

The Critical Business & Financial Model Concepts

Comprehensive Capital Planning

March 2, 2023

Club Benchmarking Background

- Company Founder was a private club Board member for 10 years and President for three. Club Benchmarking is based in Boston, MA and has a team of 40 people.
- Providing data analytics and financial analysis to the private club industry since 2009
- Data from +/- 1,000 clubs per year in 49 states, 5 Canadian Provinces, ranging in revenue from \$300,000 to \$125 Million. Residential Community Clubs comprise 20% of the database and 20% is clubs without golf (Yacht, City/Athletic, Tennis/Sports).
- Continuous study of what drives financial sustainability and success in private clubs
- Nationally recognized experts in club finance and business intelligence
 - Benchmarking platforms for annual finance & operations, compensation & benefits, policies & procedures and the Strategic Monthly Dashboard
 - Integration of real estate and demographic data
 - Industry leaders in capital reserve studies
 - Capital Strategies Modeling platform
 - Member Motivation, Attachment & Loyalty Benchmarking
 - Employee Engagement Benchmarking

Context

- The club industry is a **fragmented, cottage industry** where best practices disseminate slowly, if at all
- It would be impossible to understand the industry by studying only one or a few clubs
- We are all trying to LEARN from each other

CONTEXT is REQUIRED



Shun Change - Stagnant

25% Shrinking

1. Too few members as a result of weak member experience
2. Narrow breadth of lackluster services and amenities
3. Weak Balance Sheet
 - a. Declining Net Worth
 - b. Significant deferred capital investment
 - c. Lack of adequate cash reserves
4. Operational Governance over Strategic Governance
5. Members think like Customers, not like Owners



Evolving Slowly

50% Sideways - Moderate Growth

1. Barely adequate to adequate number of members.
2. Lackluster to above average services and amenities.
3. Average Balance Sheet
 - a. Net Worth flat to slight growth in real dollars
 - b. Significant to slightly deferred capital investment
 - c. Some cash reserves
4. Bounce between Operational and Strategic Governance
5. Mix of members who think like Customers and like Owners



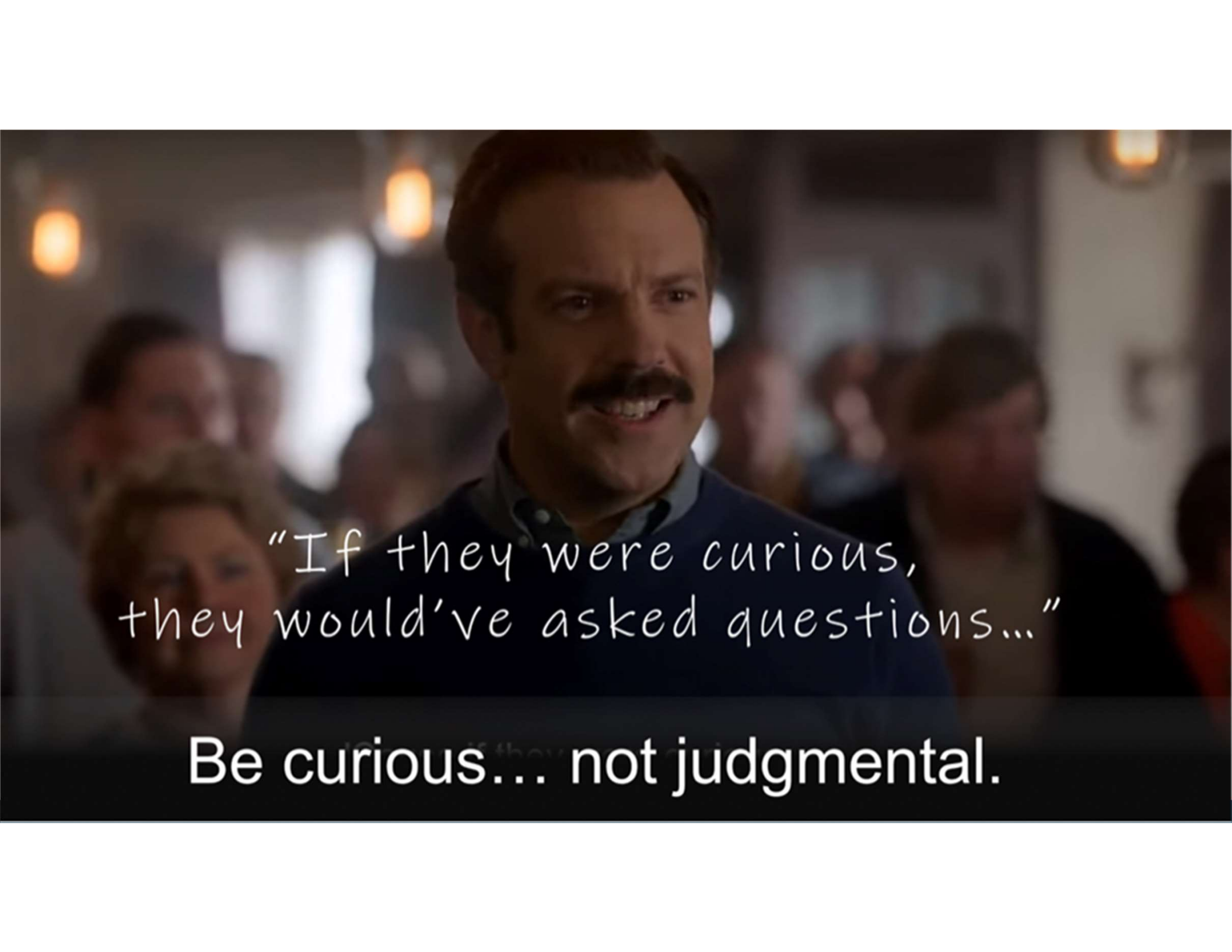
Embrace Change - Dynamic

25% Growing Purposefully

1. Full Membership Roster
2. Compelling member experience with broad array of services and amenities
3. Strong Balance Sheet
 - a. Net Worth growing > 5% CAGR
 - b. Fresh and up to date asset base
 - c. Adequate cash reserves
4. Focus of Governance is on making the club better (can still be stuck in Operational Governance at times)
5. Most members think like Owners and take pride

Why?

- Misunderstanding of the drivers of financial success.
- Overemphasis of focus on the financial outcome resulting from the Operating Ledger and Operations. **Lack of emphasis and focus on the Capital Ledger and Balance Sheet.**
Lack of forward-looking capital planning combined with inadequate organic capital generation.
- Confusion about competitive market dynamics....do clubs compete on **the price they charge or the experience they offer?**
- Club culture that veers towards members **acting as customers** instead of acting as **Owners and Stewards**

A man with a mustache, wearing a blue sweater, is smiling and looking towards the camera. He is in a crowd of people, with warm, out-of-focus lights in the background. The scene appears to be indoors, possibly at a social gathering or event.

*"If they were curious,
they would've asked questions..."*

Be curious... not judgmental.



“Without data
you’re just
another person
with an opinion.”

- W. Edwards Deming,
Data Scientist

The Two Prevailing Perspectives

The Tension of Opposites

Efficiency View

1. Don't raise dues – if the club is too expensive, we won't get members.
2. We need to be “efficient.”
3. Don't lose money in F&B.
4. Ultimately – a price over value view.

Make This Place Great View

1. Let's make this club great.
2. I am willing to pay for the services and amenities I want and the quality of service I would like.
3. Don't go crazy and double the cost of belonging over night but I will invest to make the club stronger.
4. Ultimately – a value over price view.

The Framework: Club Benchmarking Financial Insight Model

Operating Ledger

Revenue

(Dues, F&B, Ancillary Departments)



Gross Profit

(Net of Direct Cost to Produce Revenue including COGS and Labor)



Fixed Operating Expenses

- General & Administrative
- Buildings Maintenance & Operation
- Fixed Charges
- Golf Operations Labor
- Course Maintenance Expense
- Sports, Recreation, Youth



Net Operating Result

Income Statement

Capital Ledger

Total Capital Income

(Initiation, Capital Dues/Assessments, Investment Income)



Adjust for Net Operating Result



Subtract Lease Expenses



Net Available Capital

Net Available Capital = EBTDA
Amount available for Capital Investment, Debt Reduction and Increasing Reserves

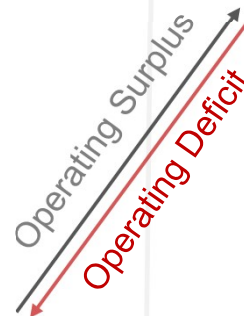


Subtract Depreciation



Change in Net Worth

Net Worth should increase at least 3.5% per year



Business Model Context

- The sources and uses of money are common – independent of location, scale or quality
- The Key Performance Indicators don't vary based on location, scale or quality
- Circumstances may have an effect, but **CHOICES** are the primary **DRIVER** of Financial Outcomes
- Your culture may be unique, but your financial model and financial drivers are **NOT UNIQUE**

	Sources of Money	Uses of Money
Operating	<p>Operating Dues</p> <p>Ancillary Fees (F&B, Rooms, User Fees, Guest Fees, Minimums, etc.)</p>	<p>Overhead (G&A, Buildings Operation, Fixed Charges)</p> <p>Services & Amenities (Golf and/or Yachting, Non-Golf Sports & Recreation, Education, Spa & Wellness, Other)</p>
Capital	<p>Initiation Fees, Recurring Capital Dues, Assessments, Sale of Assets, Other</p>	<p>Asset Maintenance and Replacement</p> <p>Asset Expansion - Increased Capacity, Services & Amenities</p>

The Critical Concepts



The Critical Financial and Business Model Concepts

1. Clubs compete on the experience they offer, not the price they charge. Members of every club are responsible for properly funding the club so that it can compete successfully over time.
2. Clubs are high fixed cost businesses – expenses are not “bad.” The operating expenses reflect the scale of a club’s footprint and the breadth and quality of the member experience.
3. The purpose of the Operating Ledger is to deliver services and amenities to the membership...it is consumed year-in and year-out by members enjoying the club. It is not the financial driver. The financial driver is the Capital Ledger.
4. Every club stakeholder should understand the concepts reflected in the most important financial metric – Net Worth Over Time.
5. Every club stakeholder should understand the story told by the balance sheet and the impact of Net Worth Over Time on the balance sheet.

