

THOUGHT LEADERSHIP



In Pursuit of Innovation

Surviving in today's competitive landscape depends on unlocking your club's creative potential.



WHITEPAPER

How does a company or organization of any kind, including private clubs, fail? In *The Sun Also Rises*, Hemmingway said there were two ways: “gradually and then suddenly.” In our experience, private clubs are no strangers to either form of failure.

Some clubs have a tendency to fall in love with their success and don’t see failure lurking behind troubling signs of eroding financial performance or member dissatisfaction. Their descent is gradual but inevitable. Others suffer from a myopic view of competition, a dense, top-heavy form of command-and-control leadership, or an inbred culture that discourages anything not invented at their doorstep. Those failures can come with gushing velocity and force. We believe the best way to avoid either type of failure is through a constant pursuit of innovation.

Innovation is critical in today’s economic, business, and club climate for myriad reasons, which can be summarized simply as the need for survival. As Ginni Rometty, the former CEO of IBM, has said, **“The only way you survive is you continuously transform into something else.”** Our experience with thousands of private clubs over nearly three decades shows us that without innovation clubs become stale, membership falls until it eventually flatlines, competitive advantages diminish, members become dissatisfied, and talented staff look elsewhere.



Eureka! It's Innovation

As is important with any discussion of a widely misunderstood subject, a definition of terms is a logical starting place when talking about innovation. And a good way to understand innovation is by realizing what it is not. Innovation is not necessarily defined by eureka, light bulb illuminating moments that yield industry-changing discoveries. But they do happen, as Newton and his famous apple taught us centuries ago.

More recently, in 2008, an inventor in a playful mood had his own eureka moment when he casually lobbed a digital camera across his studio toward a pile of pillows. As the camera flew, it recorded a blurry image that led to an idea: video cameras equipped with gyroscopes and sensors capable of recording the world from all kinds of nonhuman perspectives? Voila, the Squito was born, and today the person who tossed a camera across a room holds six patents related to throwable cameras.



In fact, a surprising number of the conveniences of modern life, including the microwave oven, safety glass, smoke detectors, artificial sweeteners, and X-ray imaging, were invented when someone stumbled upon a discovery or capitalized on an accident. Blockbuster drugs including penicillin, Viagra, and Valium also emerged by fortuitous accident. So, eureka moments are real, even if you can't count on them filling your innovation pipeline.

Nor is innovation the birthright of a few chosen individuals who are considered ultra-creative, like Leonardo da Vinci, Ben Franklin, Walt Disney, or Steve Jobs. **Innovation can come from anywhere inside an organization, and we think it should be encouraged from all corners**, from the folks raking bunkers to the person answering phones to the accountant balancing the books. It's not always dependent on a huge R&D and capital budgets or huge staffs either. In fact, the authors of [Frugal Innovation](#) make a strong case for the ability of companies as well as nations to "do more with less" – to create business and social value while minimizing the use of diminishing resources such as energy, capital, and time.

Where Innovation Happens

If those are things innovation is not, then what is it? Innovation can be defined as simply the introduction of something new or different. It doesn't even have to be beneficial or solve a problem, but of course that's the kind that makes headlines and history. **We like to say that innovation happens at the intersection of problems, opportunities, and fervent minds.**

Asked recently which innovations will change the world, Bill Gates listed robot dexterity, new-wave nuclear power, custom cancer vaccines, and sanitation without sewers. But what about the need to increase membership at your club, reduce costs, and boost member satisfaction? While those may be less globally significant, innovation in these areas will help keep the lights on, not an insignificant objective if survival is an unwritten part of your job description.



Roadblocks to Innovation

Now that we know the importance of innovation, what it is and what it isn't, the logical question is: what's holding us back from more? The first place to look is management. Is leadership at your club stifling innovation? The answer is not deliberately, of course, but possibly. Here are four common roadblocks to an innovative culture that leadership often enables.



