

## Club Management vs. Hotels

### James DiRenzo

General Manager

The American Club Hong Kong



### What is different in a day of a Club Manager than a Hotel Manager?

I would first say that there are many similarities in the day of a Club and Hotel Manager but the major difference in a typical day for the Club Manager would be the level of contact that Club Managers have directly with their customers. We place a significantly higher degree of attention to Member comments that are part of the daily reports from each of the Club's outlets including food and beverage, fitness and recreation and member services. During our daily briefings we review each comment submitted by way of our daily sales reports, incident reports, comment cards or point of sales surveys. We then determine as a group, what action is necessary and deal with the situation accordingly. This immediate response and attention to customer detail is as important to us as our daily revenue and cost reports. This is a critically important process to building trust and loyalty...two essential aspects in customer relationship development. Club Managers also deal with several Member Committees and a General Committee or Board of Governors and this usually means another dimension to the day which impacts the Club's operation.

### What is the difference in your opinion between running a Club and a Hotel?

In my opinion, the Manager of a Club has a much more personal relationship with his business than that of a Hotel Manager. A perpetual quest for Member satisfaction in a discerning private Club means that the Club Manager should be constantly mining feedback and making sure his entire Staff understands that every Member interaction is a Member survey...an opportunity to improve and understand individual Member preferences. Most Clubs do not have the benefit of the corporate or regional support that most hotels do. You are generally on your own running a Club and must work incredibly hard to prove yourself every single day to Committees and Boards made up of volunteers who want to do the best for the Club but may have their own ideas about doing things. Good governance must always be on the mind of a Club Manager while he considers opinions on every

part of the Club. Since many Clubs have vocal minorities and members with personal agendas, he must always be committed to a professional code to ensure that his and the Club standards are never compromised.

### **What skills make a great Club Manager?**

A great Club Manager is a great listener and a courageous leader who is not afraid of feedback and not afraid to be the honest broker when dealing with Members and advising Committees and Boards. He needs to understand that he plays an important role in the community and he is responsible for bringing people together who share common objectives and aspirations. A great Club Manager is disciplined and focused in his direction yet unselfish and humble about his contributions. Above all else the great Club Manager has an incredible servant's heart that he shares with his entire Staff. He treats his Staff and business partners as well as he does his Members and he has the realization that he is there to serve the best interest of the Club and its Members. A great Club Manager must also be a shrewd business person who maintains the balance of the joys that a Club provides its Members while also managing the business on their behalf. I've heard that old phrase too often over the years... 'this is a Club not a business!'...nothing could be further from the truth! In addition to the above and like any great leader, surround yourself with dedicated professional specialists who have proven track records and can deliver results. Club management requires incredible collaborative skills to ensure that everyone is a winner.

### **How did you get into the Club Industry?**

I was very fortunate to get my start in the Club industry with ClubCorp out of Dallas, Texas. I had spent the first part of my career as a Chef working under the great Gunter Gugelmeier at Toronto's Westbury Hotel in its heyday. I was eventually recruited by ClubCorp to assist in several Club openings around the US and Canada and was lucky enough to spend time in some of its iconic properties including Pinehurst in North Carolina. After being sent to Beijing to open the Capital Club, ClubCorp provided me with the structure, resources and training to move from the kitchen to the front of the house then to a General Manager's role at the American Club Singapore...its largest Club at the time. When Bob Dedman Sr. and Bob Johnson were leading the company, people and their development were their highest priorities. They ensured that we were thoroughly prepared for all aspects of the Club business making sure we spent the time required going from department to department with the corporate leaders of each department. I then left ClubCorp after I was recruited to lead the American Club Hong Kong where I continue to work with an incredible group of people...our Committees, Board and Staff.

### **How has “Club Management” in your opinion changed in the last 5 years?**

The last five years have been a very eventful period in the history of Club management particularly here in Hong Kong. Coming out of the shadow of SARS, we worked very hard to reinvent ourselves and remain attractive to our Members. In Hong Kong, our competitors also include the global stars of the international hotel world so our business plan over the past five years included taking pages out of the way hotels normally do business. For several years, hotels worked hard at personalized service and customer recognition...two traditional mainstays of Club business; they were moving into our world! As most of our Members are expatriates and travel the world through the global centres, we surmised that they needed the same quality and experience they were used to from a Four Seasons, Mandarin or Shangri-la. Therefore we increased our focus on diversity and excellence in food and beverage, high quality amenities, improved communications and offered unique services. It has certainly paid off since the Club continues to be the choice of its Members in the midst of the hotel giants particularly in central Hong Kong. Our business planning also concentrated on quenching the ‘time thirst’ of our Members, making registration, communication, reservations and feedback much more convenient and timely. All in all, this has resulted in the delivery of superior products and services.

