

### *Why is it so hard for my club to find a membership director?*



It's difficult to find what you're looking for because the title does not always define the role. Prior to 2007, a membership director fulfilled the role by way of processing member applications that were judiciously anointed to only top contenders. Today, the role of the membership director involves two critical yet independent elements—one clearly strategic and the other very much tactical. Few candidates can do both excellently and those that can earn significantly more than candidates that can be successful at only the latter.

Critical for all stakeholders is having an approved, executable marketing plan that all stakeholders affirm and buy into, and includes a vision, strategy, understanding and leverage points around the business along with clear deliverables, methodology and target time lines.

Does the club need to replace 10

members a year or require an immediate infusion of 100 new members? Each requires very different approaches to attaining that respective goal, would have very different expense models, and each could very well effect the future and culture of the club. Top marketing talent can create such a plan, think about it strategically both short- and long-term, get stakeholder buy-in and then execute the plan to achieve those objectives on a sustainable basis. This talent costs considerably more than the tactical membership director.

Much of the available membership director talent available today are solid tactical sales people who with a defined, executable plan in hand can deliver. Sales is very different from marketing and both need to be thought through

in strategic and tactical ways. That said, day in and day out membership sales is about working lists, forging relationships, cultivating and converting member referrals, retaining members and working with management to define services, programs and amenities that resonate with the current and future members.

Regardless of how the position is defined, don't dilute it with other responsibilities. Many clubs and club managers bundle tertiary responsibilities with the position, which weakens accountability to the real goal of selling memberships. Communications is a very different function and generally should reside in the membership department but not with the one and only sales person. So, are you looking for a starter, a finisher, or both?

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### *What are the challenges and trends in liability claims that clubs and their officers and directors are facing?*



The challenges that the private club industry is facing now, and into the foreseeable future, continue to escalate, particularly in the area of Director's & Officers (D&O) and Employment Practices Liability Insurance (EPLI).

The large majority of claims within the nonprofit club arena fall under EPL coverage section and the frequency of claims can be mainly attributed to the following causes of action against a club:

1. Discrimination, (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
2. Wrongful dismissal, discharge or termination of employment;

3. Harassment (including sexual harassment whether "quid pro quo", hostile work environment or otherwise);
4. Retaliation, which would include the insured's response, or alleged response to the actual or attempted exercise by an employee of any right that such employee has under law, including rights under workers compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights;
5. Wage & hour claims;
6. Wrongful failure to employ or promote;
7. Employment-related libel, slander, humiliation, defamation or invasion of privacy.

In addition, non-employment (third party) discrimination claims are on the rise. These would include claims from members, vendors or suppliers.

Given the fact that the frequency of claims does not appear to be abating any time soon, clubs can continue to expect a marketplace where insurance carriers change their appetite for business, either moving pricing and retentions progressively higher, shrinking their portfolio of exposure by non-renewing unprofitable business, or pulling out of the market altogether.

*Note: Truly private clubs are exempt from certain workforce laws and regulations and are thus granted protection when facing allegations related to those rules. See the privacy checklist on page 7.*

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## What's the biggest challenge facing clubs today?



Since clubs are in the dues business, it would seem the answer to this question should always be membership retention and attraction.

Clearly, without an adequate supply of dues paying members, everything else is vying for second place. But if we leave that aside for a moment and assume membership is a by-product of offering a relevant membership experience and having the right members involved in outreach, effective communications is the issue that tops most lists of challenges today. It is a big, broad subject that impacts nearly every aspect of the club governance and operations.

If we segment communications into two buckets, awareness and governance, we find that clubs are pretty good at the former and not so effective in the latter category. From the feedback we gather in surveys, most members tell us their club does a fairly good job of keeping them informed of day-to-day happenings. Where clubs tend to score low, however, is communications about the club's strategy and business.

In regard to governance communication, your aim is not simply to increase it, but work toward a goal of communications to build alignment. While boards

are often reticent to share what happens in the board room, the reality is that when this information is broadcast in a proper manner and forum, more members than not will agree with the message and start to act in ways that support it.

One tool we've used with great success is the Quarterly Board Report. This is a summary of deliberations and actions on strategic issues, changes in policies and a dashboard of membership levels and key financial indicators. When members are aware of where the club is going and how it works, they prove to be much more supportive of its efforts.

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