

# The New Urgency Of Strategic Planning

In the face of rapidly advancing technology, an ever-competitive club marketplace, downward margin pressure, and demographic and lifestyle stresses placed on the industry, long-range planning is being redefined.

WHITEPAPER



**A** major misconception regarding strategic planning prevents many club managers and board directors from charting a course for success. The misconception is that strategic planning, given its traditional long-range horizons, is somehow less urgent than other tasks. Consequently, many managers and directors prioritize far less important duties. But, as this report from GGA Partners will argue, rapidly changing technology and evolving consumer preferences suggest the need for not only a greater sense of urgency, but also for a closer connection between strategy and execution.

The speed of change today is unprecedented and unrelenting. A decade ago, there were no smartphones. Three decades earlier, there were no personal computers. In the last two decades, those devices, in combination with the internet, have created (and destroyed) entire industries. Today, artificial intelligence and robotics have the same potential. Change gives consumers a choice: embrace it at their own pace or not at all. Business leaders do not have that option. As Jack Welch, the former CEO at GE, famously said, “If the rate of change on the outside exceeds the rate of change on the inside, the end is near.”

The fast-changing world we’re living in is affecting everything about the future, including the urgency with which we should plan for it. Traditionally, strategic planning has had expansive time horizons, looking five or even ten years down the road. But given the rapid advance of technology, the competitive landscape in most club markets and the downward pressure on margins, not to mention the demographic and lifestyle stresses placed on the industry, long-range planning is being redefined. Instead of five- and ten-year plans, the trend is toward one- and two-year plans with even shorter evaluation periods built in.



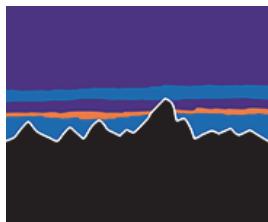
## Vision vs. Strategy

Before work can begin on a strategic plan, there must be a clearly articulated organizational vision. Vision defines a long-term, forward-looking aspiration – we like to think of it as an organization's North Star – that keeps companies pushing ahead in the direction of success. Here are three vision statements that meet those criteria:



**“To become the world’s most loved, most flown, and most profitable airline.”**

Southwest Airlines



**“Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.”**

Patagonia



**“To be the best quick-service restaurant experience. Being the best means providing outstanding quality, service, cleanliness, and value, so that we make every customer in every restaurant smile.”**

McDonald's

Vision answers the question, “Where do we want to go?”

Strategy answers the bookend question: “How are we going to get there?”

That makes strategy the means by which companies will make their vision real and achieve their aspirations. For that, you need a plan.

## Charting a Course for Success

Strategic planning is the process of defining long-term goals and identifying the actions and resources (financial and staff) needed to achieve those goals. A strategic plan delineates the club's vision, objectives that support the vision, and the tactics that will help realize objectives. Some mistakenly confuse a strategic plan with an annual budget, a prioritized to-do list, an employee procedures manual, or a business plan. We would argue that it is none of those things – and more important than any of them.

A strategic plan guides a business toward best-in-class in the market segment in which it competes. In the golf, private club, and leisure industries that could be premier, premium daily fee, or value. Best-in-class is a strategic imperative. Clubs that are not best-in-class gravitate to the middle of the market, a place that is confusing to customers, costly to management, and over the long term, debilitating to a brand. The middle, also known as average, is where clubs go to languish and eventually die.

## An Involved Process

Developing a strategic plan is not by definition a complicated process, but it is by necessity an involved one. The ability to think strategically is not a birthright, nor the exclusive domain of owners, general managers, and directors. Therefore, strategy should involve all key department heads and reflect the input of frontline staff. But strategic planning is not a committee exercise either. In the end, senior leadership decides on the strategic direction a business will follow. That's their responsibility, and they will be held accountable for its success or failure.

The planning process, which can stretch for months in some organizations, should follow a disciplined timeline, which includes five key steps.



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# Strategic Planning in Five Steps



## 1

**RESEARCH.** Strategic plans based on gut feeling, conjecture, and anything less than facts-based data have a perilously wide margin for error.

Effective strategy is informed by data that supports the decision-making process. Clubs today have unprecedented access to data, much of it housed in their software platforms. Still more valuable information is available through third-party data sources and in the public domain. Thus, the first step of any strategic plan starts with studying the overall market in which you are operating and, most importantly, knowing your customers and prospects.



## Questions to inform the external portion of your market analysis:

- How healthy is the economy?
- What is the potential for major layoffs or shutdowns in your area that will affect jobs and discretionary spending?
- Who are the competitors in the segment you are targeting? How well positioned and funded are they? What moves are they making?
- What are pricing trends in your market?
- What level of product (facility conditions, food and beverage service, and amenities) do your customers and prospects require to meet their expectations for value?
- Are there government regulations pending that could affect operations?

## A SWOT analysis constitutes the internal evaluation:

- What position - if premier or value - do you own or aspire to own in the minds of members and prospects?
- What are the strengths and weaknesses in your staff?
- Who are your prospects and do you know how to reach them?
- What is your budget for the coming year?
- What opportunities do you have to expand offerings, form alliances, raise capital, and exploit competitors' weaknesses?
- What is the potential for losing key staff?
- What do your members want in terms of communications, services, programs, and amenities?





**2 VISION.** Once the external and internal evaluations are complete, you're ready to craft your high-level vision statement. As discussed earlier, your vision statement speaks to aspiration. This is the club's "North Star," guiding the long-range goals and laying the foundation for the strategic plan.