### **What advice would you give anyone who wishes to enter the Club industry?**

You can not be an effective Club leader unless you absolutely love the business and see beyond all the requests and favors people ask of you. I would highly recommend starting off with one of the major Club companies like a ClubCorp; this will certainly give you a great foundation to work from and the opportunity to create and/or expand a data base of Club professionals. If that is not an option, find one of the great established Clubs that has a commitment to training and development. We at the American Club Hong Kong are committed to developing leaders in all of our departments through our Advanced Leadership Development Program. Both the Senior Managers and Team Leaders at the Club are committed to continuous improvement and unequivocally support the initiative. To be successful in the Club industry one must have the business savvy of a successful entrepreneur, the skills of an international diplomat, a servant’s heart and the skin of an armadillo!

## **Andrew Christon**

General Manager  
The Canton Club

### **What is different in a day of a Club Manager than a Hotel Manager?**

In many ways it is quite similar, both will chair internal morning briefings and regular executive team meetings and deal with similar operational issues whether it be F&B, Kitchen, Front Office, Housekeeping, Maintenance, Security, Sales & Marketing, HR, Health & Fitness and Finance. However, I would suggest that the Club Manager would spend more time in the front of house, on the floor engaging with Members and spend time with the Board and various committees. Rather than selling bedrooms we are selling Memberships.



### **What is the difference in your opinion between running a club and a hotel?**

One needs to be much more hands on running a Club, as most hotel operations are much larger than a Club you often have the luxury of support from a large corporate office and qualified senior executives with larger teams whom you can delegate most tasks to. In running a Club you need to be more entrepreneurial and generally a “jack of all trades”. At the same time you have to embrace owners, board members, Members and committee’s who are the guardians of the Club and have very high expectations. The biggest difference is that you are looking after the same customer base (Members) day in day out and you must constantly strive to exceed expectations and keep things interesting and fresh.

### **What skills make a great Club Manager?**

Diplomacy, attention to detail, sociability and an entrepreneurial spirit! I recently managed a Club which was majority owned by a leading Private Equity firm, nine independent shareholders who also served on the Club Board, an active Honorary Board of Governors made up of the leading figures of government and business, an F&B Committee, Events Committee and Membership Committee and over 1300 Members! Oh, and a Corporate Office to boot. To suggest that a Club Manager is never short of advice is an understatement. Members, Committees and Boards take pride and ownership of their Clubs and adopt an active role in influencing the direction of a Club. An effective Club Manager must be open to take on board a huge amount of feedback and guidance whilst at the same time have the ability to decipher the advice they receive and implement policies

and procedures to make them happen. You must be an influencer and have the ability to regularly take on new ideas from your “customer base” then motivate your team to deliver whilst at the same time take care of your bottom line.

### **How did you get into the Club Industry?**

I started my hospitality career at Claridge’s Hotel in London’s Mayfair in the late eighties and in many ways this was my entry point into the Club industry, because in those days Claridge’s was more like a private Club than a hotel. Table two in the lounge was known as Barbara Cartland’s table, Henry Kissinger always sat east facing on table 16 and had his two chilled Chardonnay Kir’s from 6.45pm promptly every evening without the usual almonds or chips, just the Twiglets before he ventured out into the London night. All of my mentors such as Luigi the Restaurant Manager, James the Foyer Manager and Mr. Bentley the Hotel Manager had worked there for over 20 years and every customer knew them by name and more importantly they knew every guest and their idiosyncrasies. It was a magical time and a wonderful introduction to this great industry. After three years mixing with royalty and celebrities at Claridge’s I moved on to The Dorchester and later to a well know International five star hotel property, here I came face to face with corporate hospitality life where my mentors enthused about KPI’s, RevPAR’s, cost % and ADR’s, all very important of course, however, they were less enthusiastic about exceeding expectations and great quality service apart from the introduction of a pillow menu or answering telephones with a quirky “what’s your wish?”. The personal relationships and genuine hospitality (in my view) had disappeared.