The Critical Concepts

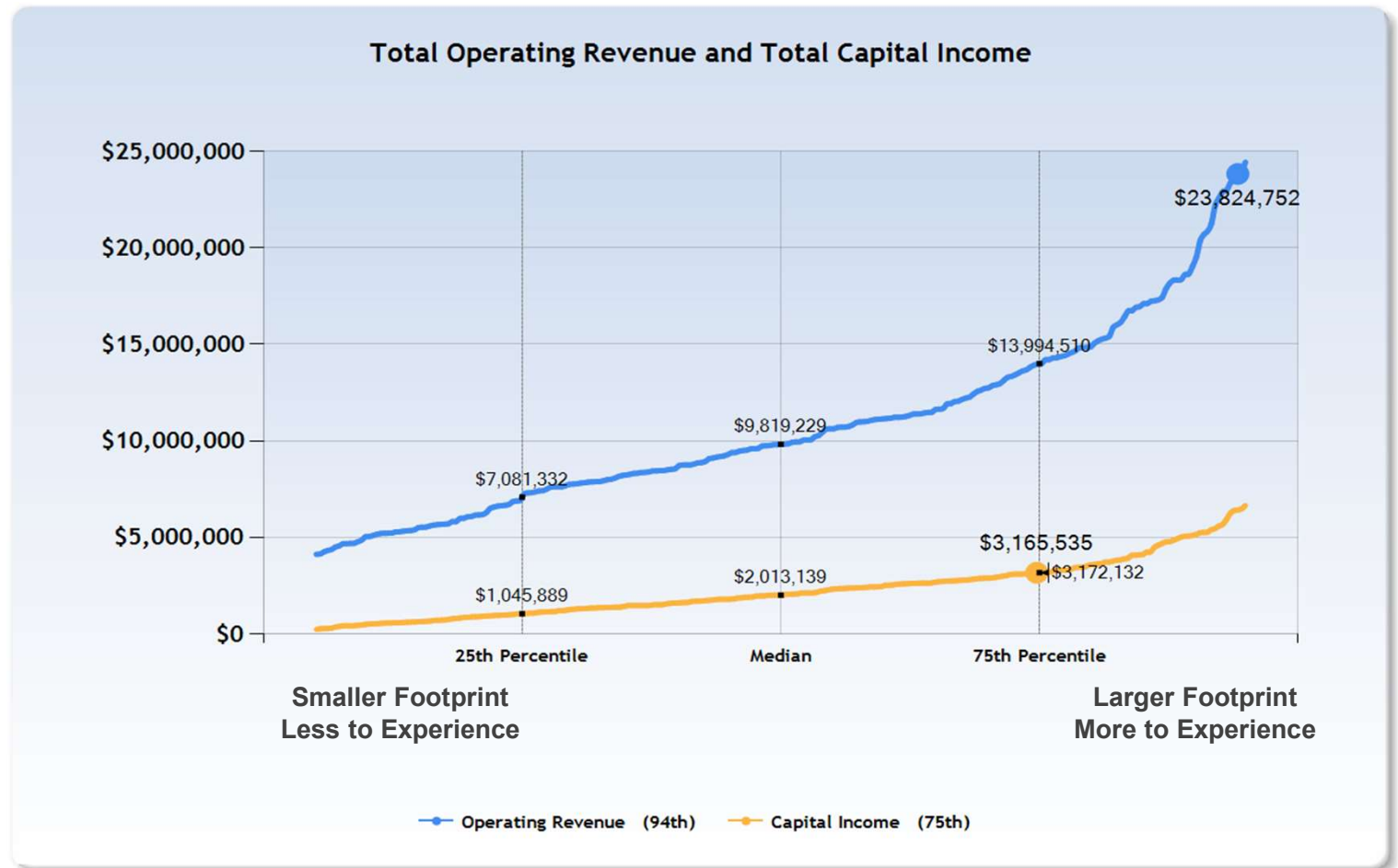
Members should understand the key drivers of success in the club industry and avoid imprinting the knowledge of their own business on the club industry. Members should understand the difference between an opinion and a fact.

Clubs are high fixed cost businesses – expenses are not “bad.” The operating expenses reflect the scale of a club’s footprint and the breadth and quality of the member experience.



The Private Club Financial and Business Model

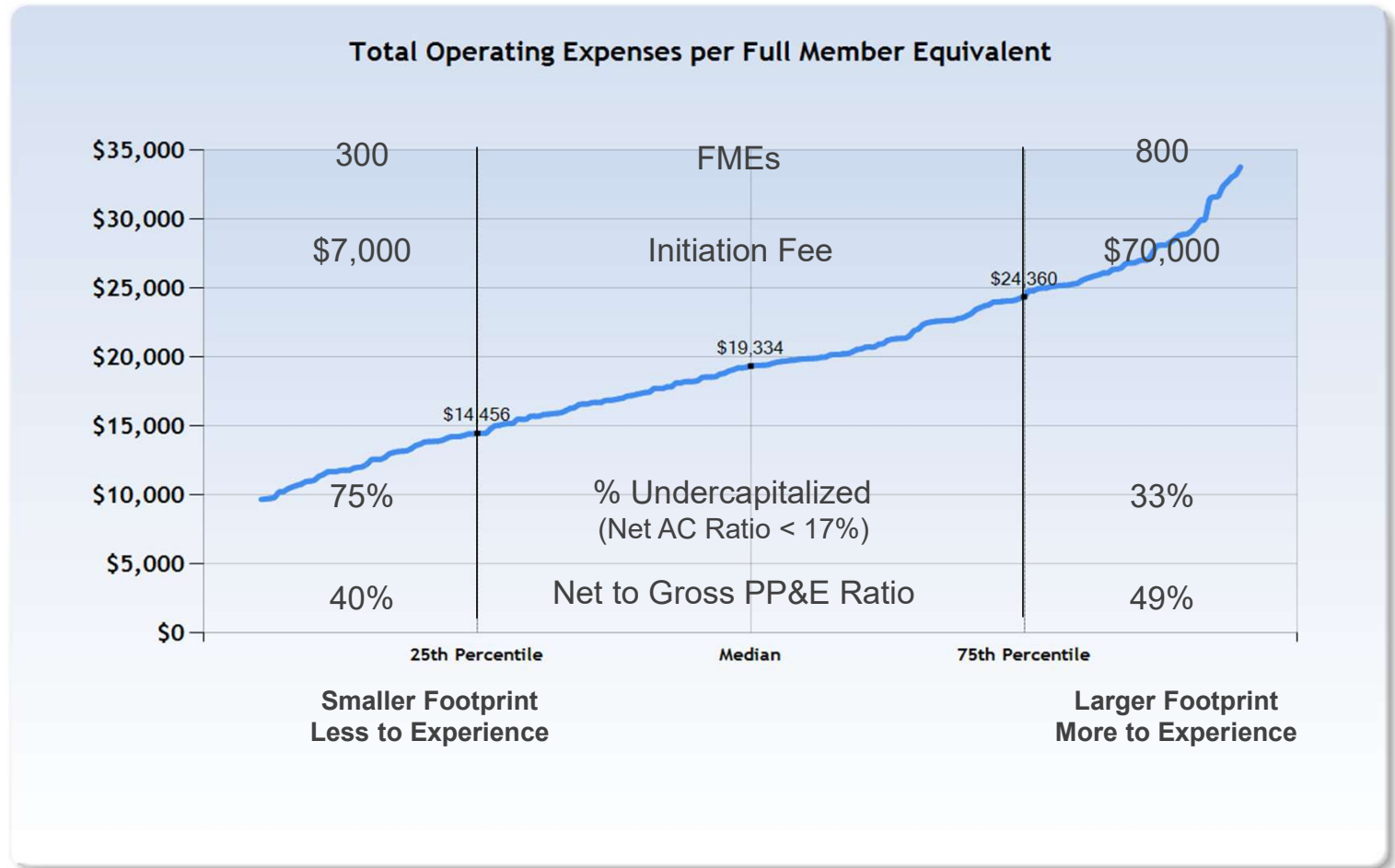
- Larger clubs tend to be Green Bucket clubs, smaller clubs tend to be Red Bucket clubs.
- Smaller clubs are “golf-centric,” and haven’t evolved their offerings of services and amenities to the extent of large clubs – Fitness/Wellness, Casual Dining, Resort Style Pools, etc.



Anywhere CC vs. All Clubs with Golf – 2022 Year End (275 clubs)

The Private Club Financial and Business Model

- Clubs with higher expenses are healthier overall and lower expense clubs are weaker overall.
- Expenses scale with the footprint and service standards.



Anywhere CC vs. All Clubs with Golf – 2022 Year End (275 clubs)

The Never-Ending Debate



- Does not mean Waste is OK
- Does not mean spend without abandon
- Does not mean don't ask questions...
- Does mean Success over Time isn't about Efficiency as a strategic driver
- Does mean the club business model isn't built on Efficiency – who joins a club because it is efficient?



- Does not mean double the Dues overnight
- Does mean every club should STRIVE to be the best version of itself it can be
- Does mean we don't let the Experience or our Assets decay over time in an attempt to “keep dues low”
- Does mean clubs succeed or fail based on the Experience they offer (or don't)

MISSION CLARITY – KEEP IT SIMPLE!

- We must create, nurture and evolve a Membership Experience that is SO COMPELLING we have enough members and are able to charge them the amount necessary to properly fund the club. Ideally, we have excess demand (a wait list in standalone clubs, intense interest in residential community clubs).
- We also must retain and attract the professional staff necessary to manage delivery of the Member Experience – and let them manage the club (not the Board, not the Members, not the Committees).
- We must generate enough **Obligatory Capital** (Maintenance) to be able to consistently re-invest in our assets so that they are always “fresh and up-to-date” and enough **Aspirational Capital** (Growth) to continuously add the new services and amenities necessary to keep pace with an ever-changing society and the wants of the next generation of member (a family with 42-year-old parents or in certain residential community clubs a 60-year-old couple).

The Tension of Opposites....
Does our Vision drive our budget?
Or
Does our budget drive our Vision?