- **Lack of leadership.** The spirit of innovation flows from the top down. And if senior managers are not comfortable with anything other than the status quo, the entire club is going to sink to the same level of lethargy. If management seems more concerned about the club's logo than what that logo stands for; if there's a sign over the copy machine that warns of excessive use instead of a philosophy that encourages investment in member-driven improvements; or if new hires are made with an eye to how career threatening they might prove to be, then there's a leadership problem that is going to manifest in protectionism and a lack of fresh thinking.
- **Tunnel vision.** Is Nike a company that sells sports equipment or a company that makes an active lifestyle more enjoyable? How about Zappos? Is it a company that sells shoes or an e-commerce company that makes life more convenient for its consumers? Are you a club that is a place for members to come in their down time, or are you a community of like-minded friends and families where experiences and memories are created? If your culture and business practices encourage employees to see the club and their roles through a narrow lens, then they're squeezing the life out of their creativity.
- **Bureaucracy.** The words guaranteed to grow mold around any club: "That's not how we do it around here." Why not? Because it's safe and guaranteed not to create waves with ownership and the board? Because it has ensured management positions for as long as anyone can remember? Bureaucracy morphs into a system that supports the status quo and resists fresh thinking. Even the largest clubs are small when compared to most small businesses. Take a look at the club's org chart and see where it can be flattened to give more people a voice.
- **Lack of incentive.** Even organizations that talk a good innovation game may be falling short if they're not also walking the talk. If employees do not have appropriate incentives and rewards built into compensation systems, then the outcome is likely to be no more effective than one of those motivational sayings on the breakroom wall. Put innovation on the agenda at staff meetings and recognize staff who have made a great suggestion since the last meeting. Reward the best idea of the month with a gift certificate or an extra day of vacation. In other words, let them know that innovation is valued.

Four Secrets to Unlocking Creativity

A few years ago, when Adobe [interviewed](#) 5,000 adults in five different countries, eight in 10 people said that unlocking creativity is critical to economic growth in their companies. But only 1 in 4 people said they thought they were living up to their own creative potential. That's a significant innovation gap that should concern any organization.

Of course, like anything else, creative thinking that leads to innovation is going to come more naturally to some than others. The shot that curves around a tree, lands just on the green, takes two hops, and stops a foot from the pin comes more easily to Bubba Watson's imagination than it does to even many of his fellow tour pros.

We're not all Bubba Watson, but most of us can learn how to hit an acceptable chip shot. It's similar with innovation: we can all be more creative if we allow our imaginations some freedom. Following a few simple guidelines will put you on the right track.



1. Put purpose behind your innovation

Review your strategic plan and your vision statement to remind yourself where the club is trying to go and how it intends to get there. Here are two examples of vision statements that we suggested in our strategic planning whitepaper.

“The Ocean Oaks Club aspires to offer members and guests an unmatched golf experience while being a responsible steward of the environment.”

“The Commerce Club is a platform for the discussion and debate of the day’s important business, government and social issues and aspires to make a positive difference in our city and state.”

While it’s hard to argue against innovation in any form, strategic innovation focuses on programs, solutions, systems, and products that ground your vision in reality. Having your vision statement prominently displayed is a great way to point the staff’s innovative efforts in the right direction.



2. Hire for diversity

A diverse staff – one that includes different colors, backgrounds, and schools of thought – is good for business. An N.C. State University study that looked at the performance of 3,000 publicly traded companies from 2001-2014 across nine measures of diversity found that companies that ranked high in all nine positive diversity requirements introduced twice as many new products than most other major companies. And don’t overlook your members; they represent diverse views too. We’ve never known a member who didn’t have an opinion on how to do something better.

