HOW CAN OUR CLUB AFFORD A STRATEGIC PLAN?

If your club has sought professional help to create a strategic plan, you might have experienced a bit of sticker-shock upon seeing the projected cost. You might have even concluded that it’s not affordable. Don't give up. You can create a strategic plan for much less than you might think. The most important task for the governing board of any club is to articulate and support the club’s purpose and direction and that is exactly what a strategic plan does.

Let’s start with the answers to a few common questions.

**What is a strategic plan?**

A strategic plan paints a picture of the club’s best future and lays out a roadmap for getting there. The key elements are a **strategic vision**, and **goals** that must be accomplished to achieve that vision.

**Does our club really need a strategic plan?**

The needs and preferences of today’s and tomorrow’s members continue to change and your club must change with them to survive. To ensure the long-term success of your club, it is essential for those changes to be anticipated and proactive. An effective strategic planning process will help the club identify and implement those changes.

**Why does it seem to cost so much to create a strategic plan?**

Crafting a highly-effective strategic plan requires specialized skills, club-industry expertise and knowledge, time, and objectivity. It is rare for a club’s leadership team to possess all those attributes and it is often necessary to seek professional advice and assistance, which will come with a price. In many cases the price of securing expert advice is less that the price a club might pay for not seeking the advice. A poorly conceived and constructed strategic plan can cause more harm than good.

**What is the process for creating a strategic plan?**

A major part of the process involves collecting and analyzing data about the club and the marketplace, defining the club’s mission, crafting the strategic vision, and writing goals that will lead the club towards that vision.

The first step is for the board to commit to the process and to understand they might have to adopt new policies and practices to make certain the plan is fully implemented and maintained. Without the board’s commitment, the plan is likely to fall short of expectations. Further details of the process are outlined below and are accompanied by suggestions for managing the related costs as well as some of the challenges you might face.
STRATEGIC PLANNING PROCESS

INTERNAL ANALYSIS

Once the board has committed to the process, work begins on collecting data. A plan that is based on verifiable data will have the best chance of being successful and sustainable. The data collected during this step are within the club’s “four-walls” and include 10 years (or more) of trends in finances, membership enrollment and attrition, dues, initiation fees, employee turnover, member utilization, and capital spending. You will also need a realistic assessment of the facilities and of deferred maintenance. Perhaps the most important element of internal analysis is a comprehensive survey of the members to assess their needs, opinions, and preferences.

How to save on Internal Analysis:
Most of the trends data referenced above are at the fingertips of club management and can be collected and presented meaningfully by management and perhaps a board member or finance committee member with expertise in these areas. Conducting a survey of the members can also be accomplished by club personnel and/or volunteer members utilizing any of the on-line survey products.

Cautions and Considerations:
Engaging a third-party with expertise in the club industry to provide an objective analysis of the trends data might illuminate issues that could otherwise go unnoticed or under-appreciated.

Conducting your member survey in-house can present many pitfalls. Ultimately, the members must feel that the survey and its results are valid, fair, and objective. What questions are asked, how they are asked, who is asked, how the results are tabulated, presented, and interpreted, how many responses are secured, and even who the responses are sent to will all play a part in how the members feel about the survey. Additionally, the survey must be designed to provide useful information to the club’s leaders and at the same time, must not be perceived as a replacement for their judgement. Because the results of the member survey play a foundational role in the development of a strategic plan, we strongly encourage you to conduct research into the leading practices for the development and execution of surveys or to seek professional assistance.

EXTERNAL ANALYSIS

This step looks outside the club’s “four-walls” and includes data regarding all potential competitors. It also includes historical data and projections regarding community demographics and economics as well as laws, rules, and regulations that could impact the club’s operations and/or sustainability.

How to save on External Analysis:
With a little leg work and time, the club’s leadership team can collect much of this data without additional assistance. Clubs exchange information regarding their fees regularly and public accommodations advertise their fees and benefits. On-line resources are available to provide basic demographic information. Community leaders and governments, and club industry publications can provide information regarding potentially impactful factors, whether positive or negative.