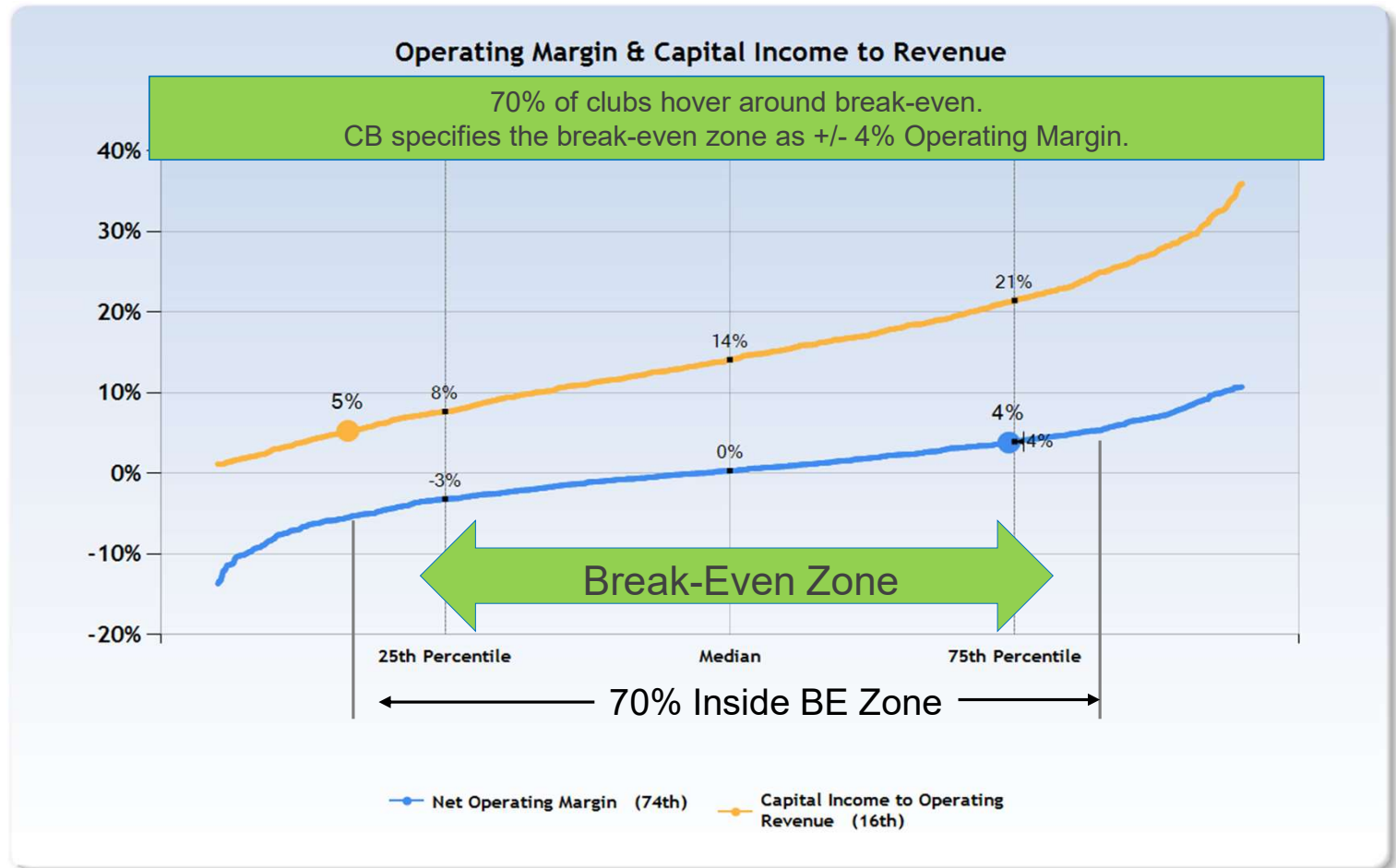
The Critical Concepts

The purpose of the Operating Ledger is to deliver services and amenities to the membership...it is consumed year-in and year-out by members enjoying the club. It is not the financial driver. The financial driver is the Capital Ledger.



The Financial Model of Clubs

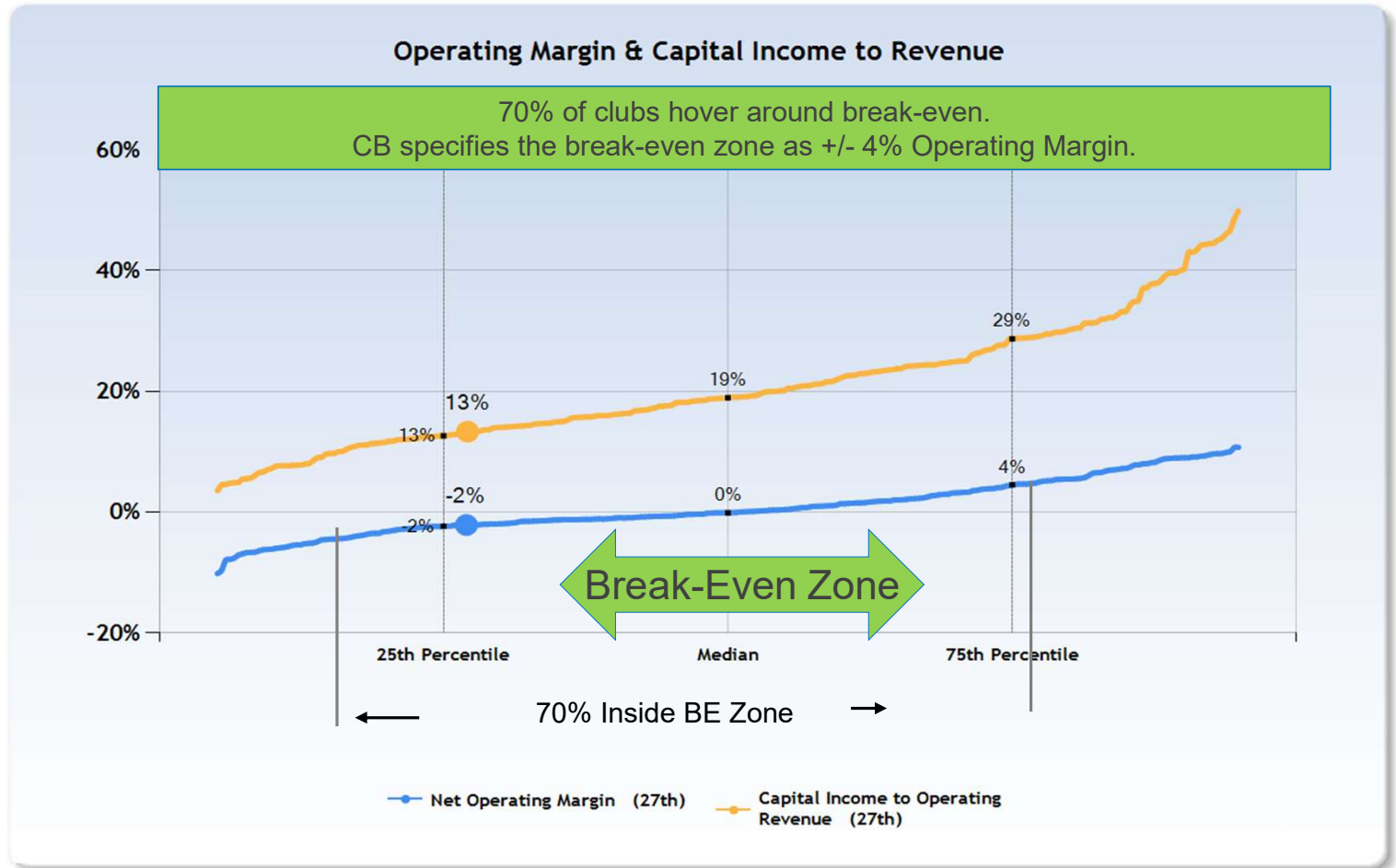
- Clubs set income statement to break-even excluding depreciation, thus “making it” the Operating Ledger.
- The purpose of the Operating Ledger....it is the vehicle for delivering services & amenities to members. It is consumed every year by members enjoying the club.
- It IS NOT a financial driver. Capital income and capital investment, and thus, the Capital Ledger is the financial driver.



All Clubs with Golf (893 clubs) Pre-Pandemic

The Financial Model of Clubs

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Anywhere CC vs. All Clubs with Golf – 2022 Year End (275 clubs)

$$\sum_{k=0}^n \text{Capital Income} - \sum_{k=0}^n \text{Depreciation}$$

	Assets
All Clubs	74%
Anywhere CC	82%
Premiere '21	75%

Net Property
Plant & Equipment



What We
Have

	Cash-to-Assets Ratio
	15%
	7%
	14%

	Liabilities	Equity (Unrestricted Net Assets)
	34%	66%
	40%	60%
	24%	76%



From Others
(Banks)



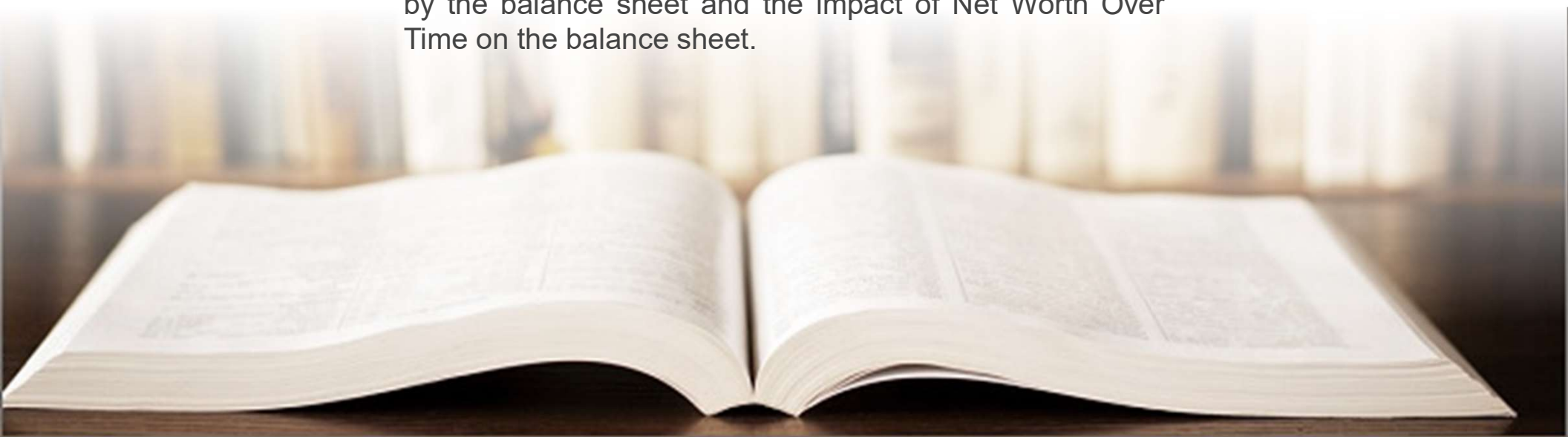
From Members &
Business (If Ops Surplus)

