelligence gathering, and Brexit. This report highlights the results from each survey.

Participants

Attending executives represented the following clubs:

- Adare Manor
- Båstad Golf Club
- Chippenham Golf Club
- Edgbaston Priory Club
- Foxhills
- Goodwood
- Gstaad Yacht Club
- Hags Castle Golf Club
- Milltown Golf Club
- Oxford and Cambridge Club
- Queenwood Golf Club
- Roehampton Club
- Royal Automobile Club
- Royal Mid-Surrey Golf Club
- Royal Porthcawl Golf Club
- Royal St. Georges Golf Club
- Sunningdale Golf Club
- The Caledonian Club
- The Island Golf Club
- The Queen's Club
- The Wisley
- Vidauban Golf Club



Executive Summary

The survey results and findings from participating clubs are consistent to what GGA is observing in leading clubs around the world, with the trend being a gradual shift to a more business-like management approach emphasizing data-driven decision-making and diligent monitoring of key performance indicators and member satisfaction. Due to the emotional nature of a membership-based organization, there will always be aspects of clubs that do not and should not operate like a business. However, there has been a change in recent years and many clubs are more strategically refining their approach in areas relating to governance, capital planning, membership programming, and data collection.

The results of the survey point to the following observations from participating clubs:

Respondent Profile:

- In recent years clubs have been most impacted by factors relating to overall management and administration of the club, with all participants being highly impacted by governance and capital maintenance. Technological advancement continues to become increasingly important at nearly every club.
- Looking forward, governance and capital maintenance will continue to impact all clubs while factors related to human resources and member demography will become more significant and impactful.
- Entrance fees required to join the participating top-tier private clubs averaged £7,926, of which £1,413 is retained by the club on average (roughly 18% for UK clubs, 11% for those outside the UK). The entrance fee structure of these clubs varied significantly, with 42% requiring an Initiation/Joining Fee while another 21% combine the Initiation/Joining Fee with an Equity Certificate. One in five clubs (21%) do not currently require an entry fee.
- It is evident that the economic outlook for private clubs is continuing to improve. As a result, 33% of clubs indicated that they are considering raising entrance fees over the next three years.
- Though variable by facility type, the total annual gross revenue of participating UK clubs is £7,330,000 on average (€3,325,000 for those outside the UK). The average income from total annual membership subscriptions for clubs in the UK is £1,860,000 (€1,773,000 for clubs outside the UK).





- The average membership size of participating clubs is approximately 2,057 members with nearly two-thirds (63%) currently having a wait list for a Full membership.
- More than two-thirds (68%) of participating clubs reported having a Strategic Plan.
 - 42% update their Plan every three years.
 - 50% update their Plan at random or only as needed.

Governance:

Governance is the engine which drives the club and preserves the culture of the club. Survey findings are consistent with industry trends and indicate that many clubs are now taking a more structured approach to governance. Trends in the club industry in recent years have shown that the function, size, tenure and decision-making authority of the Board and Committees at private clubs have been changing to ensure more efficiency and professionalism, and to ensure that a sound business model is in place. Some of the key survey findings were:

- More than half of clubs (55%) keep their strategic plan active and relevant by reviewing their plans each month while 45% report performance results annually. More than one-third (36%) of clubs implement a General Manager incentive programme tied to achieving strategic aims.
- In the last decade, more than nine out of ten clubs (92%) have changed or revised their vision statement.
- Club Managers make their strategic plan part of their Board orientation process by reviewing the plan one-on-one with each new Board member (70%), requiring Board members to read and review the plan (20%), or conducting Board retreats (10%).
- Roughly nine out of ten (89%) Club Managers involve the Board before setting annual goals. At half of clubs, the Board is responsible for setting annual club goals while one-third (31%) rely on the Club Manager for goal setting.
 - 75% of Boards use written goals to monitor/evaluate GM performance.
 - 63% of GMs report progress on their goals each month.
- The average Board size at participating clubs is approximately 10.5 Board members. 11% of clubs have reduced the size of their Board in the last five years.





- The average number of standing sub-committees is approximately 7.14. 22% of clubs have reduced the number of committees in the last five years.
- Only 6% of Boards self-evaluate their performance at the conclusion of each meeting. The Board is always evaluated as a whole, rather than as individuals. On average, clubs reported that 39% of Board meeting time is spent on operational matters.
- More than nine out of ten (94%) of clubs provide a performance appraisal to the Club Manager each year, with half (50%) of clubs providing both a verbal and written appraisal.
- Two-thirds of clubs (67%) empanel their Board through elections while 22% rely on the standing Board to appoint new Board members.

Capital:

Club operations and capital funding will continue to challenge Europe's private clubs. Many clubs are pressured to evolve and stay relevant, which requires anticipating future capital needs, adhering to maintenance schedules, and allocating financial resources well in advance. Survey findings demonstrated the following:

- One-third of clubs (33%) fund capital by allocating a portion of annual subscriptions/dues to capital while 17% charge a separate capital due to members. Half of clubs don't allocate or charge for capital funding at all. The greatest capital challenge for more than half of clubs (53%) is funding capital improvements.
- Six in ten clubs (61%) have an up-to-date capital reserve study. Nine in ten (89%) have a capital reserve fund for capital maintenance, with more than half (56%) funding their reserve through a calculation of expected maintenance. Clubs spend an average of 9% of gross revenue on capital maintenance annually.
- The most significant deferred capital maintenance issues at participating clubs relate to the overall clubhouse and golf course; clubs are primarily focused on adding or improving both over the next five years.
 - Clubs are focused on improving existing facilities rather than adding new ones.
 - Improvements/upgrades will be directed toward clubhouse and dining facilities.
 - New facility additions relate to childcare, spa facilities, and racquet sports.





Membership:

Gone are the days when most clubs were operating with waitlists and a pipeline full of candidates lined up to join the club. The reality is that most clubs must now aggressively seek and find new members. Successful clubs are adopting a more data-driven approach to membership recruitment/retention and are adjusting membership and amenity offerings to be more competitive in their business space.

- 61% of clubs map the location of their members to identify trends and areas for new member growth. GGA recommends that clubs do this annually to maximize membership sales effectiveness.
- Six in ten clubs (61%) have encountered challenges with an aging membership or growing senior member category. Two-thirds of this group has adopted a set of tactics to address these challenges, among which adjustments to age bands and entry fees are most common solutions.
- More than one in four (28%) clubs have experienced a decline in their total number of members in the last five years.
- The top three factors for creating a sustainable membership strategy include (1) improving overall amenity quality, (2) embracing modern technologies to complement modern lifestyles, and (3) further enhancing the club's platform for connecting its membership.

Strategic Intelligence:

Strategic Intelligence relates to the methods and means of gathering, analyzing, and organizing data useful for informing key strategic decisions made by clubs.

- Clubs see the greatest value in gathering metric data related to better understanding their members and evaluating their club's operating performance, by:
 - Mapping where members live and work (78% support)
 - Detailed analysis of members' satisfaction, attitudes, expectations, capital preferences, and pricing sensitivity (78% support)
 - Formalised, detailed comparative benchmark analysis of club's performance (72% support)
 - Deep understanding of local household trends (61% support)
 - Analysis of trending golf demand in local area (56% support)
- Clubs feel that their current club management software systems are somewhat limited with regard to their ability to impact strategy. Six in ten Club Managers (59%) feel that their current software system does not meet the needs of their club.



Brexit:

The United Kingdom's decision to leave the European Union, proposed for completion by the end of March 2019, may bring with it considerable consequences for the club industry. The U.K. is now entering a time of uncertainty while business and politics attempt to make sense of the post-referendum reality and navigate a new course. While only time will tell what impact *Brexit* holds on private clubs in Europe, many of the region's elite club managers have their own speculations:

- 22% of clubs have carried out a Brexit Impact Assessment.
 - Nearly half of participating clubs (46%) believe that the impact will be most strongly felt in areas relating to overall revenue performance, acquisition and retention of staff, and their overall membership absorption rate (the ability to attract new members).
 - EU nationals comprise approximately 18% of the workforce at participating clubs, even exceeding 30% in some cases.
 - 72% of clubs have found it more challenging to source talented staff over the last five years. More than half of clubs attribute this change to (1) a greater demand for talent in the hospitality sector, (2) that other hospitality specialities are more attractive than the club industry, and (3) an overall lower supply of talent in the hospitality sector.
 - The two most important critical factors in retaining existing talent of the next five years are the ability for clubs to provide for professional development (65%) and improvements to remuneration/compensation (53%).
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Detailed Survey Results

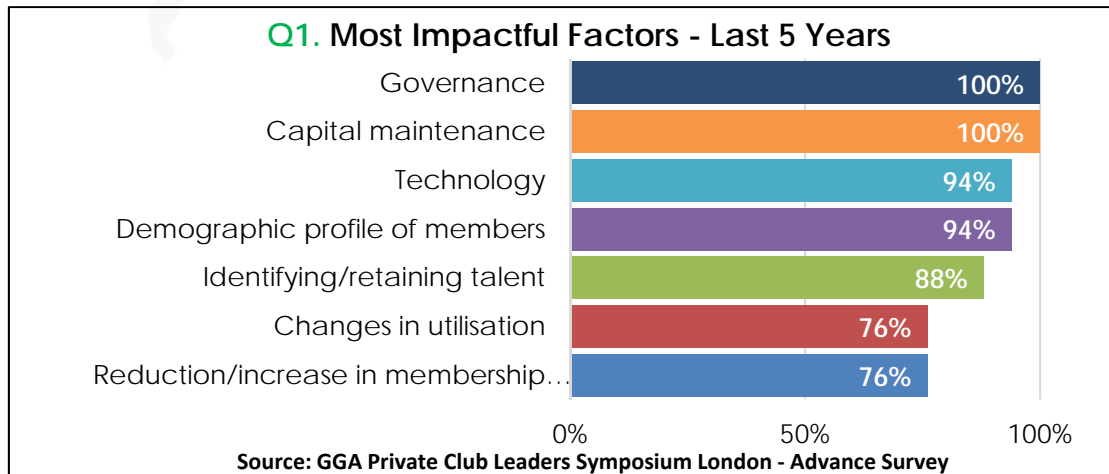
The following is a question-by-question summary of all questions from each of the 2016 London Private Club Leaders Symposium surveys. GGA will maintain and track responses to key questions and incorporate trends into this study.

Pre-Symposium Survey Results

Q. Rate and identify factors that have most impacted your club over the last five years.

Clubs have been most impacted by factors relating to the general management and administration of the Club, with all participants (100%) being highly impacted by Governance and Capital Maintenance.

More than nine in ten clubs (94%) have been impacted by Technology in the past five years. Technology is regarded as more impactful (rated 3.11 out of 5.0) than member-related factors such as membership size, demographics, and utilisation.



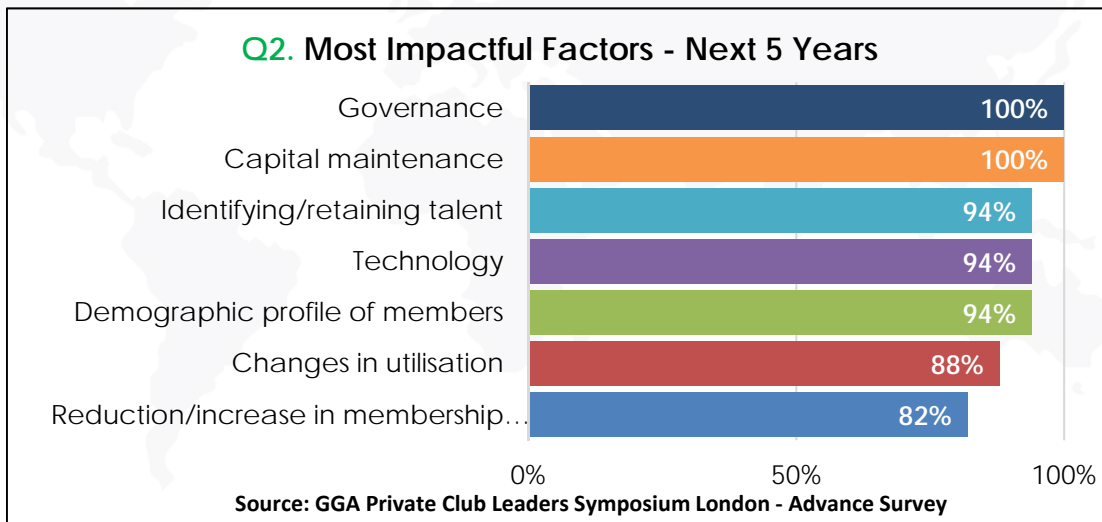
Q1A. Most Impactful Factors – Last 5 Years

Factor	Avg. Rating (5 = Highly Impacted)
Capital maintenance	3.42
Governance	3.33
Technology	3.11
Reduction/increase in membership count	3.07
Demographic profile of members	2.96
Identifying/retaining talent	2.76
Changes in utilisation	2.60



Q. What factors will impact your business in the coming five years?

Looking forward, Governance and Capital Maintenance will continue to impact all participating clubs (100%). While the future scope of factor impact is generally consistent with the status quo, the degree of impact changes significantly. Items related to human resources and member demography are foreseen to become most impactful of all items considered.



