

EXPERTS' CORNER

Q How does a club find the best board candidates? Are there best practices for board succession planning?

A Most public companies and many large nonprofit organizations have an almost unlimited pool of potential candidates to fill open board positions. However, private clubs by their very nature are limited by their relatively small memberships. It is not uncommon, for example, for a golf and country club to have 500 to 600 total members, of which usually no more than 250 or 275 are regular members who can vote and are eligible to serve on the board. Thus, a club's process for identifying and vetting prospective board candidates is more challenging. The Nominating Committee (the "committee") is charged with this responsibility, and its role of recruiting the "right" members for the board is critical.

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The committee typically consists of three to five members who, in many cases, have previously served in leadership positions as either officers or board members. Once constituted, the committee should meet regularly to identify prospective candidates.

Board Candidate Qualifications

In order to ensure that the best possible candidates for board service are identified and ultimately selected, the committee should follow a consistent, thorough and structured process. Depending on the club, and its particular circumstances, some qualifications or attributes may be more important than others. The following list, although not all inclusive, provides a solid blueprint for identifying, vetting and selecting the best candidates. Prospective board members should:

- **Be willing to commit the time** – Being a board member is not only an honor, it is also a commitment. Potential board members must be willing to commit the necessary time to attend board meetings, committee meetings and other important club functions. The committee should clearly communicate, and the candidates should understand the amount of

time that board service will entail as well as the club's policy, if any, on attendance/absences.

- **Be members in good standing** – Since the board must address, and possibly discipline, delinquent members, it makes sense that potential board members should be current in their financial obligations to the club. It would, at a minimum, be awkward and embarrassing for the board to have to suspend or possibly even expel one of its own members for not paying their financial obligations on a timely basis.

- **Have a track record of committee service** – Having a track record of committee service will be a pretty good indicator of what type of board member an individual will be.

- **Possess the skills and expertise the club needs** – Due to the wide range of issues that arise in the normal course of business at clubs today, it may be beneficial, depending on the circumstances, to look for board members with specific expertise (i.e., lawyer, accountant, architect, etc.)

- **Be supportive (financially) of the club and its programs** – A board member should be an active user of the club, not someone who visits once or twice a year.

- **Be compatible with other board members** – Although board members may not always agree with one another's views or opinions, they must respect the opinions of fellow board members.

- **Be an independent/critical thinker** – The ability to objectively assess issues is a valuable asset that should not be dismissed or underestimated.

- **Be willing to act in the best interest of the club** – As the board represents all members, it is important that board members approach their duties with an open mind and not arrive with preconceived agendas.

- **Be respectful of club staff** – Because leaders set the tone in any organization, board members should be individuals that treat all staff with respect.

Once candidates have met the aforementioned qualifications, the next step is for the committee to interview and screen individuals and ultimately select and recommend the slate of candidates to the board and membership for approval, in accordance with the timing required in the club's bylaws. The committee should also maintain a list of board prospects for future consideration.



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Q Has the recent recession brought about changes in the role GMs play at private clubs? If so, what is changing?

A As a firm, our responsibility is to ensure that a club's key leadership positions are filled by talent that matches the club's culture and provides the club-specific skills desired by its membership—both in the moment and long term.

In 2008, an industry shift brought new challenges to the private club industry, particularly for clubs that were not prepared or failed to plan effectively. Some clubs are addressing issues that could potentially jeopardize their long-term success. As a result, a growing number of club boards are re-evaluating their expectations for the role and performance of the general manager.

These clubs have indicated they want to retain forward thinking and innovative leaders who will serve as “change agents” for the club. Managers should take note and ensure that they have the business acumen and strategic foresight to evolve and meet these new expectations. Some general managers may be comfortable filling the role of “caregiver” and very committed to service, but may not be as business savvy or seasoned as they need to be. Business demands have deeply influenced all of the hospitality industry—including even the most traditional private clubs. Managers who fit very well in a stable and non-changing environment may be limiting their career choices as the needs of clubs are changing.

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General managers have expectations that are also evolving. Today's emerging and top talent wants to play more of a strategic leadership role in the success of the club and expects the club to provide more opportunities for professional growth. Many top managers also recognize that members are

Top Traits of Today's Private Club GM

- **Situational leader/manager**
- **20/20 peripheral vision** – can visualize the next seven moves
- **Sophisticated ability to manage up**
- **Progressive marketer** – internal and external
- **Deeply believes in a meritocracy of ideas** – the best idea wins
- **Foodie** – not necessarily in a personal way
- **Ability to synthesize** – talent to sift through the noise and identify the actionable themes
- **Creativity that is effusive and contagious** – design thinking
- **Clarity of vision** – despite conflicting views from various stakeholders
- **Honest, ethical, transparent**

volunteers with increasingly less time to devote to board and committee meetings, and are increasingly relying on club management to address the complexities of running the business. Today's private club managers need to be proactive and progressive “students of the industry” to ensure their clubs evolve with the changing needs and demands of their current and future members. This is particularly important in the areas of membership acquisition, retention and technology.

The value system in the club industry has shifted, putting a higher priority on business performance than tenure. It seems more and more club boards are asking “what have you done for me today” rather than looking for years of stewardship, which may or may not reflect strong performance.

We see these changes first hand both from the boards and the general managers. Boards need to determine what type of general manager they need in the short and long term. Likewise, general managers must decide what type of manager they want to be and realistically, the type of club with which they best fit. Are they starters or finishers? It's difficult for most executives to be both. ■



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