	Debt-to-Equity Ratio
	25%
	53%
	10%

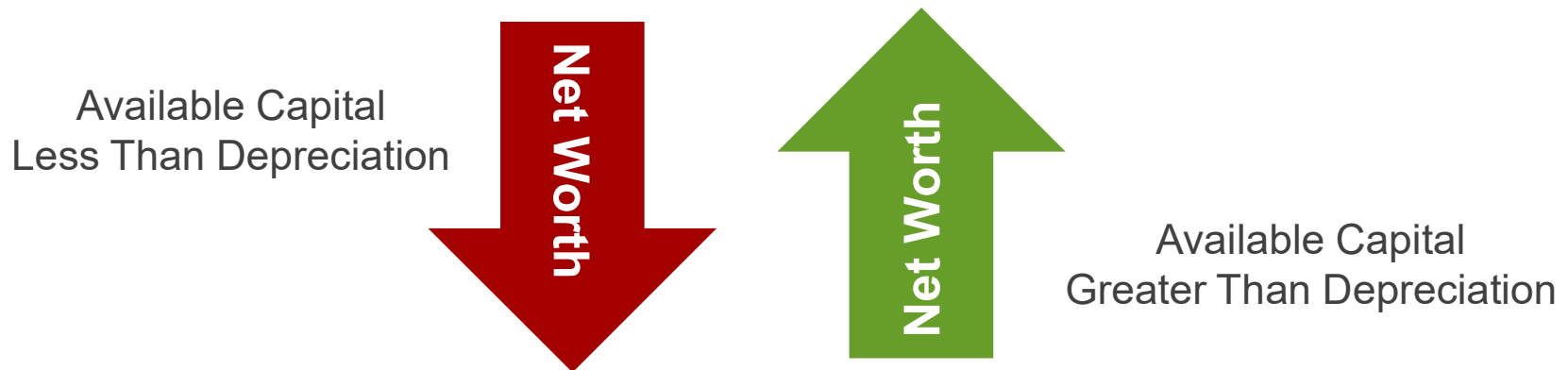
The Critical Concepts

Every club stakeholder should understand the concepts reflected in the most important financial metric – Net Worth Over Time.

Every club stakeholder should understand the story told by the balance sheet and the impact of Net Worth Over Time on the balance sheet.



- Unrestricted Net Assets = Net Worth or Book Value of the Club
- Club operating ledgers are typically set to break-even. In that scenario, Capital Income must be greater than depreciation in order for net worth to increase

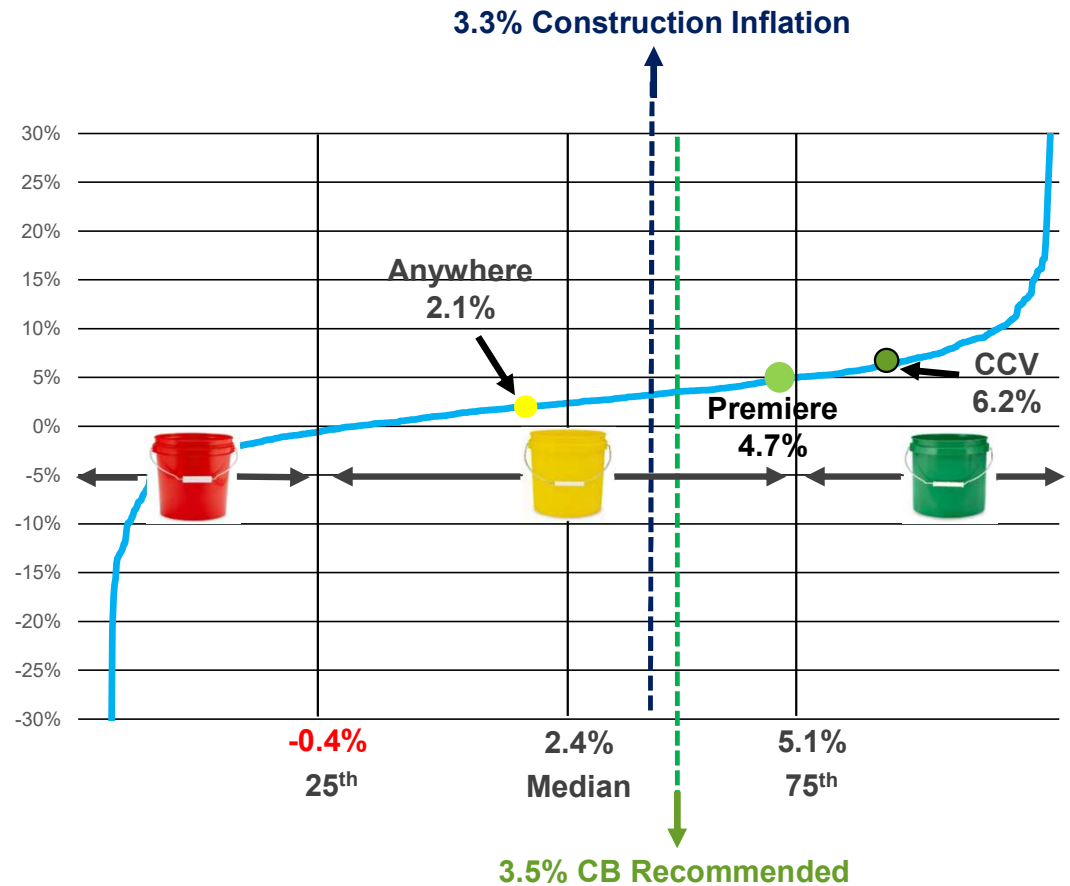


Net Worth growth requires incoming members **AND** existing members to contribute to capital

Net Worth Over Time: The Most Important Financial Metric

Growth of Members' Equity Drives the following:

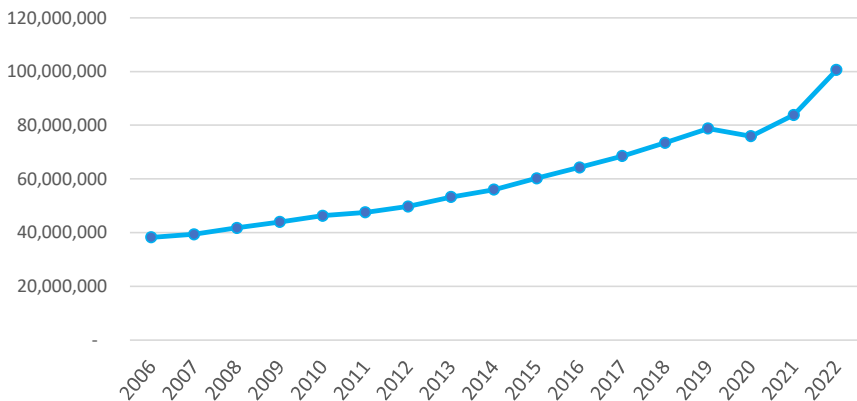
- Balance Sheet Strength
- Investment in Property, Plant & Equipment
- Initiation Fee Growth
- Amazon since 2006 = **+52.5%**
- Macy's since 2006 = **-7.8%**
- Net Worth Over Time reflects market relevance and competitive standing



The Capital Ledger is the engine that drives Net Worth Over Time

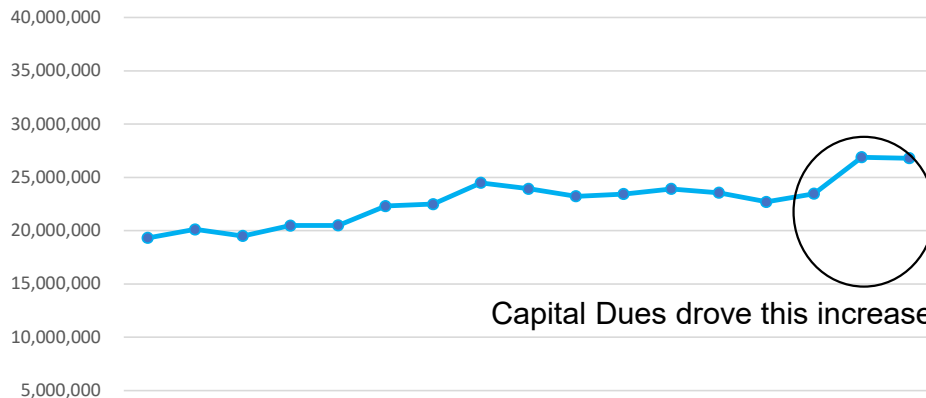
CAGR 6.2%

Country Club of Virginia - Net Worth



Net Worth Over Time
The Most Important Financial Metric

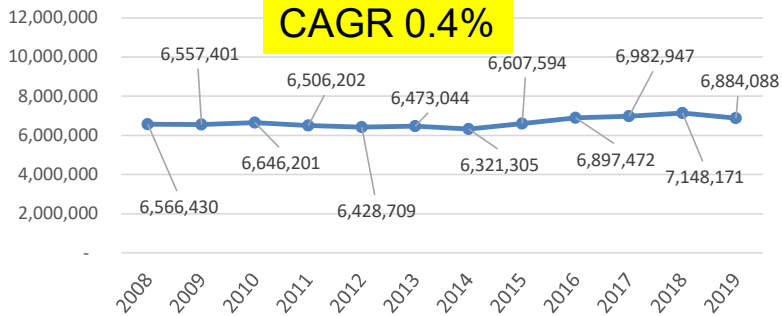
CAGR 2.1%



Capital Dues drove this increase

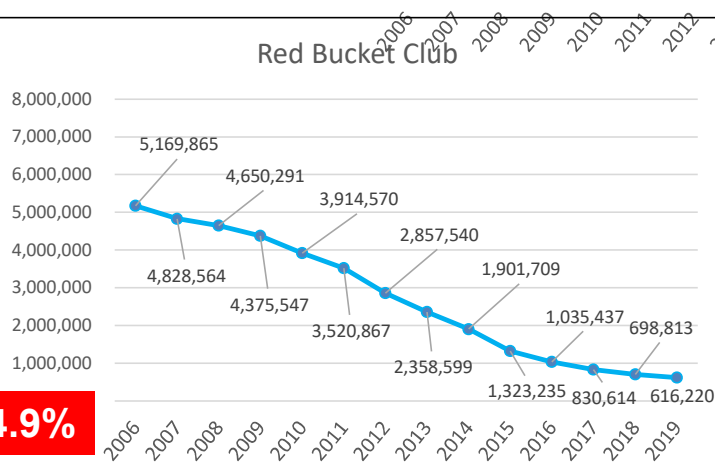
Yellow Bucket Club

CAGR 0.4%



Red Bucket Club

CAGR -14.9%



Net Worth Over Time The Most Important Financial Metric

Unrestricted Net Assets per Full Member Equivalent



Initiation Fee as a Percentage of Unrestricted Net Assets (per Full Member Equivalent)