Q2A. Most Impactful Factors – Next 5 Years

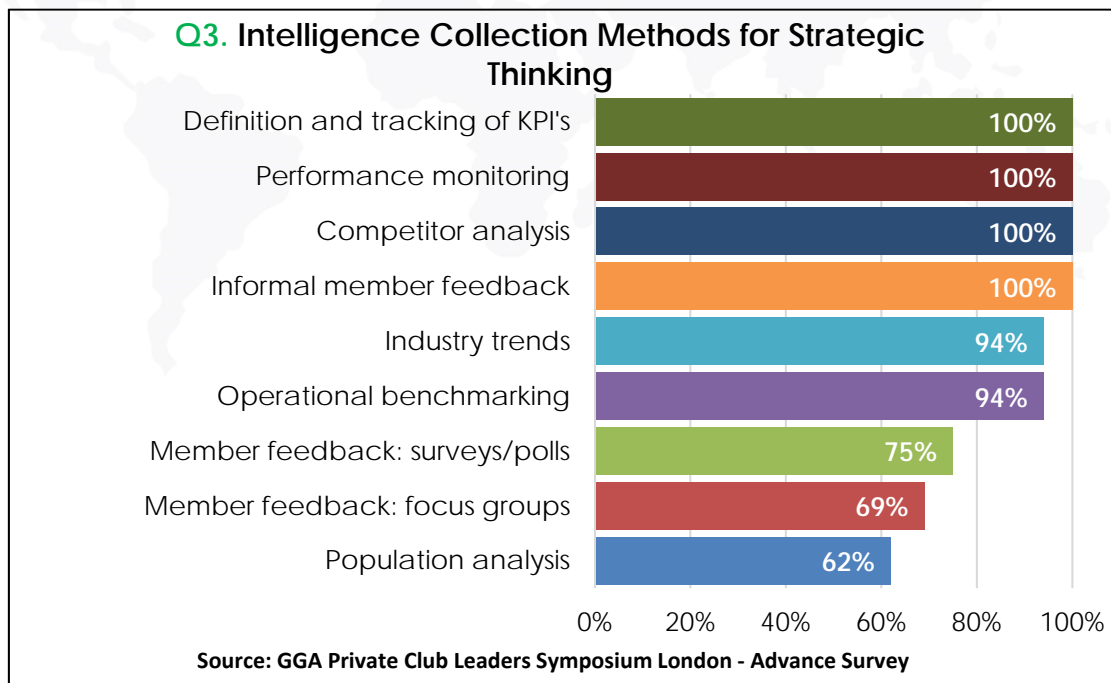
Change in Factor Impact	Avg. Rating (5 = Highly Impacted)		
	Past 5 Years	Next 5 Years	Variance in Impact
Identifying/retaining talent	2.76	3.47	+ 0.71
Demographic profile of members	2.96	3.44	+ 0.48
Capital maintenance	3.42	3.84	+ 0.42
Changes in utilisation	2.60	2.88	+ 0.28
Reduction/increase in membership count	3.07	3.07	0.00
Technology	3.11	3.10	- 0.01
Governance	3.33	3.02	- 0.31



Q. What intelligence do you currently collect to inform your strategic thinking? Please rate each in order of influence.

Participating clubs are most diligent about collecting intelligence relating to general club performance and consideration of competitor offerings and tactics.

It is noteworthy that data-driven intelligence resources for understanding internal member preference and satisfaction are among both (a) the least commonly utilized methods of data collection and (b) the methods regarded as least influential.



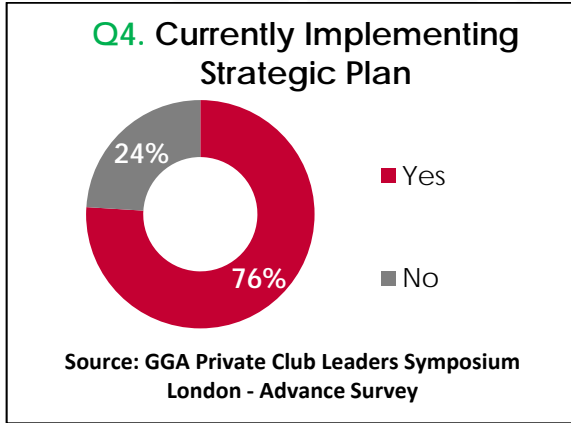
Q3A. Intelligence Collection Methods for Strategic Thinking

Method	Avg. Rank (5 = Most Influential)
Definition and tracking of KPI's	4.06
Performance monitoring	3.92
Informal member feedback	3.45
Operational benchmarking	3.26
Competitor analysis	3.15
Member feedback through surveys or polls	2.70
Industry trends	2.69
Member feedback through focus groups	2.02
Population analysis	1.38

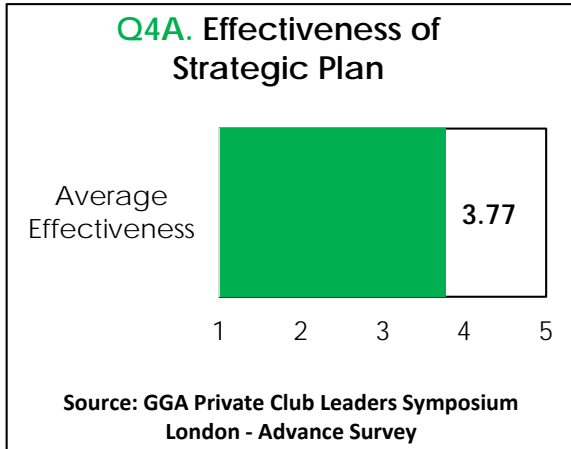


Q. Is your club currently implementing a strategic plan? If so, how effectively is your club achieving the objectives of its strategic plan?

Approximately three-quarters (76%) of participating clubs are currently implementing a strategic plan.



Those currently implementing a strategic plan (76% of overall respondents) rate the overall effectiveness of their strategic plans 3.77 out of 5.0. Respondents were asked to rate based on how effectively they believe their club is achieving the objectives set forth in their strategic plan.



Q. Is your Board strategic in its thinking?

GGA believes that the primary directive of a club board is to be strategic by setting policy and evaluating operating performance, while Management operates the club, and Committees are advisory only.

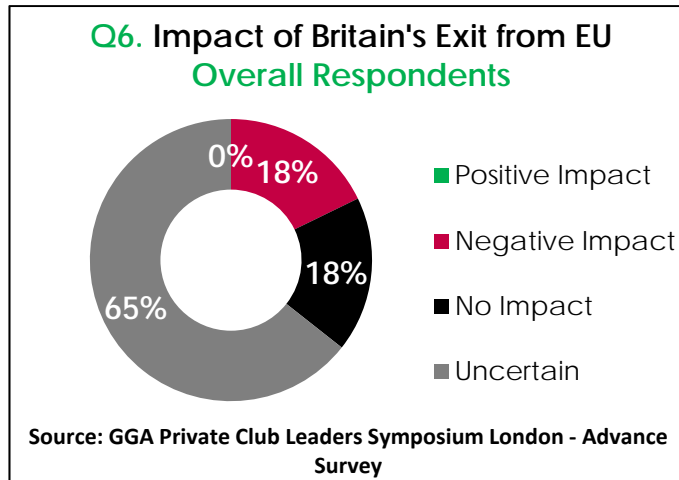
Approximately two-thirds (65%) of participants indicated that their Board is strategic in its thinking while slightly more than one-third (35%) adopt a more tactical approach to its thinking.



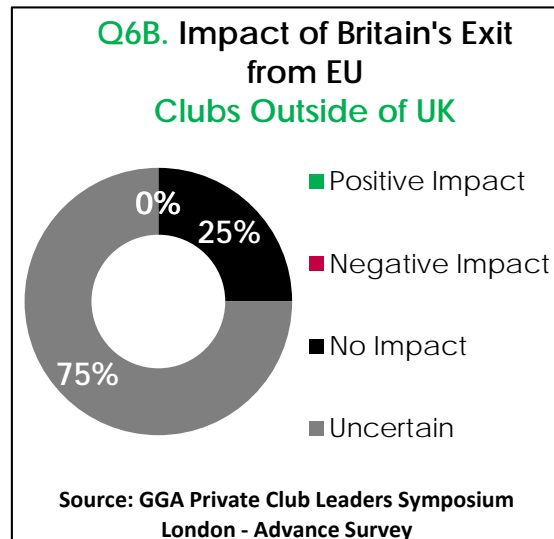
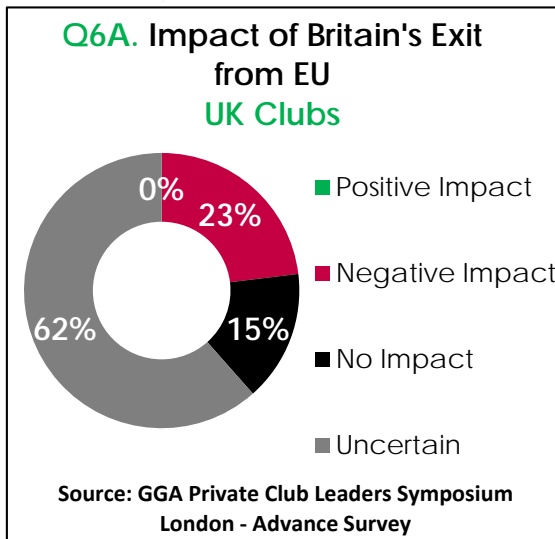
Q. Considering all factors, what impact do you believe Britain's exit from the European Union will have on your club?

The majority of respondents, approximately two-thirds (65%) of participants, are uncertain about the impact that Britain's exit from the EU will have on their club.

It is noteworthy that no participants (0%) believe Brexit will positively impact their club.



Clubs located within the United Kingdom are slightly more inclined (5% more inclined) to believe that the impact will be negative, compared to those located outside of the UK.

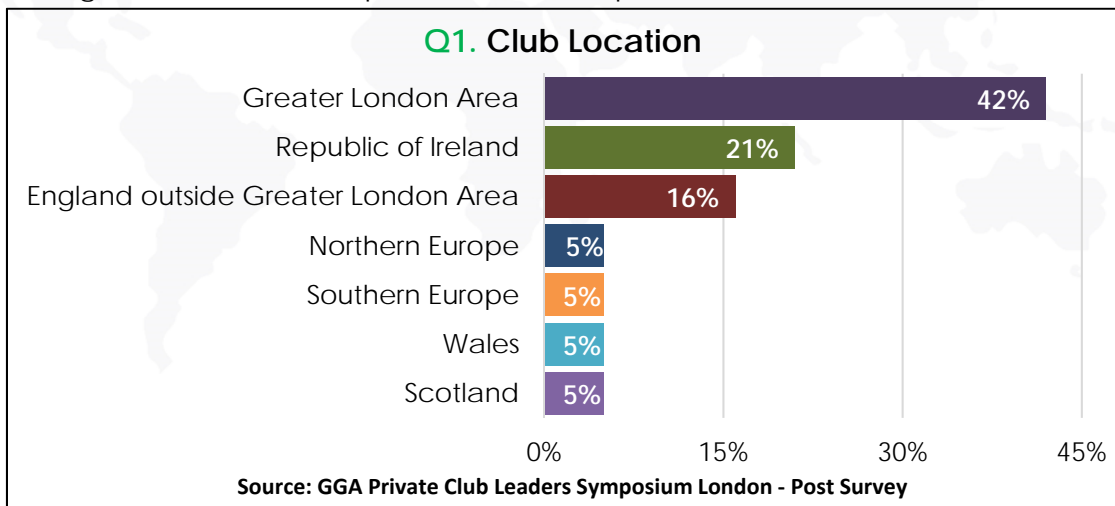


Post-Symposium Survey Results

Respondent Profile

Q. Where is your club located?

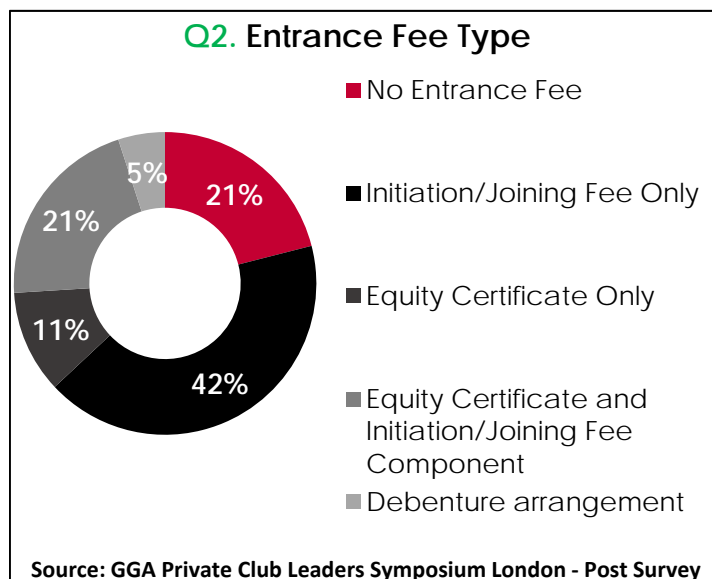
Nearly six out of ten participating clubs are located in England, with 42% situated within London and 16% located outside of the Greater London Area. Approximately one-fifth (21%) of responding clubs are located in the Republic of Ireland while the remaining fifth of participants were equally spread throughout Northern Europe, Southern Europe, Wales, and Scotland.