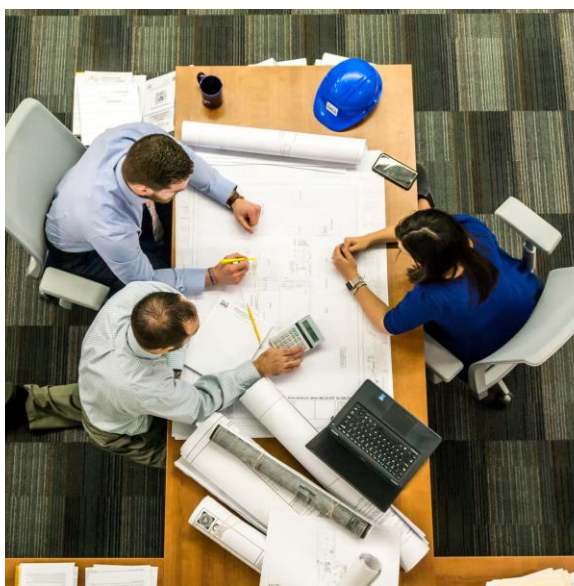


3. Sanction daydreaming

Research shows that **your brain is more likely to generate creative solutions when it's free of clutter.** Encouraging daydreaming may sound like blasphemy in our productivity-obsessed culture, but a few minutes spent walking or gazing out the window may inspire the club's next great innovation. "It is the invisible labor that makes creative life possible," asserts author Bonnie Tsui in a story she wrote for the *New York Times* headlined: "You are doing something important when you aren't doing anything."

4. Change your routine

Change begets creativity. Even small shifts in daily routines can unlock new solutions. A change of scenery can have the same effect. That's why off-site meetings are so popular in many companies.



INNOVATION AT WORK

Innovation comes in many forms and from a variety of sources. With thanks to *Golf Business* magazine and *Golf Advisor*, here are a few examples.



ST. CROIX NATIONAL GOLF AND EVENT CENTER, SOMERSET, WI installed golf simulators and expanded its clubhouse to extend its golf season beyond the normal 4-5 months. Appealing to camaraderie over competition, REYNOLDS LAKE OCONEE, GREENSBORO, GA created a four-hole women's league, 9-and-Dine, and Sip-and-Chip events to attract women players, who enjoy dinner after the event. SOUTH BEND CC created "Ray's Breakfast Club," a dining loyalty program inspired by chef Ray Harris to increase weekend breakfast sales. THE LINKS AT TERRANEA, LOS ANGELES uses YouTube to enhance its storytelling. WEST BAY GC, ESTERO, FL hosts member-conducted presentations on photography, travel, and finance. Numerous courses are adding Club Car's multi-media Shark Experience to their golf cars, building putting courses, and offering night golf. INTERBAY GC, SEATTLE constructed a windmill to reduce unsightly algae build up in a pond. TOAD VALLEY GC, PLEASANT HILL, IA created a fundraiser for a local school by dropping golf balls from a helicopter. OLDE STONEWALL, PITTSBURGH created "Member Mondays," when private club members from nearby courses play for a reduced rate. WAYNESVILLE INN GOLF RESORT AND SPA, WAYNESVILLE, NC placed high-end automobiles around the course to combine a car show with a golf tournament. CHARWOOD CC, COLUMBIA, SC offers RV parking for South Carolina football fans who enjoy tailgating and watching the Gamecocks on big-screen TVs.

A Commitment to Innovation

It's normal in any business to want to maintain the status quo. It's comfortable, it's safe, and it's easier than making changes. That kind of thinking has cost many companies their position at the top of their categories – think Kodak, Blockbuster, Polaroid, and Sears. You assume that since it's worked for you in the past, it will work for you in the future. In reality, the status quo only works for so long. If you're going to grow, you must innovate. And if your idea seems a little risky, then you're probably on to something big.

Innovation is the lifeblood of any organization today. You can never have enough.



If you would like to learn more about ramping up the innovation level at your club to grow membership, lower costs, and improve member satisfaction, get in touch with a member of our team. Contact information detailed on the following page.

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