Anywhere CC vs. All Clubs with Golf – 2022 Year End (275 clubs)

Club Built 50 Years Ago



Total Cost to Build = \$3 Million
Zero Reinvestment Over Time

Gross PPE = \$3M (ex. Land)
Accumulated Depreciation = \$3M
Net PPE = \$0
Net-to-Gross-PPE Ratio = 0%

Condition: Worn and Depleted

Property, Plant
& Equipment

Net to Gross PPE Ratio

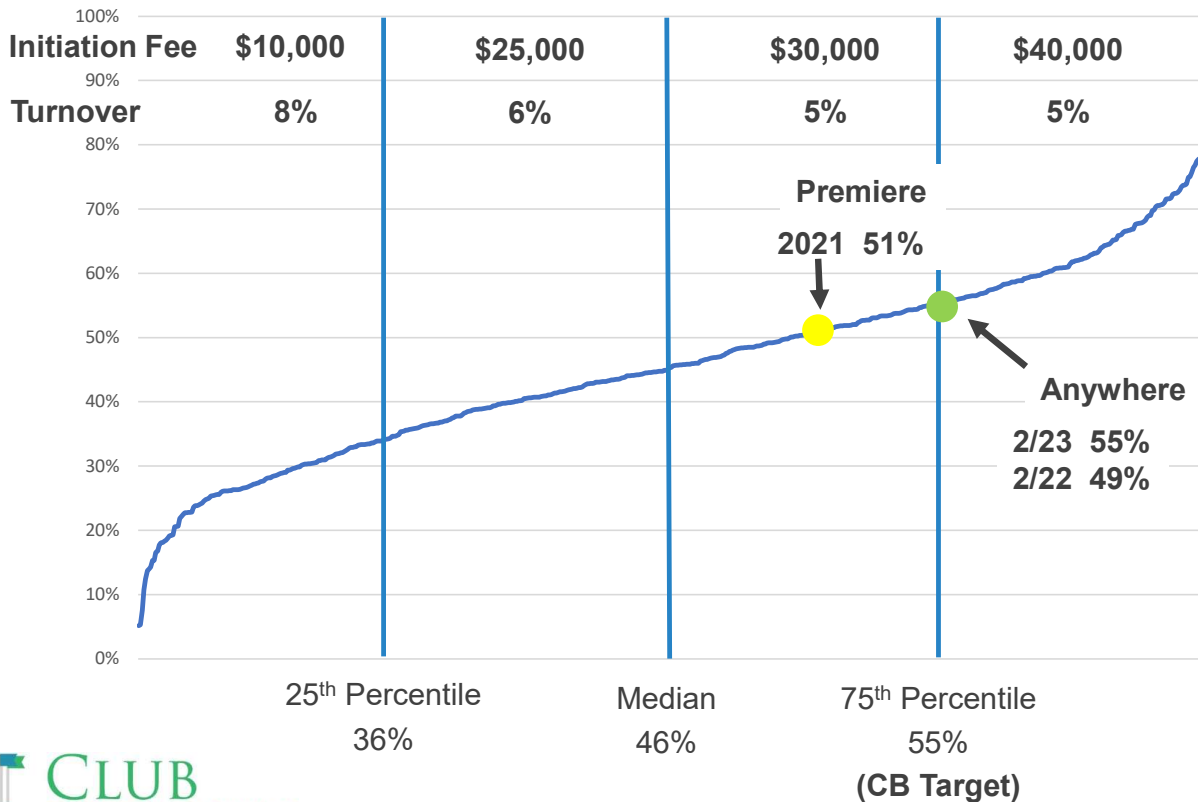
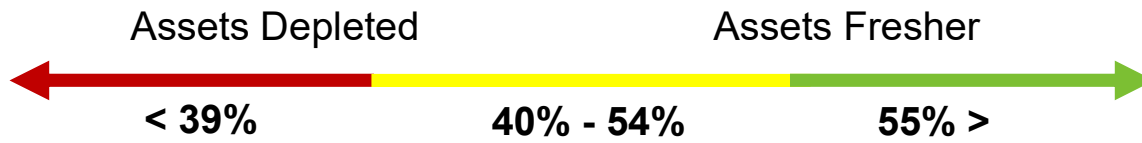
Club Built Yesterday



Total Cost to Build = \$30 Million

Gross PPE = \$30M (ex. Land)
Accumulated Depreciation = \$0
Net PPE = \$30M
Net to Gross PPE Ratio = 100%

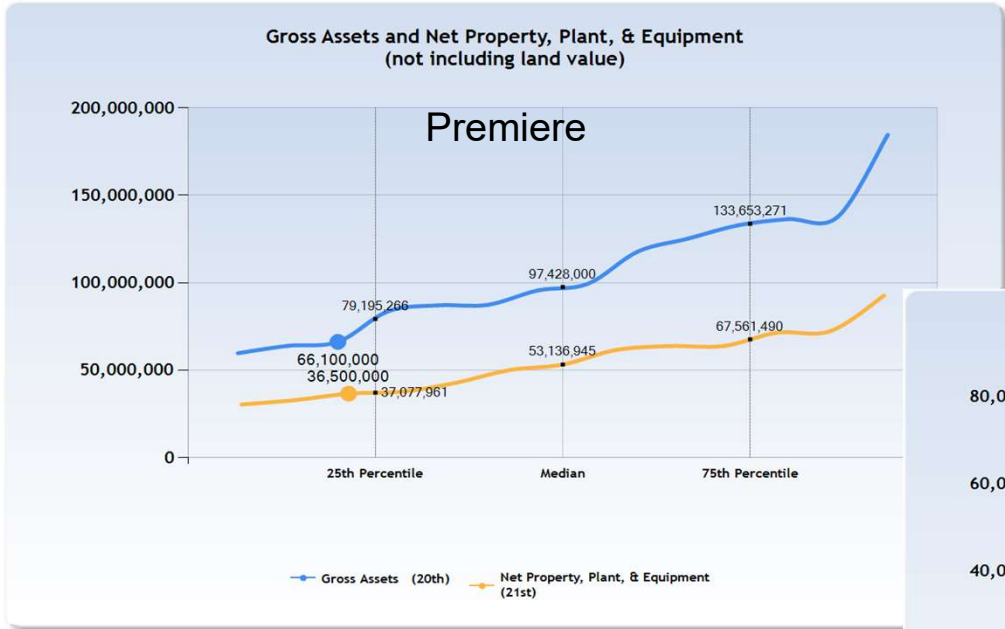
Condition: Brand New



Net to Gross PPE Ratio

- Net PPE is where a club's money ends up
- Very accurate and simple test of physical plant condition
- Ratio above median indicates physical assets fresher & more up to date
- Ratio below median indicates physical assets are older and more worn
- The most important and precise assessment of your club's physical plant available is a capital reserve study which should be conducted by an objective 3rd party professional well-versed in clubs

The Asset Base Capital Planning



Obligatory Capital (Maintenance)

- Repair and Replacement of existing assets.
- Depreciation = past cost – “matching depreciation” is not enough because...
 - Assets cost more to replace than when originally acquired, and fully depreciated assets in use will need to be replaced.
- Past and existing members are obligated. Not future members.

The Source of Obligatory Capital is Recurring Capital Dues

Aspirational Capital (Growth)

- Expand existing assets (clubhouse expansion)
- Add new Assets (entire new clubhouse, pool or fitness when none existed)
- Adding new amenities – Croquet, Pickle Ball
- Current and future Members are responsible. Future members more so
- Aspirational Capital should have a Return on Investment – Capital Income is the Return

The Source of Aspirational Capital is Initiation Fee Income and Debt

Club Benchmarking recommends minimum growth in
Net Worth of 3.5% per year to meet obligatory capital needs
Capital income for aspirational capital will grow Net Worth on top of the 3.5%

Hierarchy of Capital Priorities

Debt Service

- Debt Service comes first and must be covered entirely. Very common for clubs to do a project using debt and come up with a debt service “assessment” that does not account for the remaining capital needs.

Obligatory Capital

- Obligatory Capital must also be covered. Many clubs are “rationing” capital as a result of inadequate income resulting in deferred maintenance.

Aspirational Capital

- Aspirational Capital is the capital to Evolve and Grow the club. It is the investment that keeps clubs relevant (think casual dining, fitness/wellness, resort style pools).

Increasing Cash Reserves

- Clubs wishing to increase reserves must satiate the capital needs that come first. It is a long way to reserves increasing.

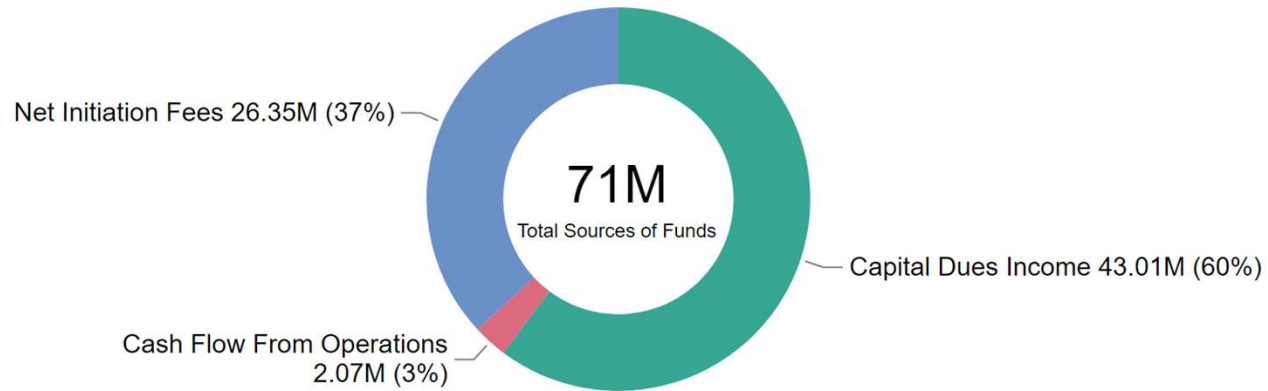
The Forward-Looking Capital Plan

1. The Capital Reserve Study forms the basis of forward-looking obligatory capital needs
2. The Strategic Plan (Strategic Thinking) and Vision form the basis of forward-looking aspirational needs
3. The current debt service schedule plus any future debt form the basis of principal and interest payments due during the planning period.
4. The complete, bottoms-up, plan regarding member churn forms the basis of projected initiation fee income and any recurring capital dues income based on projected member counts.
5. The forward-looking Capital Plan (Capital Strategies Model) is the detailed planning surrounding items 1 – 4. The objective is to proactively determine capital needs and resources and close the gap between the two. The task is to evaluate and balance timing of needs, amount of money members will need to contribute, debt load while assuring all capital needs are met proactively.