Q. What is your club's entrance fee type?

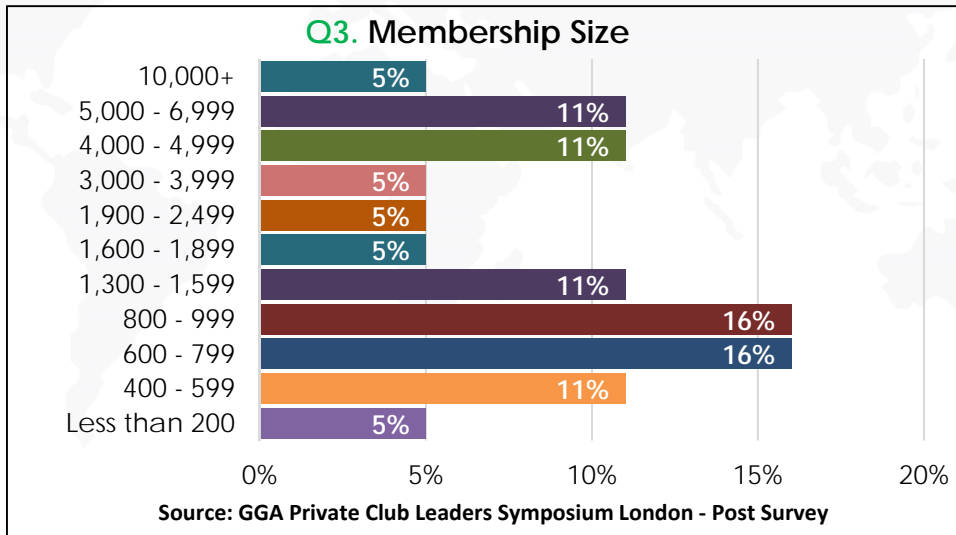
Approximately one-fifth of clubs (21%) do not have an entrance fee of any type. Roughly four in ten (42%) only require members to pay an Initiation or Joining Fee.

Another one-fifth (21%) of clubs combine an Equity Certificate and an Initiation/Joining Fee component, also referred to as a Transfer Fee.



Q. What is the size of your club's membership (all categories)?

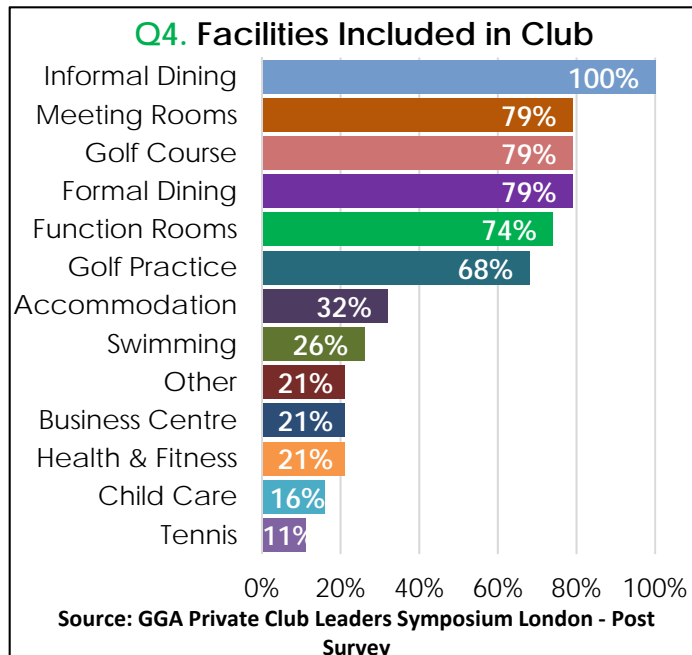
Membership size varies significantly by club. At the high end, approximately 5% of participating clubs indicated that their total membership count meets or exceeds 10,000 members. At the low end, roughly the same amount of clubs (5%) have less than 200 members while approximately one-third (32%) of participating clubs have between 600 and 800 members. A weighted average calculation indicates that the average membership size of participating clubs is approximately 2,057 members.



Q. What facilities are included within your club?

The majority of clubs offer facilities relating to dining, golf, and the hosting of private functions or business meetings. It is noteworthy that all participating clubs (100%) offer informal dining facilities for members. Facilities related to activities other than golf are less common.

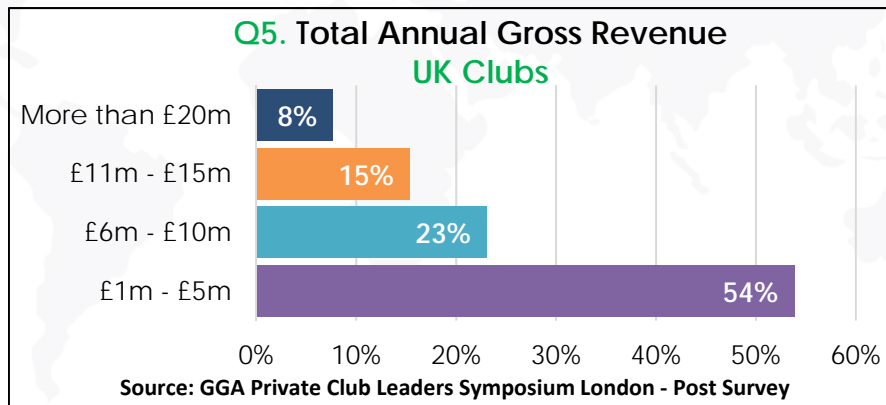
Roughly one-fifth (21%) of participants indicated Other facilities offered by their clubs, typically related to sports such as squash.



Q. What is your club's total annual gross revenue?

More than half of participating clubs (54%) located in the UK earn a total annual gross revenue in the range of £1,000,000 to £5,000,000. The total annual gross revenue of one-fifth of participating UK clubs (23%) exceeds £10,000,000 with roughly 8% earning more than £20,000,000 per year.

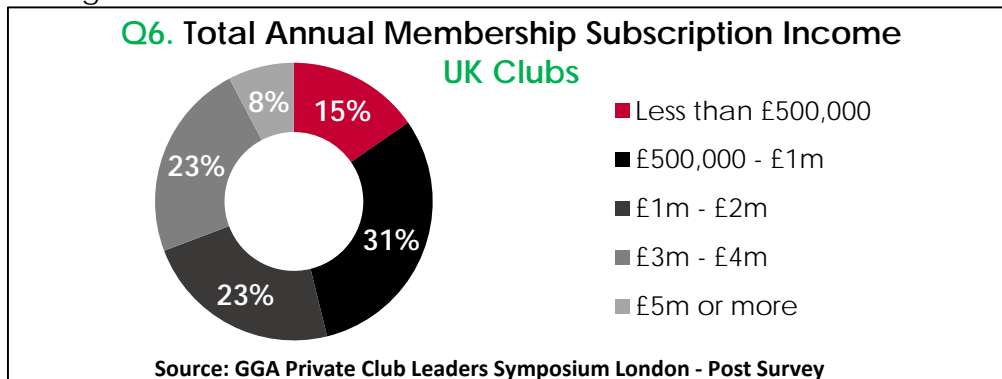
A weighted average calculation indicates that the average total annual gross revenue of UK clubs is £7,330,000. For clubs located outside the UK, the total annual gross revenue is €3,325,000 on average.



Q. What is your club's total annual membership subscription income?

Total annual membership subscription income varied among participating clubs, relative to membership size. Nearly one-third (31%) of clubs located in the UK earn between £500,000 and £1,000,000 from membership subscriptions while almost one-quarter (23%) earn between £1,000,000 and £2,000,000.

A weighted average calculation indicates that the income from total annual membership subscriptions at clubs within the UK is £1,860,000. For clubs located outside the UK, the total annual membership subscription income is €1,773,000 on average.



Q. What is your club’s total Entrance Fee (whether Initiation/Joining, Equity Certificate, or a Combination) for a full, new member? How much is retained by the Club?

The total Entrance Fee (whether Initiation/Joining, Equity Certificate, or a combination of both) for a full, new member is on average £7,926 at participating clubs located within the UK. Of this amount, clubs retain an average of £1,413 which equates to a retention rate of roughly 18% of Entrance Fees.

For clubs located outside of the UK, the retention rate is approximately 11% on average.

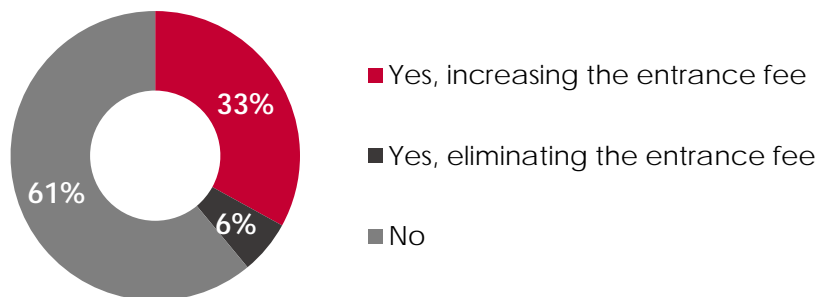
Q7. Total Entrance Fees – UK Clubs

Metric	Total Entrance Fee	Amount Retained by Club
Average	£7,926	£1,413
Median	£2,400	£1,200
Low	£0	£0
High	£45,000	£3,500

Q. Is your club currently contemplating a change to entrance fees within the next three years?

Approximately six out of ten (61%) clubs are not contemplating changes to their entrance fees within the next three years. One-third (33%) of clubs are contemplating increasing their entrance fees while 6% are considering eliminating their entrance fees altogether. It is noteworthy that no clubs (0%) are considering decreasing their entrance fees.