Then in the mid nineties my world opened up again when a successful Club operator from South East Asia was about to open their first Club in London, which was to revolutionize the Club business in the very city where Club’s were born by cleaning up the cob webs, waking up the old guy behind his newspaper in the library and serving up some decent food. Their plan was to recruit top talent from leading London hotels and open a Club fit for the 21<sup>st</sup> Century. I joined the opening team of the London Capital Club in 1994 and from there I have had the privilege to open and operate Clubs in Indonesia, Russia, Thailand, Japan, Dubai and now China.

### **How has “Club Management” in your opinion changed in the last 5 years?**

There was a time when it was enough to have a few traditional dining rooms, a library, members bar and a bunch of private dining rooms where you serve good food and provide outstanding service to the top echelons of business, finance and government in an exclusive surrounding. In fact, in some cities it still is and whilst I think people continue to join Clubs for the same reason they did 20 years ago, the latest Clubs I have been involved in are much larger in size and have many more facilities such as bedrooms, a state of the art gym, dance studio, theatre, spa, hair salon, sauna, steam room, swimming pool, outdoor spaces, children’s facilities and numerous F&B outlets with new concepts and two to three types of cuisine. Dress codes have been relaxed and in some cases abolished and wifi is a must, forget about leaving your phone with reception as you are going to need it to order your lunch in the Japanese sounding named dining room with the open kitchen and celebrity chef. The Members Bar is no longer serving G&T’s but rather Mojito’s and Cipriani’s prepared by a

mixologist dressed in sponsored Armani shirts and Club branded Android Homme trainers whilst a DJ in the corner from Micanos plays the latest chill out tunes. The majority of Members are now between the age of 30 to 40 rather than 50 to 60 which demonstrates how Clubs are successfully evolving.

Strategic relationships with selected organizations for the benefit of club members are becoming important, including yacht and private jet charter, holiday lounges and a full blown concierge service to ensure members get into Nobu when they visit London next week; reciprocal club programmes remain important but now include top restaurants and leading hotels in major cities. Club Events are also evolving with world renowned speakers in TV style productions which are later downloadable on the Club web site for Members who missed it and racing a fleet of new Audi's around the autodrome with your fellow Members is the norm.

### **What advice would you give anyone who wishes to enter the club industry?**

As Kipling once said "If you can keep your head when all about you are losing theirs and blaming it on you. Or watch the things you gave your life to, broken, and stoop and build 'em up with worn-out tools. If you can meet with triumph and disaster and treat those two impostors just the same or walk with kings whilst not losing the common touch" then the Club industry is for you...my son".

**Russell Matcham**  
CEO  
Capital Club Limited

## **1. What is different in a day of a Club Manager than a Hotel Manager?**

Although there are a great deal of similarity between the day to day operations of the Club and a Hotel, a Club Manager is typically far more hands on. Members, particularly those who sit on boards and committees, require far more time from the Club Manager than the typical hotel guest: many of whom come and go without thinking about or needing interaction with the Hotel Manager.

The Club's morning briefings are focused on the specific requirements of members coming in and therefore take longer than the typical hotel briefing. More time is often spent as on an individual table booking than on event.

The daily grind of responding to emails is a problem for everyone but for a Club Manager it is particularly important. Demanding members need to be dealt with quickly and effectively as it is likely the member will be back in the Club shortly and it is much more time efficient to try and settle it all by email. Blocking time to focus exclusively on emails is essential for a Club manager before the Club gets busy for the day.

Once a Club Manager is on the floor it is very difficult to disengage and often you just cannot get away. There is expectation that a Club manager will spend time chatting to members, any perception that you are curt or disinterested works against you in the long run so you have to make the commitment to be on the floor for as long as it takes. Member recognition is vital as is knowing the specifics about members.

Hotel Managers have the opposite problem, there is so much reporting required these days that it is hard to get away and spend time on the floor. Thankfully the degree of reporting required for most member owned clubs is far more limited and contained to specific time periods.

Another major different is the time that Club Managers need to commit to attending events, making introductory speeches and prize giving's. Most late afternoons and evenings especially on the weekends for Country Club Managers is given to these functions.

All in all, the club manager has a far bigger role as a host in his day to day activities. Unfortunately for the modern day hotel GM, especially in bigger hotels, the administration and reporting duties keeps them from this important role.