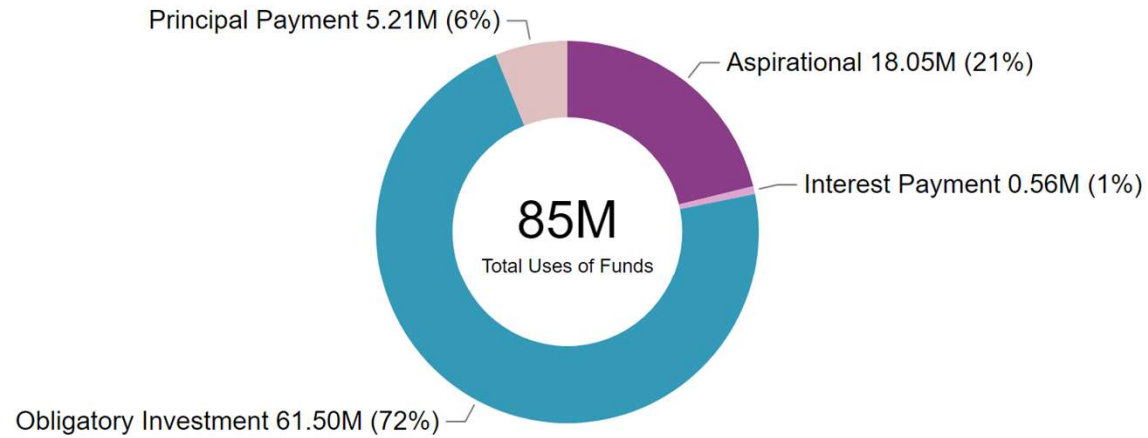


Comprehensive Asset Management

Sources of Funds



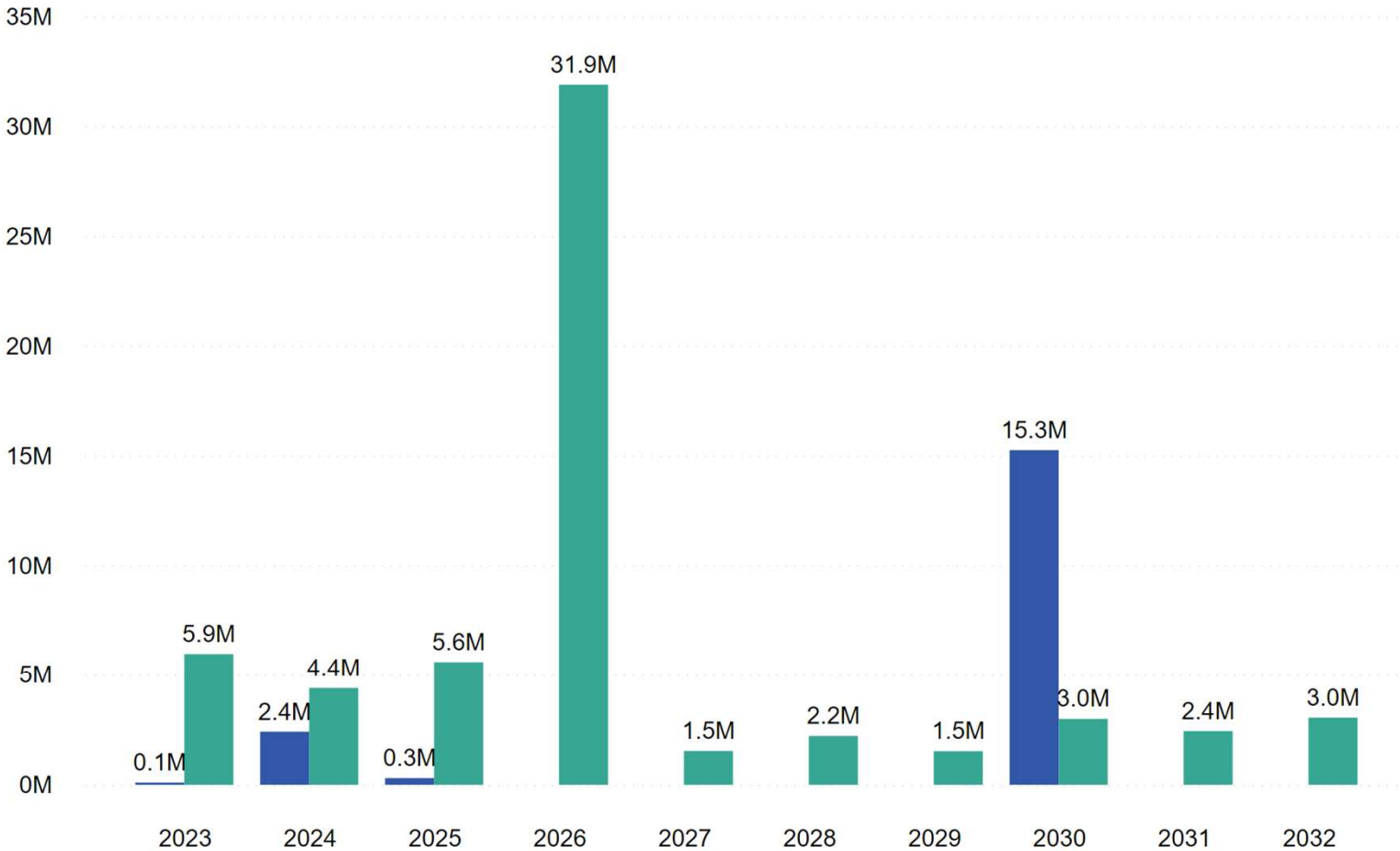
Uses of Funds



Capital Investment

● Aspirational ● Obligatory Investment

Base Case



10-Year Total

Strategy	Amount Sum
Base Case	79,554,819
Aspirational	18,050,000
Obligatory Investment	61,504,819

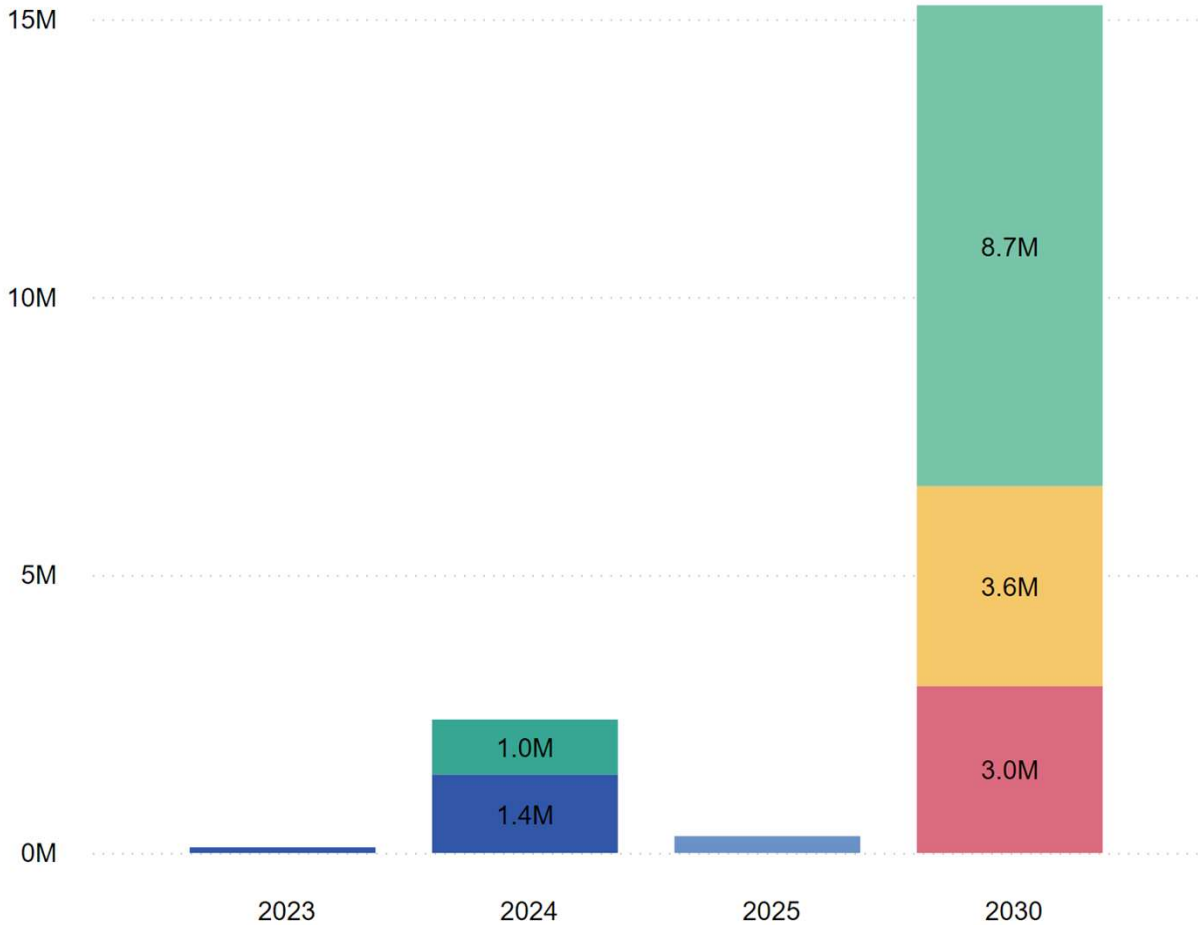
Aspirational Capital by Project

Base Case

- Environmental Building Replacement Pr...
- Golf Building Renovation - Offices/Busi...
- Pool Facility Upgrade
- Primrose 8 Toilet Facility
- Racquest Facility Upgrade (pickle squa...
- Winter Sports Center