Q8. Entrance Fee Changes - Next 3 Years

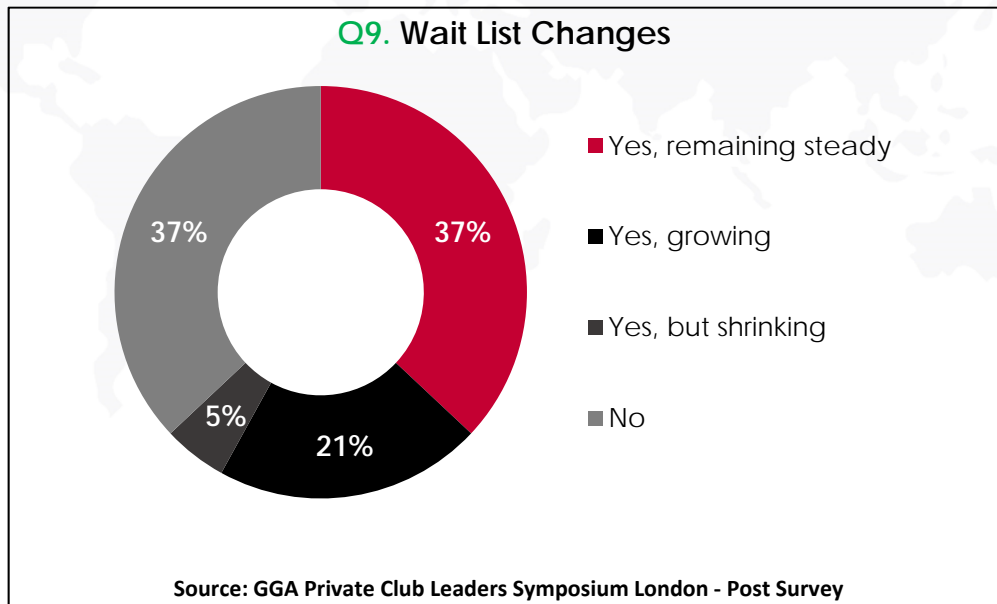


Source: GGA Private Club Leaders Symposium London - Post Survey



Q. Does your club currently have a wait list for Full membership and is it changing?

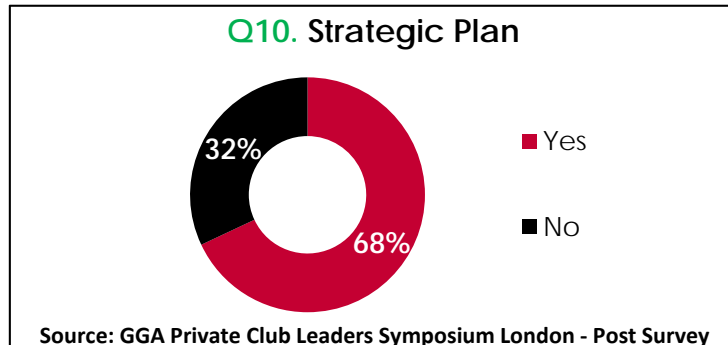
Nearly two-thirds of participating clubs (63%) currently have a wait list for Full membership. More than one-third (37% of total respondents) indicated that their wait list is remaining steady while roughly one-fifth (21%) reported a growing wait list. Only 5% reported a shrinking wait list while 37% of participating clubs do not currently have a wait list whatsoever.



Club Governance

Q. Does your club have a strategic plan?

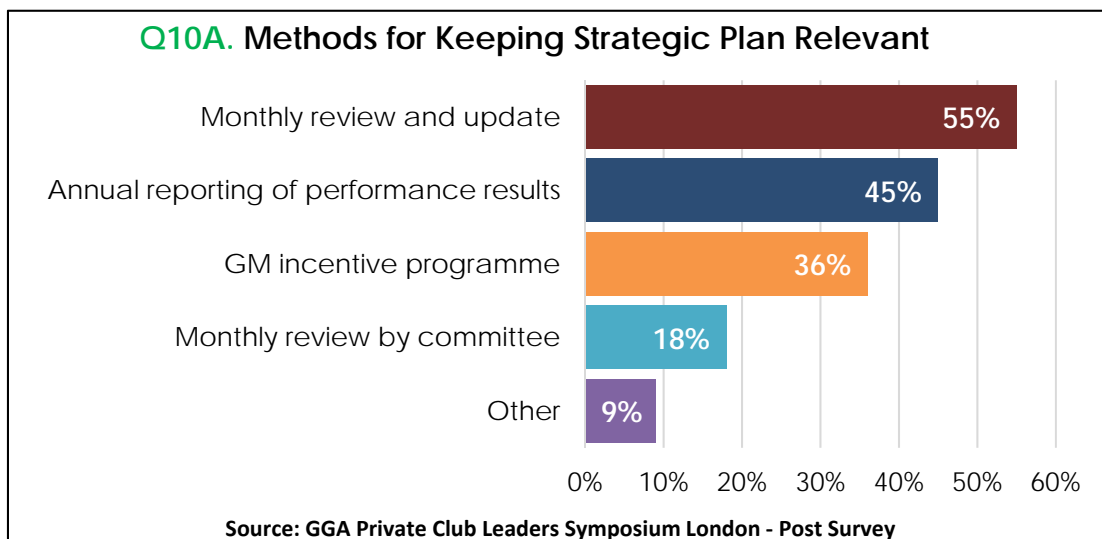
More than two-thirds of clubs (68%) have a strategic plan in place while nearly one out of three (32%) do not.



Q. In what ways does your club keep its strategic plan active and relevant?

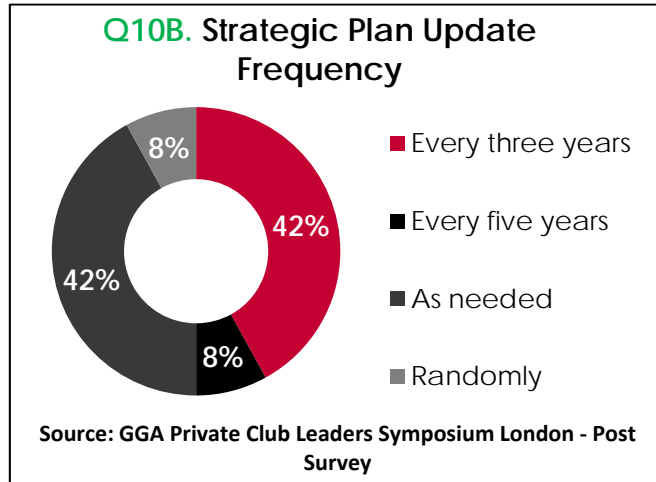
More than half of clubs (55%) review and update their strategic plans each month while slightly less than half (45%) report performance results annually. More than one-third of clubs (36%) implement a General Manager incentive programme tied to achieving strategic aims. Less than one-fifth (18%) have their strategic plans reviewed monthly by a strategic planning or executive committee.

Other methods (9%) included review of strategic plan efficacy during Board retreats or away meetings, typically conducted bi-annually.



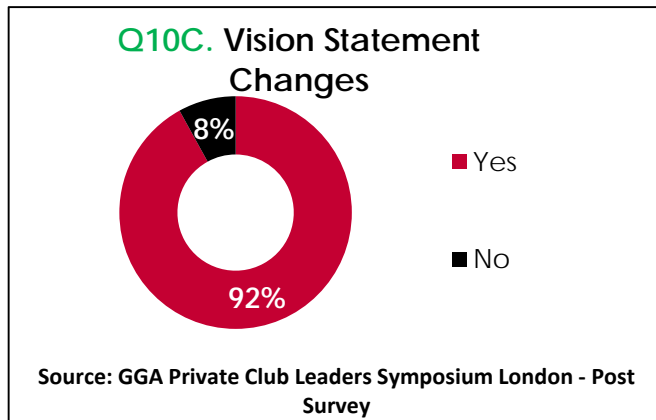
Q. How often do you update your club's strategic plan?

The frequency with which strategic plans are updated varied by club. Roughly four in ten clubs (42%) update their plans every three years while the same amount (42%) update their plans as needed. However, only 8% of participating clubs indicated that updates to their plans are conducted at random.



Q. Has the vision statement of the club changed in any way in the last 10 years?

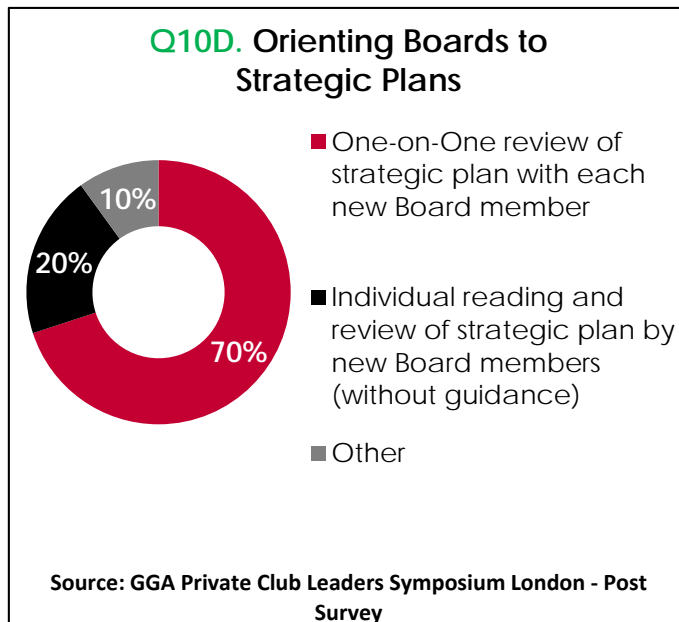
More than nine out of ten participating clubs (92%) indicated that their vision statement has changed over the last ten years.



Q. How do you make your strategic plan a part of your Board orientation process?

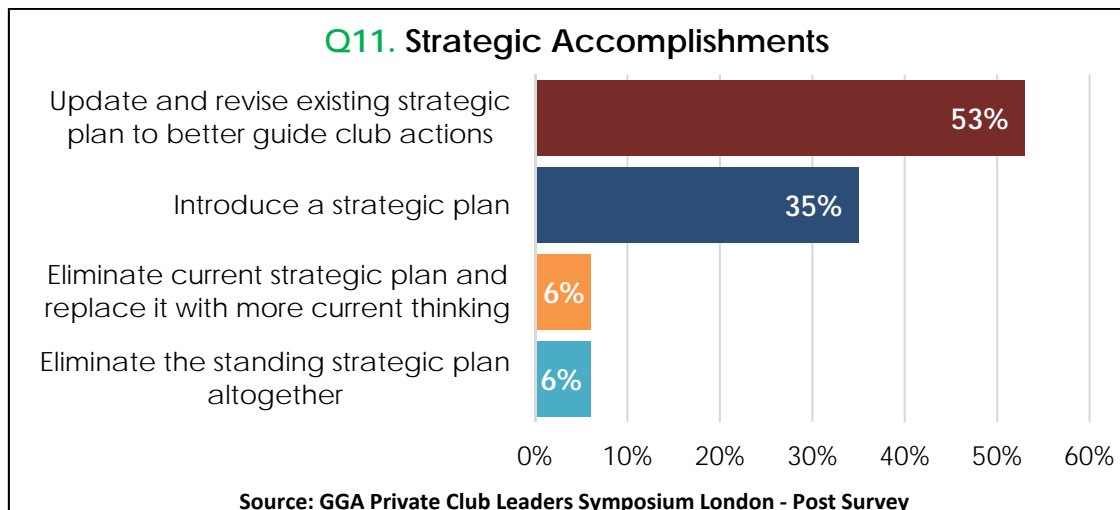
Seven out of ten clubs (70%) orient their Board members on their strategic plan by reviewing the plan with each individual Board member.

One-fifth of clubs (20%) have Board members conduct their own reading and review of the plan while other methods of orientation (10%) include a group review process, whether by the Board as a whole or by a combination of the Board with Management and staff.



Q. If you could accomplish one thing strategically at your club, what would it be?

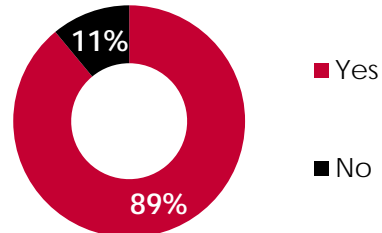
If they could accomplish one thing strategically, more than half of participants (53%) would update and revise their existing strategic plan to better guide club actions. More than one-third (35%) indicated that they would introduce a strategic plan of their own. Only 12% of respondents expressed a desire to eliminate their current plan in any capacity.



Q. Do you involve the Board before setting your annual goals?

Approximately nine out of ten club managers (89%) involve their Board before setting annual goals.

Q12. Board Involved in Goal Setting?

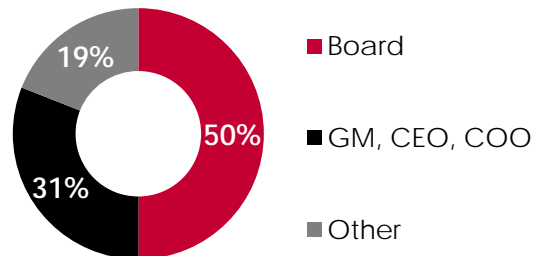


Source: GGA Private Club Leaders Symposium
London - Post Survey

Q. Who sets annual goals?

The Board is responsible for setting annual goals at half of participating clubs (50%) while nearly one-third (31%) rely on the General Manager/CEO/COO for goal setting. Other methods of goal setting (11%) typically involve a joint effort between the GM and the Board who set goals together.

Q12A. Goal Setters

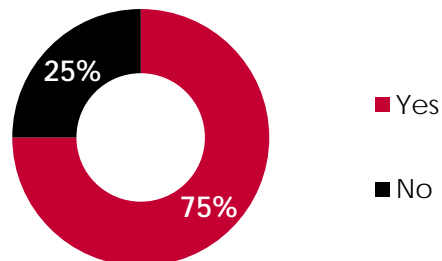


Source: GGA Private Club Leaders Symposium
London - Post Survey

Q. Does the Board use these written goals to monitor and evaluate your performance?

Three-quarters of club Boards (75%) monitor and evaluate the General Manager's performance based on these set annual goals.