Cautions and Considerations:
While collecting much of the basic data to understand external influences doesn’t require specialized knowledge, it does require some insight into the sources available and most importantly, it requires time... time that is often in short supply in the leadership team’s schedule. Hiring an experienced practitioner will expedite the process and keep the plan on schedule.
If a club is in a particularly competitive environment, an economically vulnerable community, or a situation where rebranding is necessary to thrive or survive, then securing the expertise of a market research team might be necessary. Clubs that find themselves in these precarious situations are often struggling financially already, however the investment in sound research might very well determine whether their club is sustainable... or not.

**STRATEGIC PLAN COMPILATION**

This step is best accomplished during a one-two day meeting or retreat of the board, usually held off-site in order to reduce distractions. It will include the following exercises:

**SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis**
During this exercise the board will discuss the data and identify and document these four elements.

**Values Confirmation**
The board will define the club’s core values. These are the principles that will provide the foundation for all of the club’s decisions.

**Mission Statement Development**
This exercise will focus on identifying the key elements that define what the club is, what it does, and who it does it for.

**Strategic Vision Development**
This exercise will focus on identifying the key elements that describe the club as it aspires to be in the future.

**Goals Development**
The board will develop the goals that the club must accomplish to in order for it to achieve the Strategic Vision. They will examine all areas of the club including the operational departments, finance, governance, human resources, membership development, marketing, and facilities.

**Governance Tools**
The board will develop guidelines and processes for creating SMART goals, action plans, the club’s code of conduct, meeting guidelines and template, board development, and strategic plan maintenance. These elements are critical to the successful implementation of the club’s Strategic Plan.

**How to save on Strategic Plan Compilation:**
It will be critical for these exercises to be guided by an objective experienced facilitator. It is possible that one of your club’s members can fill that role effectively.

**Cautions and Considerations:**
If you are unable to identify a skilled facilitator within your club who is willing to donate their time, then it will be necessary to engage one from outside the club. Look for one who has facilitation training and experience, club-industry knowledge, and a thorough understanding of governance and strategic planning.
PLAN REFINEMENT

Following the board retreat, several steps are necessary to create the document, including: compiling the results of each exercise, drafting the mission statement and the strategic vision, and prioritizing the top 3-5 goals that the board will focus on first. This initial draft will probably go through several revisions until the board reaches consensus on each of the elements and the plan is ready to be presented to the members.

MEMBER ENGAGEMENT

Your club’s leaders will be able to accomplish great things for the club if they have the trust and the respect of the club’s stakeholders. The only way to earn that trust and respect is through exceptional communication. It will be critically important to do more than just inform the members of the strategic planning process; you must engage them in nearly every step. The plan belongs to the membership and they need to feel as though they have participated in its creation. Once the board has made the commitment to create a strategic plan, they should craft a schedule of opportunities to invite the members into the process. That could include an introduction letter from the board, focus groups in advance of the member survey, invitations to submit potential survey questions, encouragement throughout the survey process to increase participation, comprehensive reporting on the survey results, invitations to comment upon the drafted strategic plan, and finally a formal presentation at a special club meeting. Subsequently, the members will expect regular reports on the progress towards the stated goals.

CONCLUSION;

The most important task for the governing board of any club is to articulate and support the club’s purpose and direction. A sound, well-conceived, and well-executed strategic planning process is the best way to accomplish that task. Simply put, your club must create a strategic plan. If the financial resources are available to engage a team of experts to help the club create and maintain that plan, do it. If the financial resources available for strategic planning are limited, look for creative ways to support the effort and engage as many skilled member volunteers as are needed. Be aware of the potential for their own opinions and preferences to cloud their objectivity and do your best to mitigate that potentiality.

Private Club Governance is an industry-leading expert in the strategic planning process. If you would like a proposal or would like to discuss options for more limited involvement, please reach out to John Kinner at 862-246-4365 or John.Kinner@gmail.com.