10-Year Total

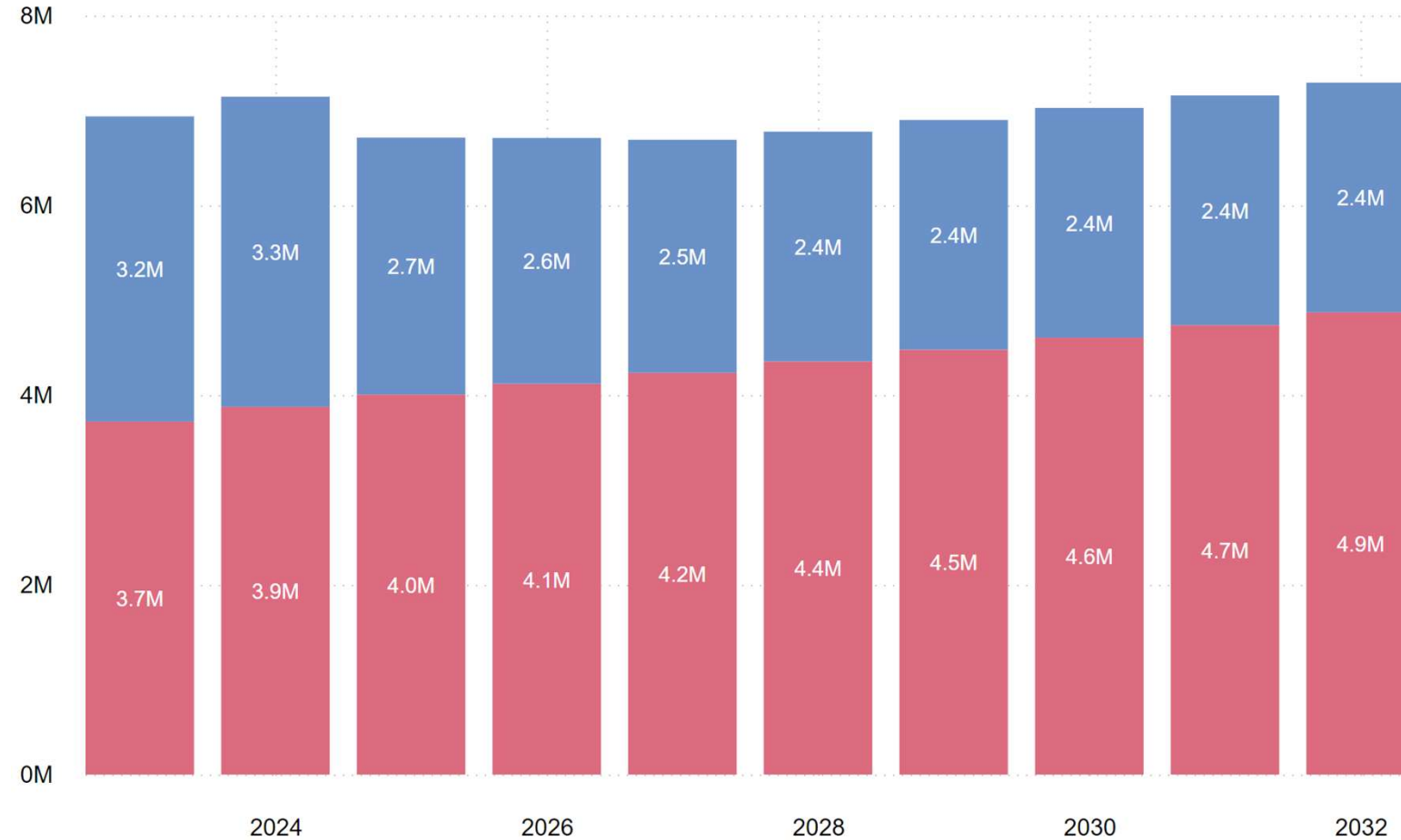
Strategy	Total
Base Case	18,050,000



Capital Income

● Additional Funding ● Assessments Due ● Capital Dues Income ● Net Initiation Fee Income

Base Case



10-Year Total

Capital Income	Amount Sum
Additional Funding	0.00
Assessments Due	0.00
Capital Dues Income	43,009,742.52
Net Initiation Fee Income	26,346,754.00
Total	69,356,496.52

Prior to 2019 planning

Capital Dues income was
~ \$1 Million/Year



2023 Base Case

Capital Cash Flow Projection	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Beginning Balance - Capital Cash	\$6,500,000	\$6,714,186	\$6,364,657	\$6,499,732	(\$19,380,333)	(\$14,888,761)	(\$10,850,255)	(\$5,620,500)	(\$16,797,920)	(\$11,867,139)	
Net Operating Result	\$265,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$2,065,000
Capital Income											
Net Initiation Fee Income	\$3,216,984	\$3,268,920	\$2,708,454	\$2,591,596	\$2,455,800	\$2,421,000	\$2,421,000	\$2,421,000	\$2,421,000	\$2,421,000	\$26,346,754
Capital Dues Income	\$3,720,877	\$3,876,601	\$4,005,827	\$4,119,019	\$4,235,510	\$4,355,578	\$4,479,211	\$4,606,548	\$4,737,754	\$4,872,817	\$43,009,743
Capital Assessment Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Capital Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Income	\$6,937,861	\$7,145,521	\$6,714,281	\$6,710,615	\$6,691,310	\$6,776,578	\$6,900,211	\$7,027,548	\$7,158,754	\$7,293,817	\$69,356,497
Net Available Capital (before interest expense and lease payments)	\$7,202,861	\$7,345,521	\$6,914,281	\$6,910,615	\$6,891,310	\$6,976,578	\$7,100,211	\$7,227,548	\$7,358,754	\$7,493,817	\$71,421,497
Capital Expenditures											
Obligatory	\$5,949,022	\$4,379,334	\$5,577,678	\$31,903,765	\$1,527,870	\$2,206,291	\$1,518,668	\$2,979,153	\$2,427,973	\$3,035,065	\$61,504,819
Aspirational	\$100,000	\$2,400,000	\$300,000	\$0	\$0	\$0	\$0	\$15,250,000	\$0	\$0	\$18,050,000
Total Capital Expenditures	\$6,049,022	\$6,779,334	\$5,877,678	\$31,903,765	\$1,527,870	\$2,206,291	\$1,518,668	\$18,229,153	\$2,427,973	\$3,035,065	\$79,554,819
Additional Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt											
Proceeds From New Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service-Principal	\$779,919	\$789,153	\$798,692	\$808,546	\$818,725	\$704,321	\$340,109	\$174,160	\$0	\$0	\$5,213,625
Debt Service-Interest	\$159,734	\$126,562	\$102,835	\$78,370	\$53,142	\$27,460	\$11,680	\$1,655	\$0	\$0	\$561,439
Additional Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Debt Activity	(\$939,653)	(\$915,715)	(\$901,528)	(\$886,916)	(\$871,867)	(\$731,782)	(\$351,789)	(\$175,815)	\$0	\$0	(\$5,775,064)
Net Capital Cash Flow	\$214,186	(\$349,529)	\$135,075	(\$25,880,065)	\$4,491,573	\$4,038,506	\$5,229,754	(\$11,177,420)	\$4,930,781	\$4,458,752	(\$13,908,387)
Ending Balance - Capital Cash	\$6,714,186	\$6,364,657	\$6,499,732	(\$19,380,333)	(\$14,888,761)	(\$10,850,255)	(\$5,620,500)	(\$16,797,920)	(\$11,867,139)	(\$7,408,387)	

The Comprehensive Capital Asset Plan (COMPASS)

1. Is the financial manifestation of the Strategic Plan and the Vision
2. Can be precisely quantified
3. Should be known to all stakeholders
4. Should be the “thread” that provides continuity between one Chair/President/Board/Fincom and the next
5. Must be a dynamic plan, updated continuously – it is as (more) important from a financial perspective than the operating plan . ***No longer episodic, but continuous***
6. Is the way to proactively assure a sustainable financial future
7. Proactive planning reduces (eliminates) the need for assessments and the need for reactive debt

The Critical Concepts

A view of the Operating Ledger



The Financial Model of Clubs

- Expense “cutting” or management that happens “Above the Line” doesn’t benefit the club.
- The last step in the process of setting a break-even budget is to determine how much the dues should be.
- Expense cuts or management above the line, reduces operating expenses, which, given the break-even posture, benefits the members with lower dues.
- The club doesn’t benefit from “expense reductions.”

Palms and Beaches Statement of Activities	
For the Period Ending 2021	
Operating Revenue	
Total Membership Dues Revenue	\$2,975,000
Food & Beverage Revenue	\$2,978,254
Golf Operations and Golf Shop Revenue	\$1,037,483
Yachting and Yacht Related Revenue	
Sports Recreation and Youth Program Revenue	\$68,196
Overnight Rooms Revenue	
All Other Operating Revenue	\$159,616
Total Club Operating Revenue	\$7,218,549
Operating Expenses	
Food & Beverage Expenses	\$2,925,830
Golf Course Maintenance Expense	\$1,139,853
Golf Operations Labor	\$526,772
Golf Operations and Golf Shop Expense	\$594,031
Yachting and Yacht Related Expenses	
Sports Recreation and Youth Program Expenses	\$297,315
Overnight Rooms Expense	
General & Administrative Expense	\$784,810
Buildings Maintenance and Operation Expense	\$728,641
Fixed Charges	
Real Estate and Property Taxes and/or Rent	\$220,293
Property and Liability Insurance	\$171,212
Interest Expenses	\$192,673
All Other Operating Expenses	\$0
Total Operating Expenses	\$7,581,430
Change in Net Assets as a Result of Operations	(\$362,881)
Other Activities	
Depreciation Expense	(\$561,488)
Total Lease Payments	(\$150,353)
Net Initiation Fees	\$329,850
Capital Dues Income	\$299,400
Capital Assessment Income	\$0
Investment Income	\$927
Other Capital Income	\$16,306
Increase (Decrease) in Net Assets	(\$428,239)

- “Above the Line” impacts the member’s dues and the member’s experience.

Above the Line

Below the Line

- “Below the Line” impacts the club and the member experience as a result of state of physical assets.