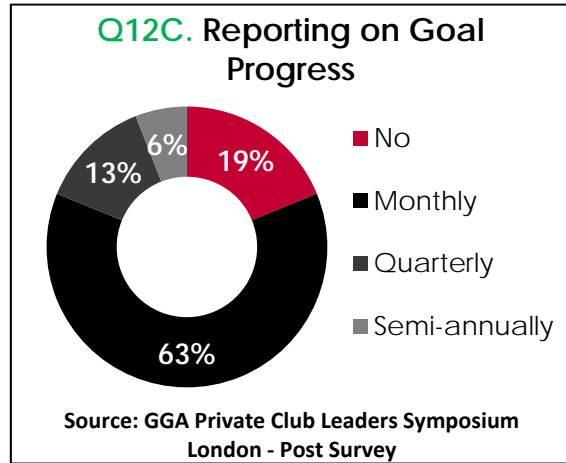
Q12B. Using Goals for GM Performance Evaluation



Source: GGA Private Club Leaders Symposium
London - Post Survey

Q. Do you report your progress on these goals throughout the year?

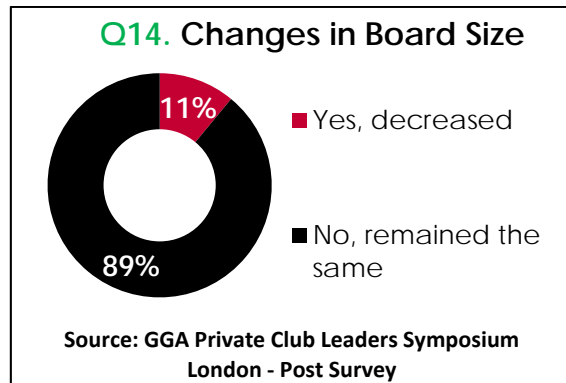
More than four out of five (81%) participating General Managers report progress on their annual goals throughout the year, with two-thirds (63%) reporting progress each month. Approximately one-fifth of clubs (19%) do not report on goal progress at all.



Q. What is the size of your Board? Has the size of your Board changed in the past five years?

The average Board size at participating clubs is approximately 10.5 Board members. More than four in ten clubs (42%) have between 12 and 13 Board members.

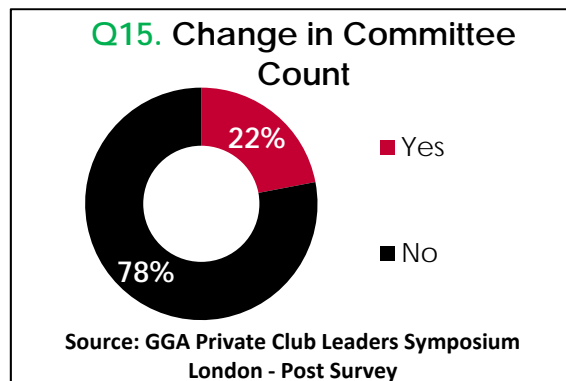
In the past five years, the size of the Board has remained the same at nearly nine out of ten clubs (89%).



Q. How many standing sub-committees does your club have? Has the number of committees reduced in the last five years?

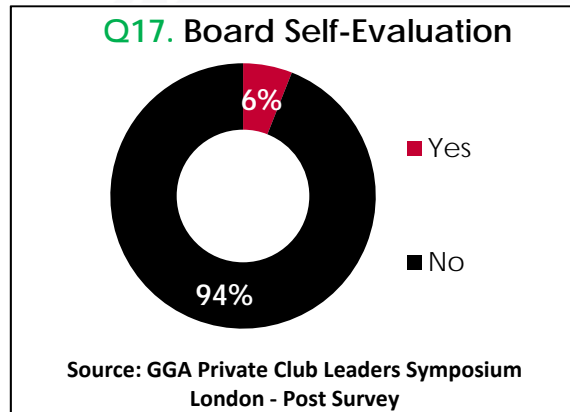
The average number of sub-committees at participating clubs is approximately 7.14. More than half of clubs (55%) have four committees or fewer.

In the past five years, the size of the number of committees has remained the same at more than three-quarters of clubs (78%).



Q. Does the Board self-evaluate its performance at the conclusion of each meeting? Do Board evaluations judge the Board as a whole or as individuals?

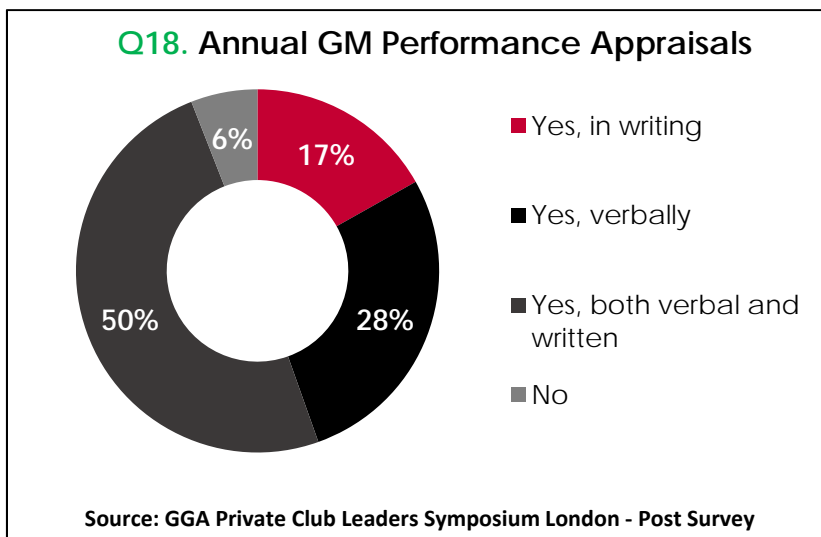
More than nine out of ten (94%) club Boards do not self-evaluate their performance at the conclusion of each meeting. Of those that do (6% of participating clubs), Boards are evaluated as whole (100%) rather than as individuals (0%).



Q. Do you receive an annual performance appraisal?

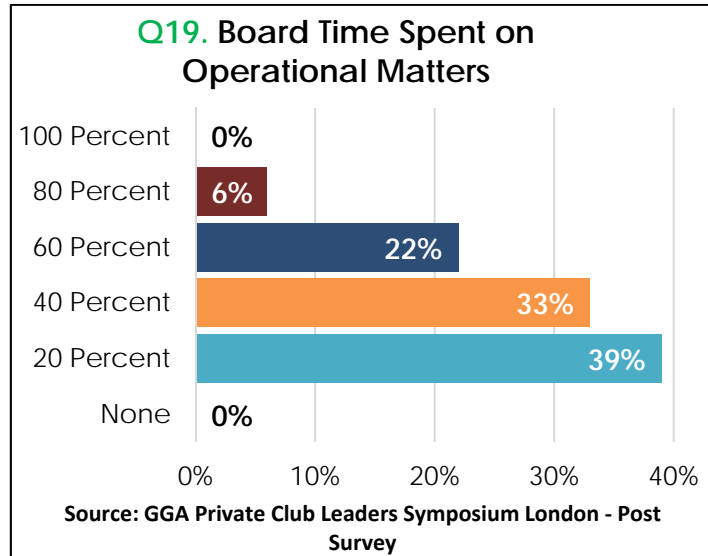
At more than nine out of ten participating clubs (94%), the GM/CEO/COO receives an annual performance appraisal. Half of clubs (50%) provide this feedback in both verbal and written format while slightly more than one-quarter of clubs (28%) only provide this feedback verbally.

When asked whether their Board uses a consistent basis for their performance evaluation, respondents were somewhat divided. The majority (59%) indicated that their Board uses a consistent basis while 41% indicated that this basis is variable or inconsistent.



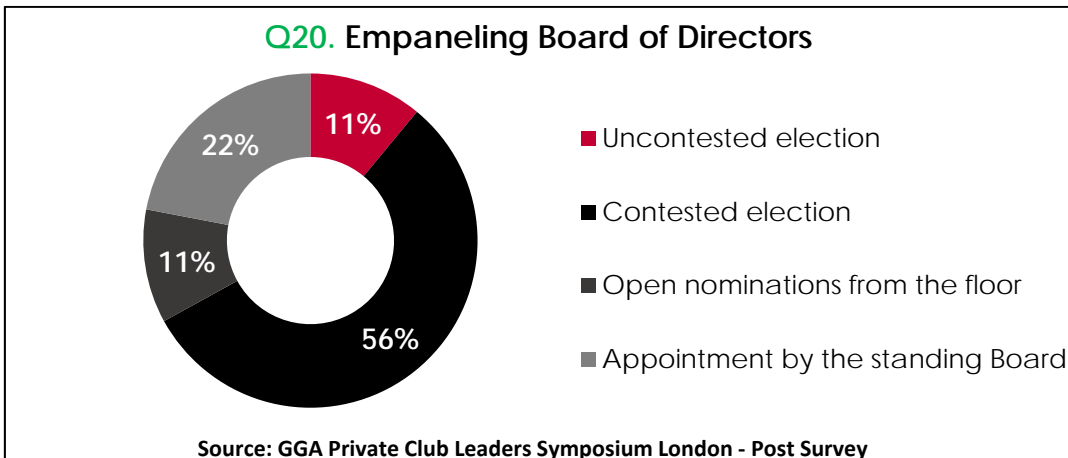
Q. Approximately what percentage of Board meeting time is spent on “operational matters”?

A weighted average calculation indicates that approximately 39% of Board meeting time is spent discussing “operational matters” as opposed to “strategic matters”.



Q. How does your club empanel its Board of Directors?

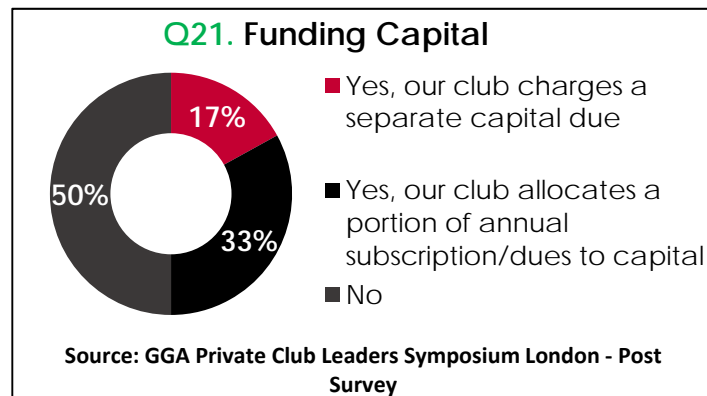
More than half of clubs (56%) empanel their Board of Directors through contested elections, while 11% implement uncontested elections. Slightly more than one-fifth of club Boards (22%) appoint new Board members themselves.



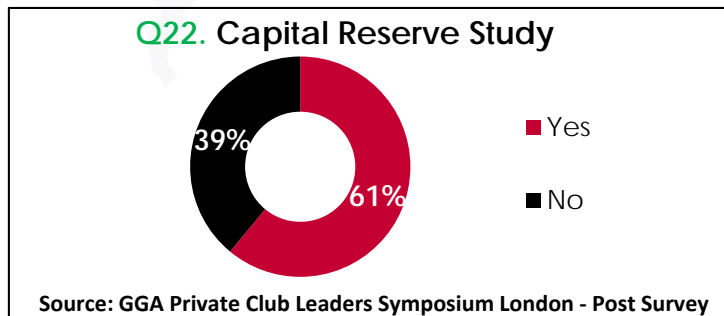
Capital

Q. Does your club charge a separate capital due or allocate a portion from its annual subscription/dues to capital?

Half of participating clubs (50%) neither charge a capital due nor allocate a portion of annual dues to capital. One-third (33%) allocate a portion of annual subscription/dues to capital while less than one-fifth (17%) charge a separate capital due to members.



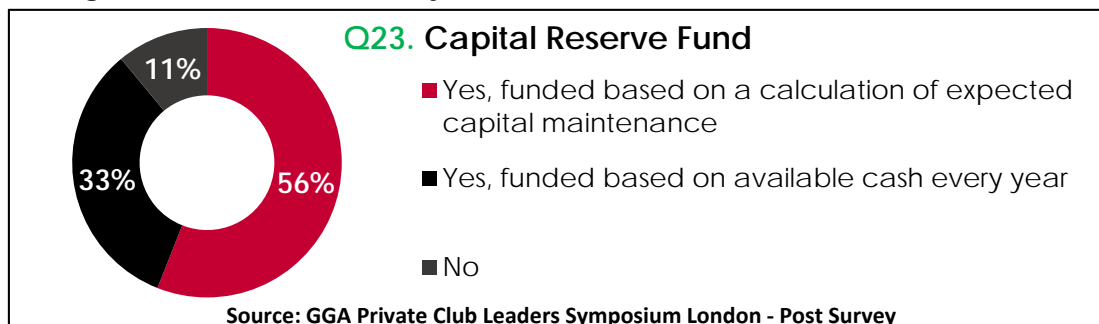
Q. Does your club have an up-to-date capital reserve study?