**Example:** "The Ocean Oaks Club aspires to offer members and guests an unmatched golf experience while being a responsible steward of the environment."

Take a little time to live with your vision statement in draft form, letting directors, staff, and members react. These carefully chosen words will be the beacon that guides the club into the future, and this is the time to make sure they're the right ones.



Also test the vision statement against some key decisions before its final adoption. For example, let's say to save money you're trying to decide whether to eliminate chilled apples and wet towels and a staff person at the turn. After reminding yourself of your vision to offer an unmatched golf experience, you may decide that this cost is well justified and even critical to maintain competitive difference in your market.



**3 OBJECTIVES.** With the vision in its final form, and with your research in hand, you can begin to set objectives – the specific outcomes you are trying to achieve over the certain time frame – to help you achieve that vision. They could include improving facility conditions, adding new amenities, increasing membership, revitalizing member communications, or overhauling governance policies. Objectives should have several things in common: most important, they should directly or indirectly support the vision; they also should be quantifiable and time bound.

**Example:** Over the next 12 months, improve playing conditions by making the quality of greens comparable or better than any in our competitive market.

**Example:** Over the next 12 months, improve member communications by expanding digital offerings to include SMS and social media platforms preferred by members.

**Example:** Over the next two years, enhance recognition for sustainability and environmental friendliness from environmentalists such as Audubon International.





## 4

**TACTICS.** It's now time to decide on the specific actions that will help you achieve your objectives. This step typically begins with department heads considering – within budget constraints – how best to address objectives that fall into their functional areas. You should limit all department-level goals to the handful of items that the department can rally around in any one year. These objectives also need to be SMART: Specific, Measurable, Achievable, Results-Focused, and Time Bound.



**Example: Improve playing conditions by improving the quality of greens.**

Tactic: In 2020 replace existing grass with Champion Bermuda that will thrive in local conditions and provide smoother and truer putting surfaces.

**Example: Improve member communications by expanding digital offerings.**

Tactic: In the first half of 2020, add SMS texting and social media platforms that are preferred by members. Incorporate new digital options into a revised communications plan that is announced by December 1, 2020.

**Example: Enhance recognition as an environmentally friendly course and facility.**

Tactic: Remove 20 percent of bunkers and replace with natural areas that provide bird and butterfly habitat and require no chemical inputs.



## 5

**RESOURCES.** Once the tactics have been identified, it's time to match them to the staff and financial resources they will require. Here's where it can get interesting, with department heads making the case for the importance of their objectives and the need for appropriate staffing and funding.

This is also where senior management must make some tough calls. Which projects will be greenlighted and which will be delayed? Those decisions are easier when there is a clear vision in place and when the club understands its market position.



## Implementing the Plan

The research, rationale, details, and budget supporting each of the steps discussed here all go into the plan, which should be presented to the board for review and approval. In far too many businesses, that's where strategic planning ends. The plan goes on bookshelves and credenzas, where it gathers dust for the next year.

It can be argued, however, that the plan is never really finished, that it should remain a dynamic, evolving document. In fact, if it is not viewed this way, there is a very good chance that all the work put into its creation may have been wasted. That's one more reason that in an increasingly volatile digital and consumer landscape, the traditional strategic planning process needs rethinking to allow for the infusion of fresh ideas, reaction to emerging trends, and quick recalibration in under-performing areas.



## Closing the Strategy/Execution Gap

Most strategists know the old quote from Henry Ford, "Strategy without execution is hallucination." Yet, many companies are guilty of such hallucinations. Today's best strategies tie strategy closer to execution and allow for flexibility when there's a need for course correction.

Authors of an [article](#) in the *Harvard Business Review* put it this way: "The widely accepted view that strategy and execution are separable activities sets companies up for failure in a fast-paced world. In our research on strategic failure, we discovered a common pattern: what started as small gaps in execution spiraled into business failures when initial strategies were not altered based on new information provided by experience."

Strategic plans that cast a five-year look into the future provide a sense of calm. They coax management teams into thinking that despite their delays there is still time to put the plan into action. The thinking goes that if there is a five-year horizon, why not put off the investment a few more months, rethink the situation, and perhaps launch execution the following quarter or calendar year. In other words, *ready, ready, ready, aim, fire*.

The reality is that faster, more agile competitors are implementing their strategic plans, adjusting as needed, and moving toward their vision. In other words, *ready, fire, aim, fire again*.

## Condensing the Planning Cycle

We believe that in the club business, which is directly affected by shifts in the economy and consumer preferences, clubs should consider shorter strategic planning cycles, ranging anywhere from 12 to 24 months. Think about it: do you think a five-year strategic plan created in 2015 would successfully guide your business today?

In shortening the planning cycle to one or two years, leaders should also consider designing 90-day action plans, which map out key milestones, investment, and resource requirements. The benefit of a condensed action period is a greater sense of urgency and an immediate transition from plan to execution. Every 90 days, status should be reviewed, progress toward objectives measured, and adjustments made.

Immediately on the heels of the 90-day review, action on the next 90-day period should begin. In this way, the strategic plan remains vital to operations and takes on a more pragmatic role than plans that simply take up space on the bookshelf.



There's an old saying: if you don't know where you're going, any path will get you there. Strategic planning helps you decide not only where you want to go, but also how to get there. GGA Partners has helped hundreds of golf, club, resort, and leisure organizations around the world develop plans that help them achieve their vision.

For help finding your North Star, get in touch with a member of our leadership team. Contact information detailed on the following page.

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