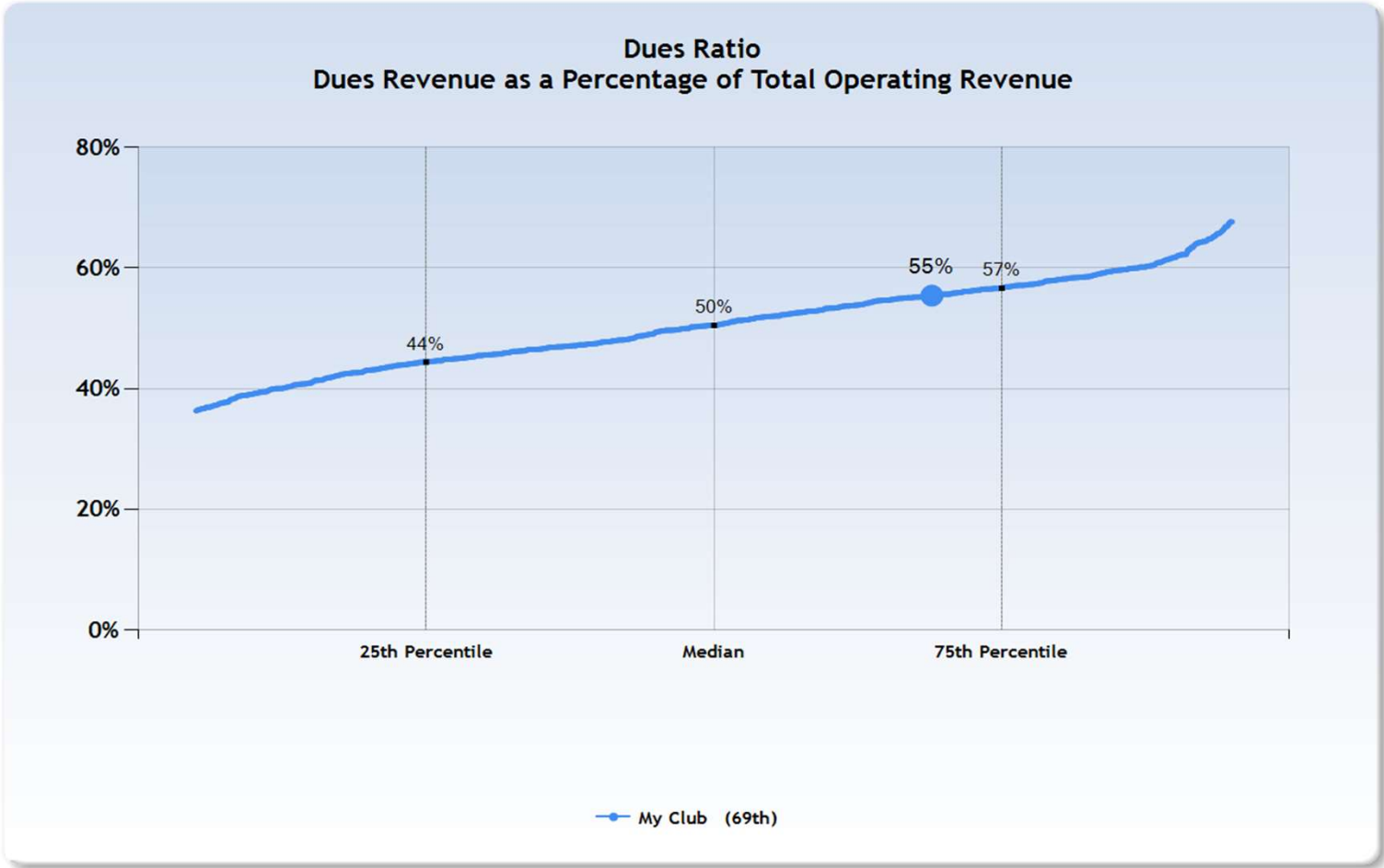


MISSION CLARITY – KEEP IT SIMPLE!

- We must create, nurture and evolve a Membership Experience that is SO COMPELLING we have enough members and are able to charge them the amount necessary to properly fund the club. Ideally, we have excess demand (a wait list in standalone clubs, intense interest in residential community clubs).
- We also must retain and attract the professional staff necessary to manage delivery of the Member Experience – and let them manage the club (not the Board, not the Members, not the Committees).
- We must generate enough **Obligatory Capital** (Maintenance) to be able to consistently re-invest in our assets so that they are always “fresh and up-to-date” and enough **Aspirational Capital** (Growth) to continuously add the new services and amenities necessary to keep pace with an ever-changing society and the wants of the next generation of member (a family with 42-year-old parents or in certain residential community clubs a 60-year-old couple).

The Tension of Opposites....
Does our Vision drive our budget?
Or
Does our budget drive our Vision?

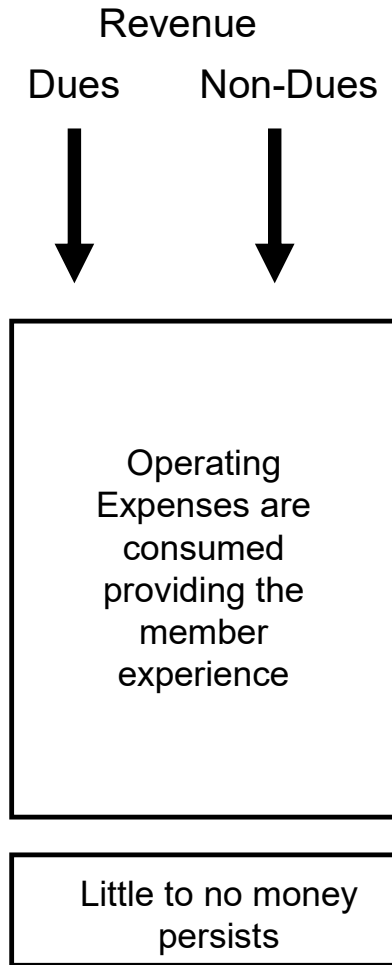
The Member Experience Model



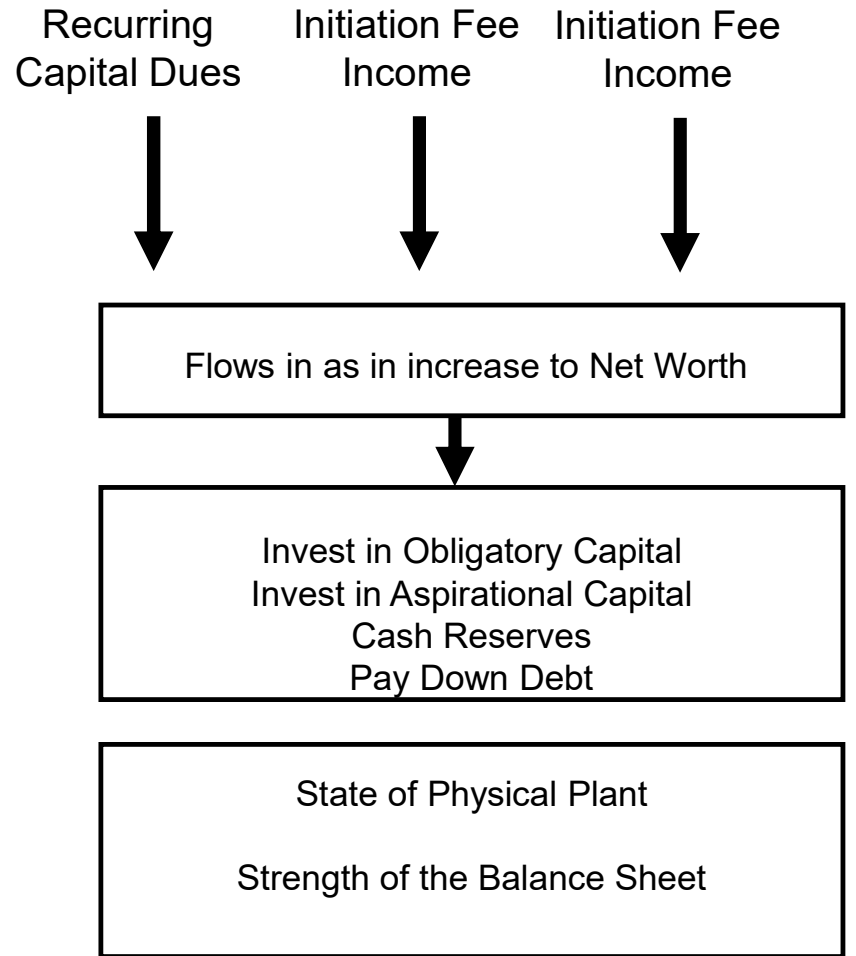
Anywhere CC vs. All Clubs with Golf – 2022 Year End (275 clubs)



- Operating monies are consumed and do not drive the financial outcome over time.
- Capital income flows in increasing Member's Equity.
- That money is destined for investment in Property, Plant & Equipment, to pay down debt and to increase cash reserves (resulting in the strength or weakness of the Balance Sheet).



The Flow of Money Over Time



The Ongoing Impact of the Pandemic

- Member-Centric Experience
- Member-Centric Funding
- Dues Revenue vs. Non-Dues Revenue is a fairness issue.

The Critical Financial and Business Model Concepts

1. Members should understand the key drivers of success in the club industry and avoid imprinting the knowledge of their own business on the club industry. Members should understand the difference between an opinion and a fact.
2. Clubs compete on the experience they offer, not the price they charge. Members of every club are responsible for properly funding the club so that it can compete successfully over time.
3. Clubs are high fixed cost businesses – expenses are not “bad.” The operating expenses reflect the scale of a club’s footprint and the breadth and quality of the member experience.
4. The purpose of the Operating Ledger is to deliver services and amenities to the membership...it is consumed year-in and year-out by members enjoying the club. It is not the financial driver. The financial driver is the Capital Ledger.
5. Every club stakeholder should understand the concepts reflected in the most important financial metric – Net Worth Over Time.
6. Every club stakeholder should understand the story told by the balance sheet and the impact of Net Worth Over Time on the balance sheet.

Anywhere Country Club Conclusions

- Treating Operating Ledger mainly as the vehicle for member experience.
- Net Worth Growth over last two years as a result of recurring Capital Dues being instituted.
- Forward-looking capital plan, as always, mission critical.
- NWOT, Capital Income and Debt are likely signals more capital income is needed.

Thank You!



Ken Butler, CCM
Executive Director
636-751-3258

kbutler@clubbenchmarking.com

www.clubbenchmarking.com

*Our mission is to foster healthier clubs, more strategic boards
and more empowered managers by elevating fact over opinion.*