Approximately six out of ten clubs (61%) currently have an up-to-date capital reserve study.

Q. Does your club have a capital reserve fund for capital maintenance?

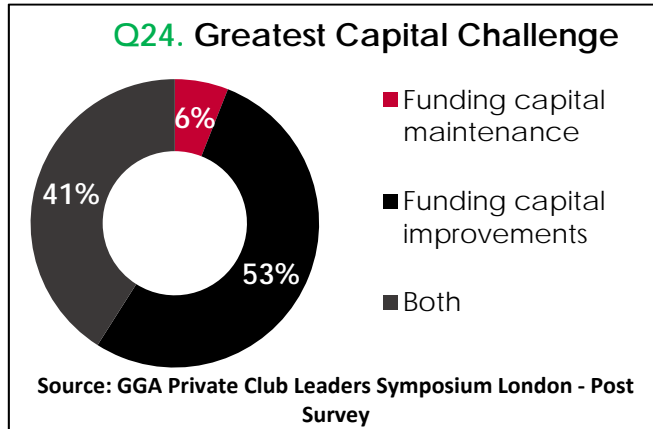
Nearly nine in ten club (89%) have a capital reserve fund for capital maintenance, with more than half (56%) funding their reserve through a calculation of expected capital maintenance. One-third (33%) fund reserves through available cash each year.



Q. What is your greatest challenge related to capital?

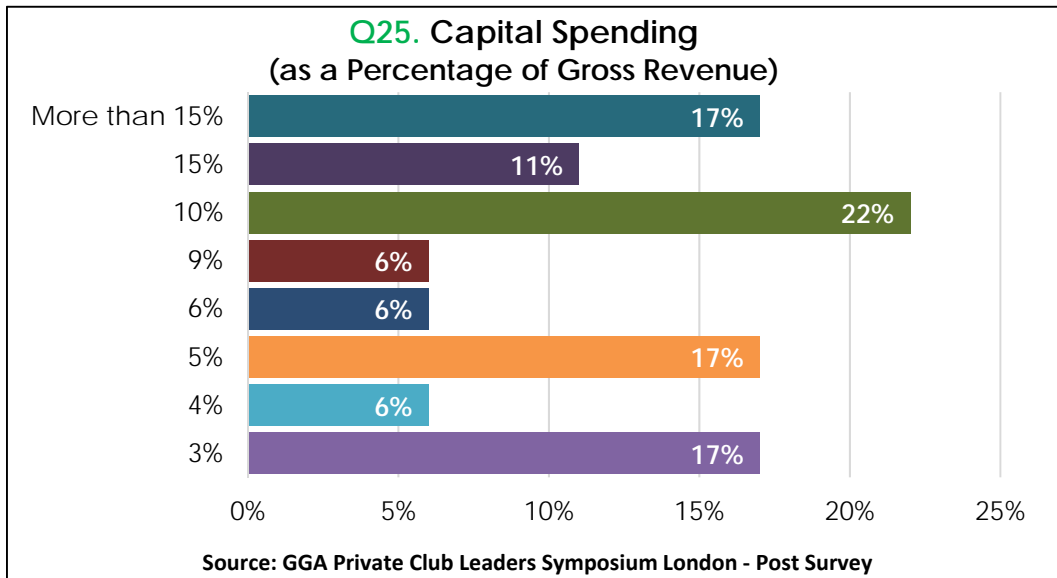
The greatest challenge related to capital for more than half of clubs (53%) is funding capital improvements.

Roughly four out of ten (41%) participants indicated that funding capital maintenance and improvements are equally challenging.



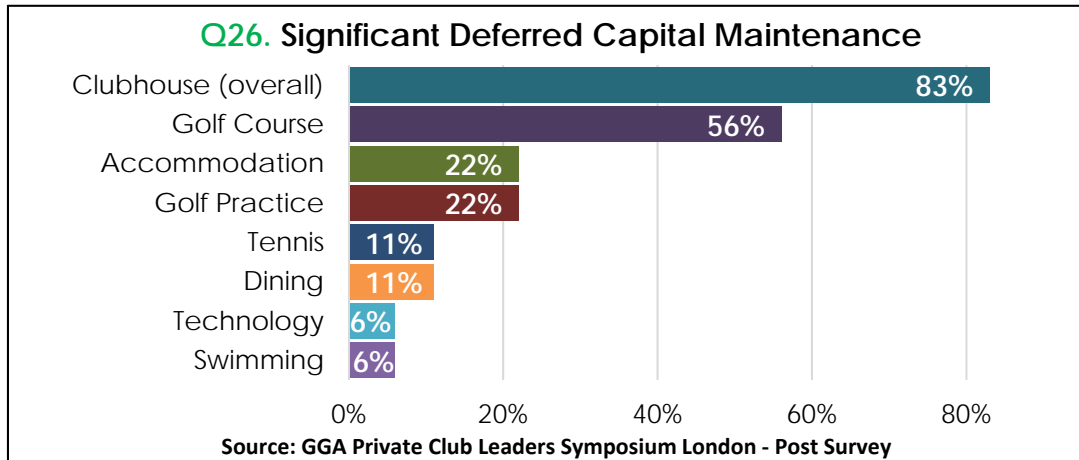
Q. As a percentage of gross revenue, what does your club typically spend annually on capital maintenance?

Participating clubs were divided with regard to capital spending habits. Approximately one-fifth of clubs (22%) currently spend 10% of gross revenue on capital maintenance each year. A weighted average calculation indicates that clubs spend, on average, 9.07% of gross revenue on capital maintenance annually.



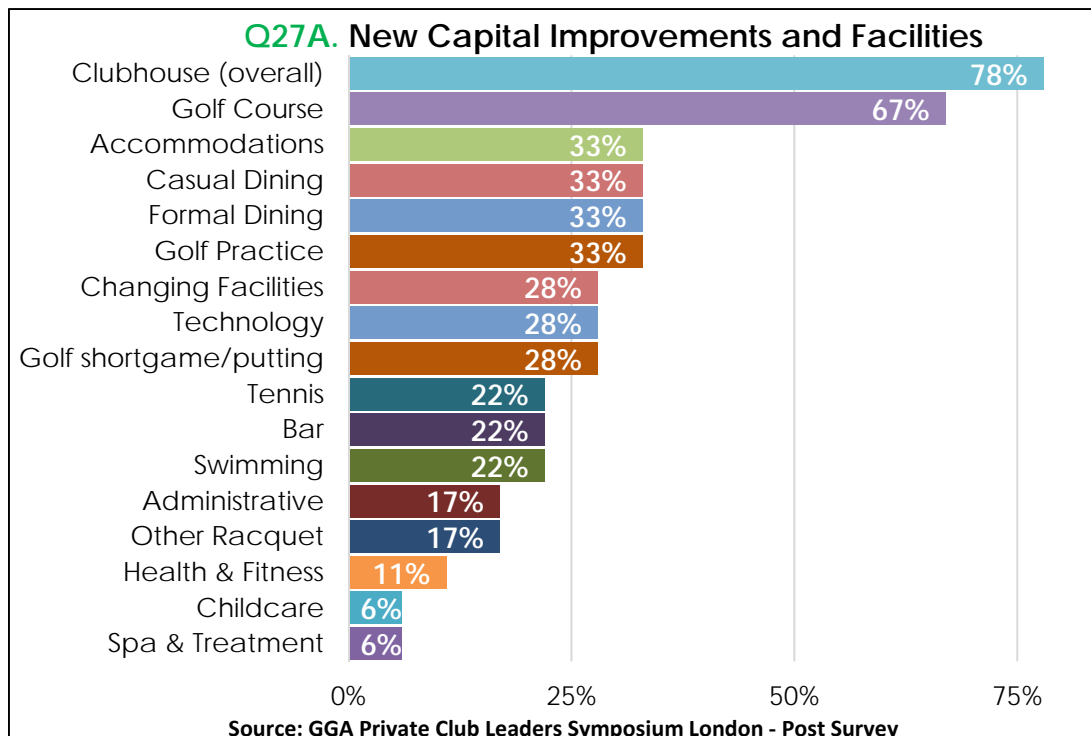
Q. Where are the most significant deferred capital maintenance issues at your Club?

The top two areas facing significant deferred capital maintenance issues relate to the overall Clubhouse (83%) and Golf Course (56%).



Q. What new capital improvements or facilities your club is considering over the next five years?

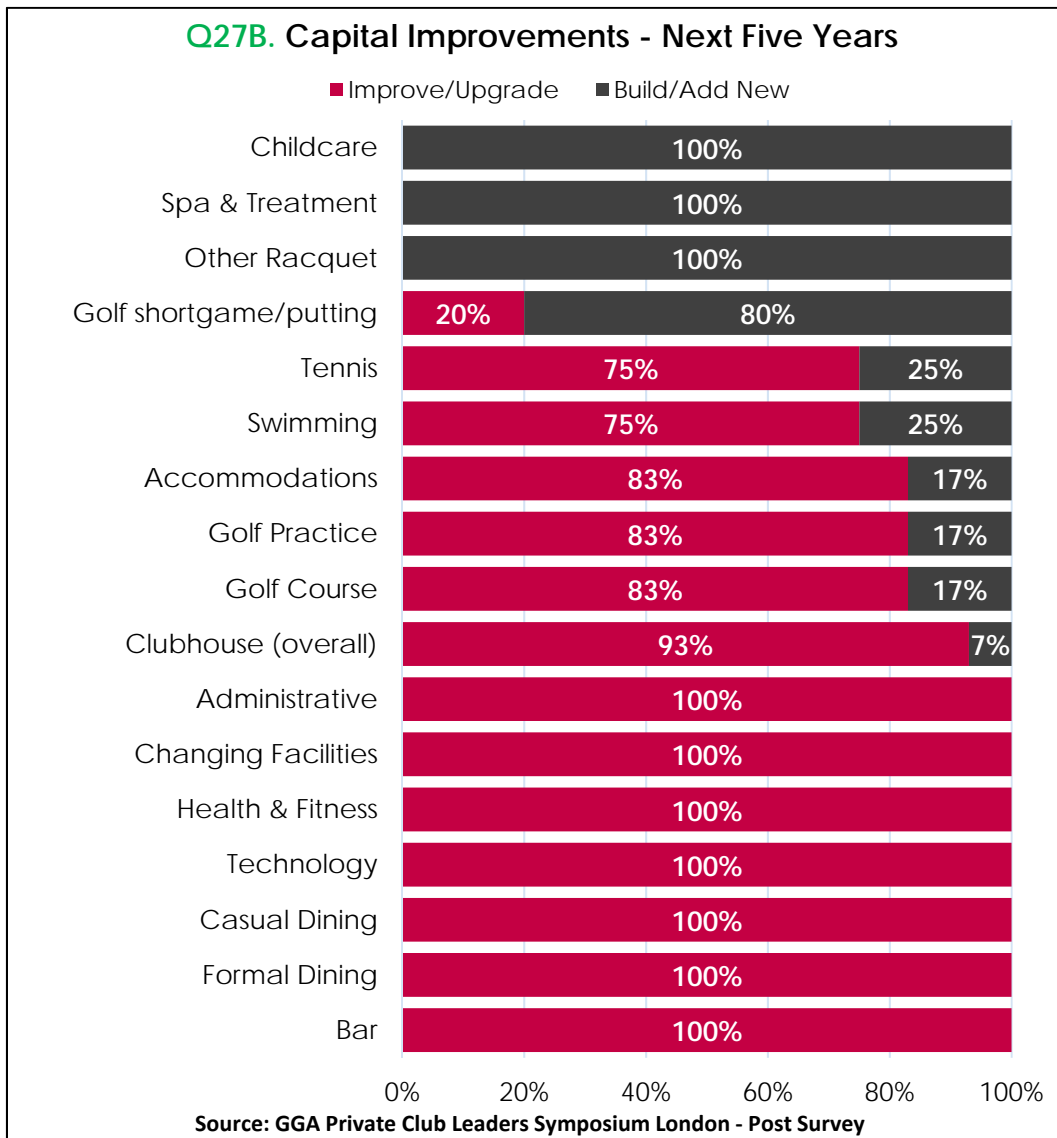
Clubs are primarily focused on improving areas of deferred capital maintenance: more than three-quarters are planning enhancements to the overall Clubhouse (78%) and two-thirds to the Golf Course (67%).



Q. Considering new capital improvements or facilities your club is contemplating over the next five years, do you intend to improve and upgrade existing facilities or build/add as new?

Participating clubs are primarily focused on improving/upgrading existing facilities rather than building/adding new facilities.

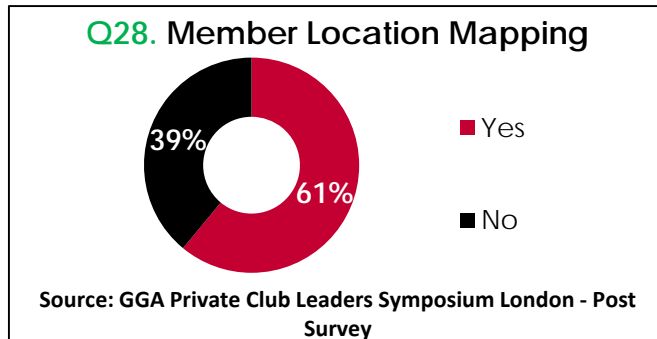
Improvements and upgrades will be directed toward overall clubhouse enhancements and dining facilities. The survey results suggest that many clubs are giving the most consideration to new additions relating to childcare, spa facilities, and racquet sports.



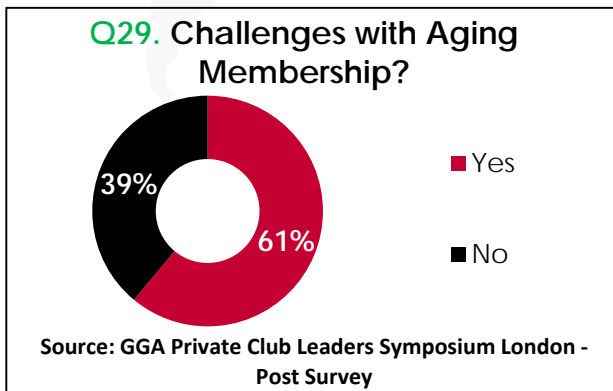
Membership Trends

Q. Does your club map the location of its members for the purpose of identifying trends and areas of opportunity for membership growth?

Approximately six in ten clubs (61%) map the location of their members for the purposes of identifying trends and areas of opportunity for membership growth.



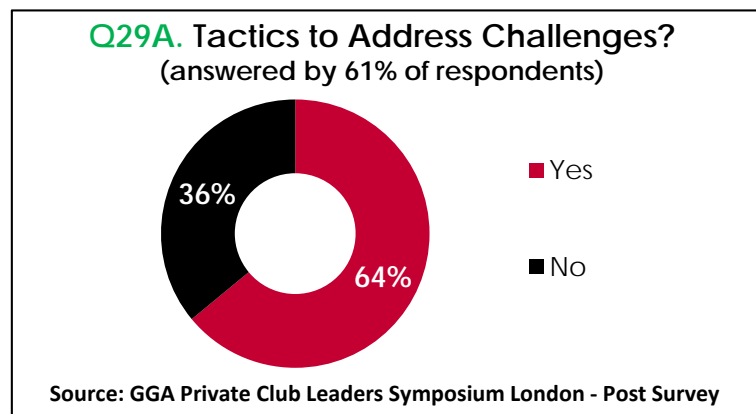
Q. Have you encountered challenges with an aging membership or growing senior membership category?



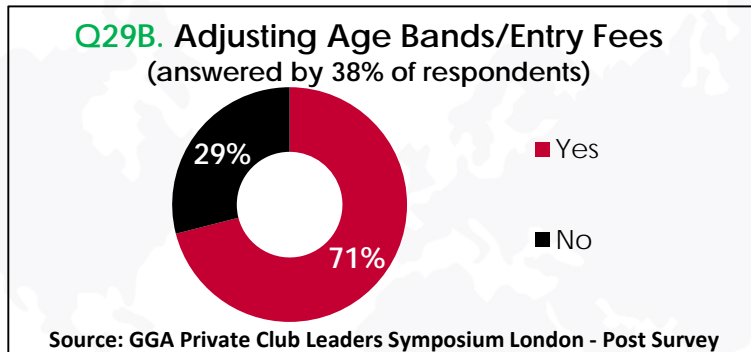
Approximately six in ten clubs (61%) have encountered challenges with an aging membership or growing senior membership category. This means that the member count of senior members and their utilisation of the club is incongruent with current membership programming.

Q. Has the club adopted a set of tactics to address these challenges?

Of clubs that have encountered such challenges, nearly two-thirds (64%) have adopted tactics to address the changes to membership demographics.



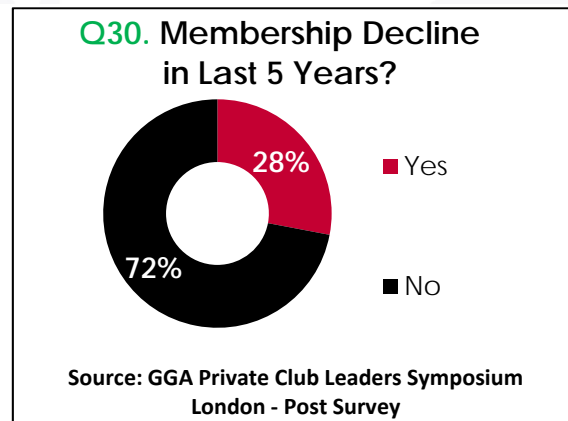
Q. Have these tactics included adjustments to age bands or entry fees to manage these challenges?



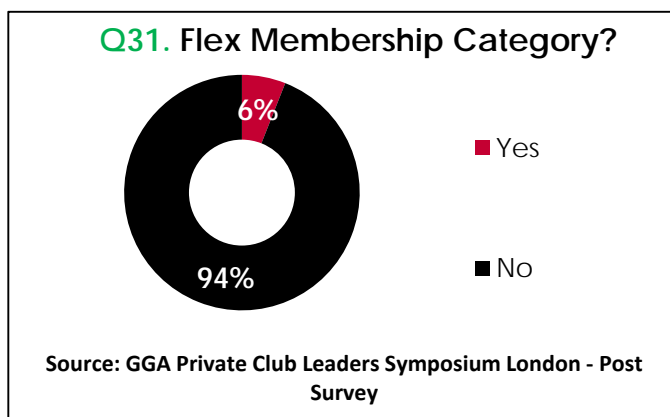
Of clubs that face aging membership challenges and have implemented tactics to address them, seven in ten clubs (71%) have adjusted the age bands and entry fees of specific member categories.

Q. Has the total number of members at your club declined in the last five years? If so, by what percentage has it declined?

The total number of members at more than seven out of ten clubs (72%) has remained the same or increased in the last five years. More than one-quarter of clubs (28%) have experienced a decline in their total number of members. A weighted average calculation measures this decline to be roughly 6.8% within the last five years.



Q. Does your Club currently employ the use of a Flex membership category?



Less than one-tenth of participating clubs (6%) are currently offering a Flex membership category. This type of category provides flexible utilisation options.





Q. Please rate the extent to which the following factors will be the key to a sustainable membership strategy at your club.

Respondents were asked to rate each item below in terms of influence in order to measure the extent to which each factor will be key to a sustainable membership strategy at their club.

Participating clubs believe the top three key factors will be (1) improving the overall quality of amenities, (2) embracing modern technologies to complement modern lifestyles, and (3) continue to enhance their club’s platform for connecting their membership.

Q32. Factors for Sustainable Membership Strategy

Factor	Avg. Rating (5 = Extremely Influential)
1. Improvement in quality of amenities	3.94
2. Embracing modern technologies to complement modern lifestyles	3.78
3. Further enhance club's platform for connecting its membership	3.56
4. Providing more tailored and personalised service	3.56
5. Brand/Image Realignment - addressing market misconceptions	3.33
6. Expand amenities to offer greater variety and reason to engage	3.28
7. Expand appeal to families	3.06
8. Provide greater commitment to security	2.61
9. Provide more membership offerings that are flexible, tailored, accommodating	2.22

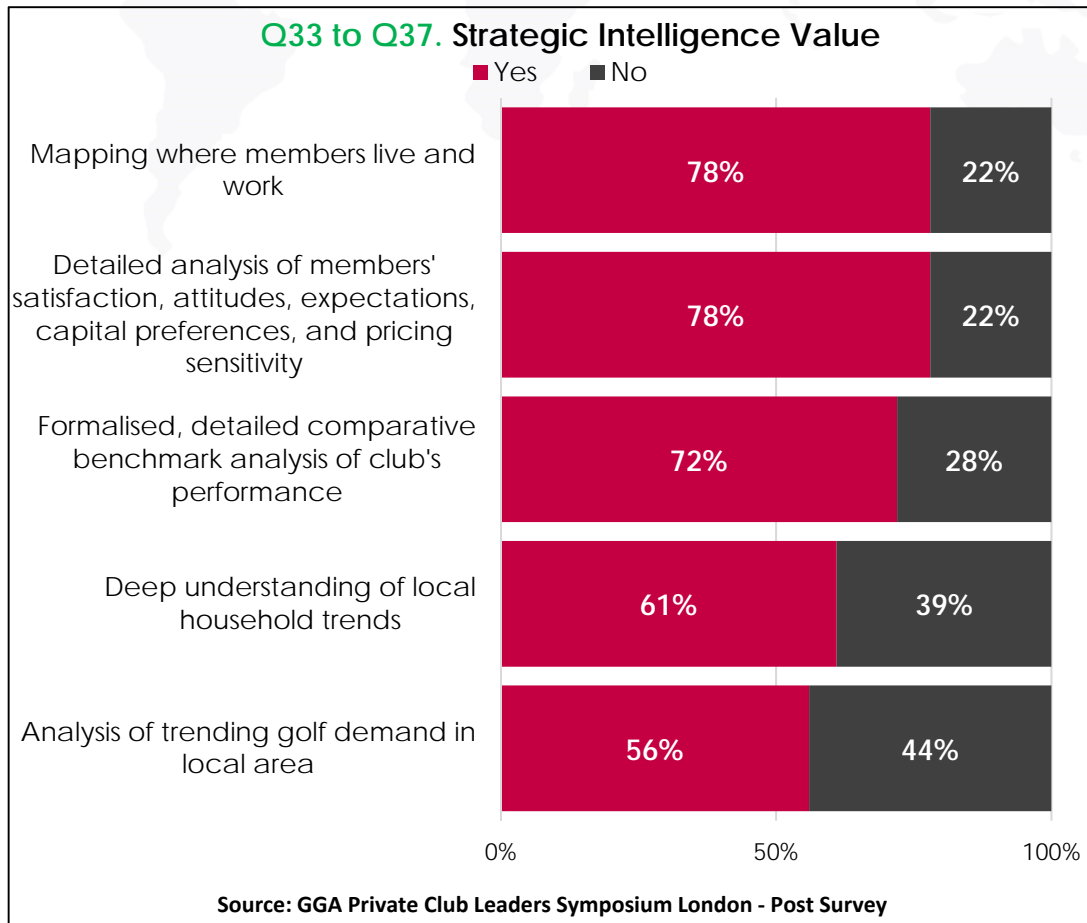


Strategic Intelligence

Q. Would you see value in your club's access to the following?

Strategic Intelligence relates to the methods and means of gathering, analyzing, and organizing data used to inform key decisions about a club's overall strategy.

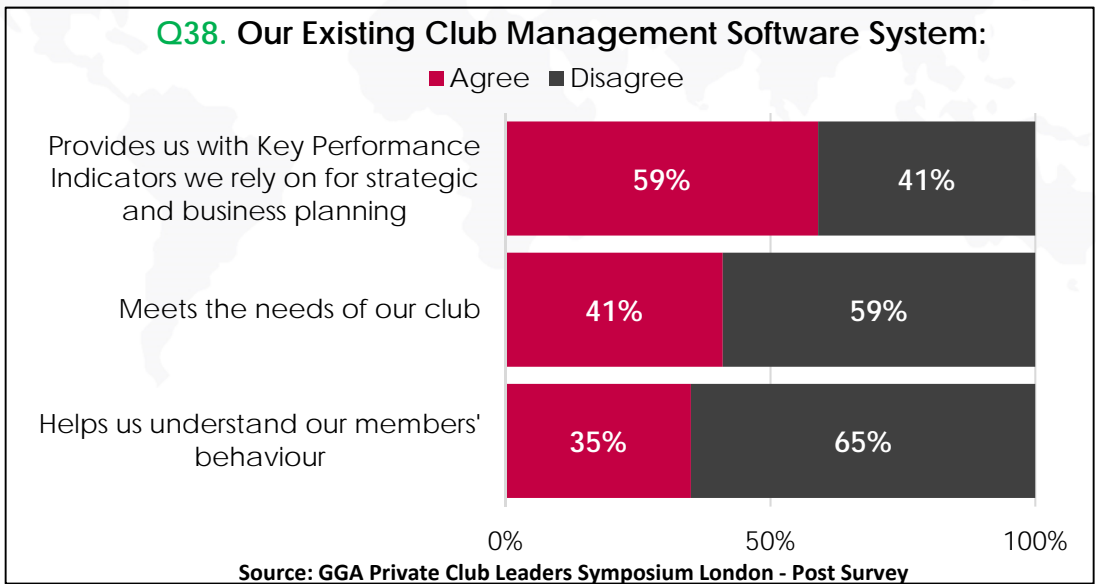
Participating General Managers see the greatest value in gathering metric data related to better understanding their members and evaluating their club's operating performance. Participants were less inclined to see value in items relating to local market trends and statistics.



Q. Please indicate your agreement with the following statements as they relate to your club's management software system.

The club management software systems at participating clubs appear to be limited in their overall strategic impact.

The only statement that generated more than 50% agreement relates to the software's ability to provide KPIs used for strategic and business planning (59% agreement). Approximately six in ten club managers (59%) feel that their current software system does not meet the needs of their club.



Q38. Our Existing Club Management Software System:

Statement:	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Provides us with KPIs we rely on for strategic and business planning	12%	12%	18%	<u>53%</u>	6%
Meets the needs of our club	6%	18%	<u>35%</u>	<u>35%</u>	6%
Helps us understand our members' behaviour	6%	24%	<u>35%</u>	29%	6%

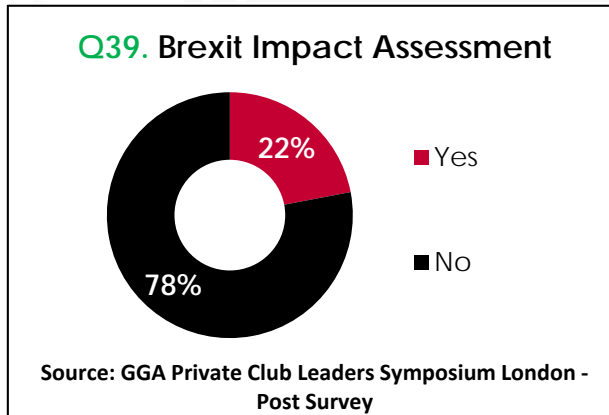


The United Kingdom's Exit from the European Union

Q. Has your club carried out a Brexit Impact Assessment?

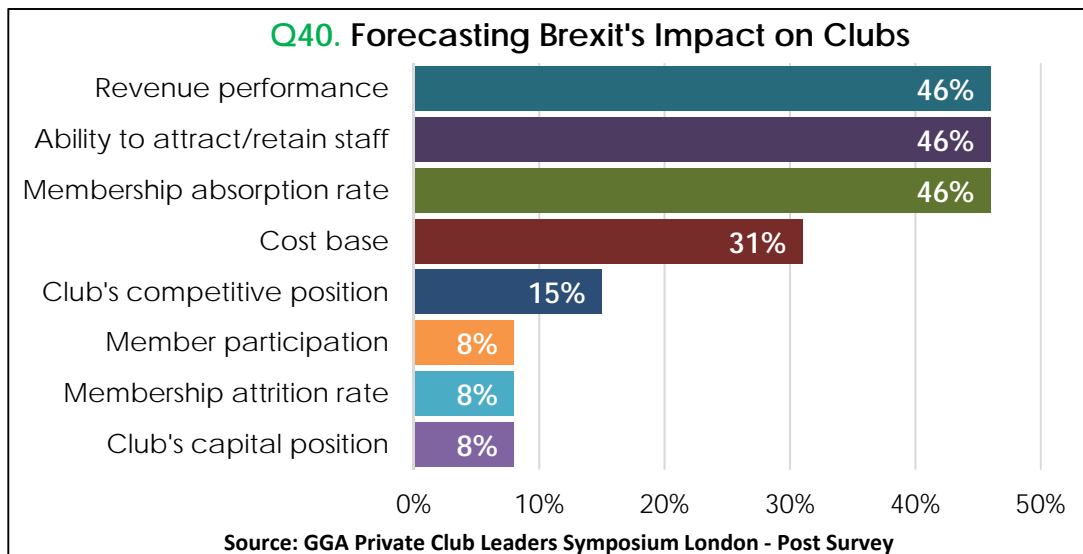
More than three-quarters of participating clubs (78%) have not executed any form of assessment about Brexit's potential impact on their club.

Slightly more than one-fifth (22%) of clubs have considered various impact circumstances.



Q. Which, if any, of the following areas do you believe Brexit will impact your club?

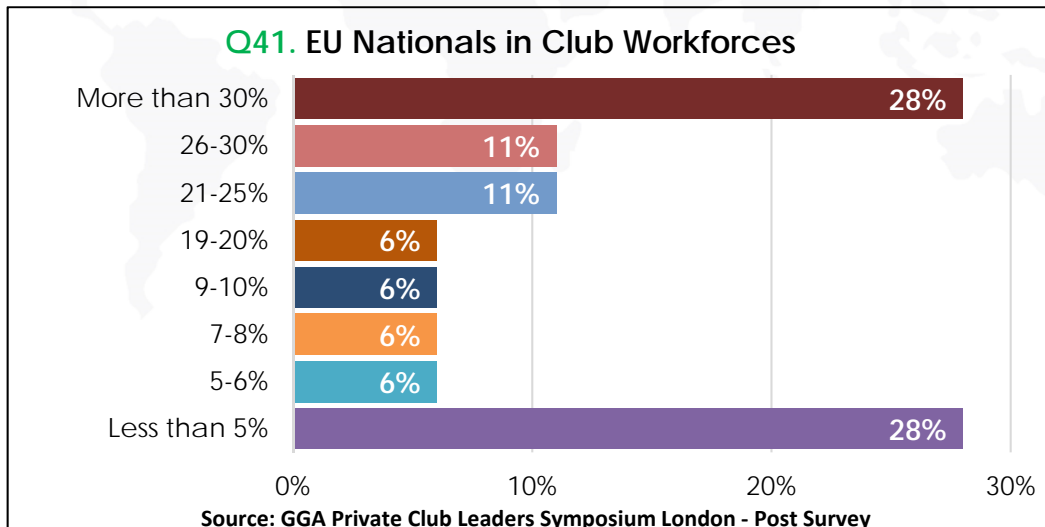
While only time will tell what impact Brexit has on private clubs in Europe, General Managers from participating clubs are inclined to believe that the impact will be most strongly felt in areas relating to overall revenue performance, acquisition and retention of staff, and their overall membership absorption rate (as their overall ability to attract new members). Clubs are less concerned about Brexit's impact on current club market position or changes to their current level of membership engagement.



Q. What percentage of your workforce is comprised of EU nationals?

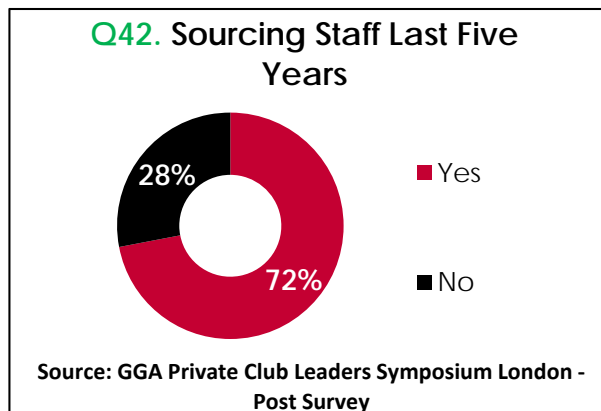
Nearly half of participating club managers (46%) believe that Brexit will impact the ability for clubs to attract new staff and retain current staff. The degree to which workforces at participating clubs are comprised of EU nationals varied significantly among respondents, with more than one-quarter (28%) indicating that EU nationals comprise more than 30% of their workforce. However, roughly the same amount of clubs (28%) indicated that EU nationals make up less than 5% of their workforce.

A weighted average calculation indicates that EU nationals comprise approximately 18.4% of the workforce at participating clubs.



Q. In your experience, has it become more challenging to source talented staff in the last five years for your club?

More than seven out of ten managers (72%) indicated that it has become more challenging for their club to source talented staff in the last five years.



Q. What factors do you believe are influencing the increased challenge to source talented staff?

Those who believe it has become more challenging to source talented staff in the past five years (72% of all respondents) were asked to identify factors they believe are contributing to this change.

More than half of participating club managers (58%) believe there is greater demand for talent in the hospitality sector and that the club industry is not as attractive as other hospitality specialities. These factors, combined with an overall lower supply of talent in the hospitality sector, have put increased pressure on private clubs. Other factors (17%) related primarily to the location and accommodations of staff.

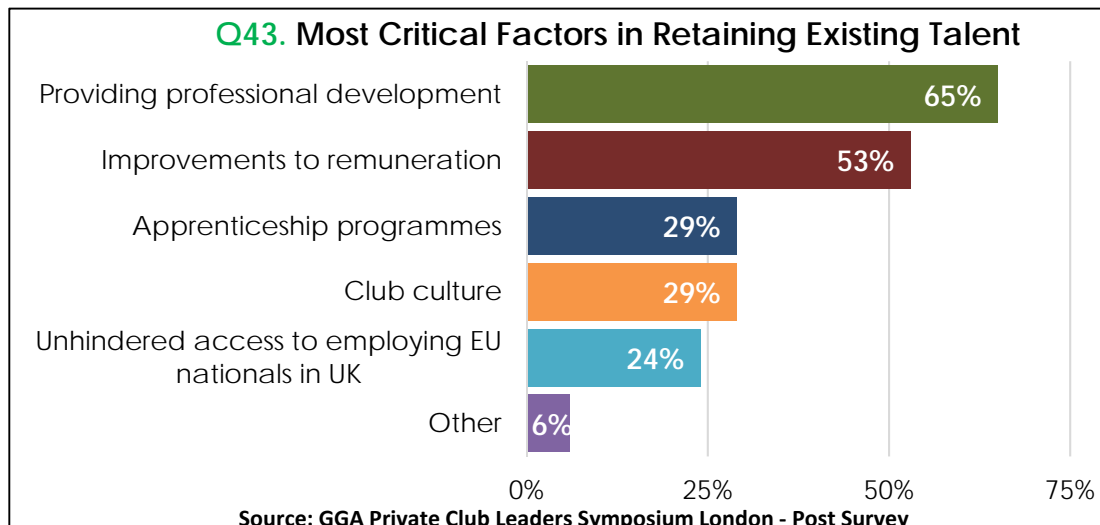
Q42A. Factors Challenging Staff Sourcing

Factor	Influence
Greater demand for talent in the hospitality sector	58%
Other hospitality specialities more attractive	58%
Lower supply of talent in the hospitality sector	42%
Highly expectant and demanding workforce (Millennials)	42%
Decline in education standards	25%
Non-competitive remuneration offering	17%
Other	17%

Q. What do you believe will be the most critical factors in retaining your existing talent in the coming five years?

The two most critical factors in retaining existing talent over the next five years are the ability for clubs to provide for professional development (65%) and improve remuneration/compensation (53%).

Q43. Most Critical Factors in Retaining Existing Talent



ABOUT GGA

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Our firm is built on the foundation of independence and excellence in professional services. Our global reach and experience allows GGA to share unique best practices and creative thinking with our clients. We help interpret and tweak these best practices and “out of the box” concepts for specific application to each client’s unique financial, market and operational circumstances.



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ABOUT THE CLUB MANAGERS ASSOCIATION OF EUROPE

The CMAE provides a forum for the encouragement, development and recognition of education and professionalism in Club Management.

Our vision is to be the leading organisation delivering club management educational programmes with the relevant certification and accreditation opportunities to all of Europe's Club Managers.

Our key objectives are:

- To promote best practices in club management of all types of clubs throughout Europe, the Middle East and North Africa
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- To reward members with two levels of certification - the Club Management Diploma ([CMDip](#)) and the internationally recognised certification in club management - the "Certified Club Manager" ([CCM](#)) designation
- To provide members with networking opportunities, assistance with career development, employment opportunities and recruitment
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