## **2. What is the difference in your opinion between running a club and a hotel?**

Club teams are typically smaller than hotels but handle many more personal issues as all members feel that they are stake holders in the Club. It is vital therefore that a Club Manager is visible in the Club and is seen on the premises.

Paramount too is the focus on the detail of service rather than the general standard of service. Members should be given individual service, getting the dishes and drinks that they specifically prefer rather than generally good service. As the club industry evolves this is going to be the main differentiator between the service at clubs and hotels. Clubs have to strive to provide a bespoke service to each member.

This leads to a vital ingredient for a successful club operation which is staff retention. The knowledge staff develop regarding members' specific requirements should not be lost. Although CRM systems have made it easier for hotels and clubs to retain guest information it is this personal knowledge that tells you how much, in addition to the what and when.

Club managers also need to participate in many committee and society meetings. In a busy club with lots of activities this is a major time burden that hotel GM's don't have.

## **3. What skills make a great Club Manager?**

As a starting point, before you can focus on skills of club management, you have to be a person that genuinely likes people! Being personable is part of this but it is more about being caring and social. If you have this character you can develop the necessary skills.

A great Club manager has to develop the ability to be resolute without being stubborn or intransigent. If you get this right you are well set to withstand the deluge of opinion that you come up against in a typical club.

A Club manager must know his stuff (club systems and processes) and keep up to date. Doing it by the book always helps if you are dealing with demanding boards and committees. If you present a case backed by the club industry norms it becomes the industry's opinion rather than your own,.. this is more difficult to argue against.

Member recognition and recalling personal details about members is important. A great CRM system helps but a great club manager knows all his members and their family details.

Other skills that help these days are a good eye for graphics and form, and the ability to write succinctly and well. One of the greatest challenges that we all have is how to get our message across

and the ability to put together a great website, social media pages, and twitter messages is now an important part of the club managers skill set.

So in summary, in my opinion, a great club manager is caring, resolute, well studied, has a good memory and can communicate well on all platforms.

#### **4. How did you get into the Club Industry?**

I started out as part of the development team of hotels and casino's for Sun International in Southern Africa and the Indian ocean islands. When I finished with the Lost City at Sun City it was clear that there would not be another development like that for some time in South Africa, so I decided to move to Hong Kong and was lucky to find a position with CCA International. This was my first experience with clubs. I rather enjoyed the fact that we were working on city clubs, golf clubs, and country clubs all over East Asia. I was also fortunate that CCA International was at the forefront of club development in East Asia at the time and the alumni of CCA International still dominate the industry in all of Asia.

#### **5. How has "Club Management" in your opinion changed in the last 5 years?**

Club management is certainly far more complex than it was a few years ago.

On a day to day level I believe that Club management in North America and Europe is vastly different to what is experienced in Asia. North America has always been the most commercial, professional and benchmark for the industry. That is still the case, CMAA is still the leading professional organization but the industry in these countries is in decline with membership numbers falling across the board. In Asia the situation is better with large young generations coming through. Club Management in the North America and Europe therefore tends to be focused on financial control and doing more with less and in Asia it is more to do with the challenges of the changing nature of clubs and communicating with broad demographic of members.

The introduction of social media into the mainstream is the biggest challenge facing Club Management in Asia. We now use Face book, Linked In, twitter, bbm and sms as our preferred methods of communication. A successful event at the Club is generated by the message going "viral"! A unheard of statement in traditional clubs. Of course we still have members that respond to email, snail mail and even courier so we find ourselves communicating on all platforms.

We also are finding that the club management is taking more of a leading role in influencing members with regards to social responsibility and fostering economic growth and entrepreneurship. Previously just by being a member of a exclusive private club meant that you were meeting the right people and that was good enough. A successful club now has to have dynamic programs where leading members are mentoring young people both inside and outside the club to become the next generation of business and social leaders.

The time pressure on Club managers has also increased and making sure that there is still enough personal time with members on a “belly to belly” basis is much more difficult. The time spent on the floor is vital to maintaining a successful club and stringent time management is an imperative these days.

We do have more access to improving IT systems and this is a great help especially the use of CRM tools that are making it easier in the day to day management of a Club. The gathering of prospect and member data is vital as is having the best systems. This can truly make the world of difference especially for a new club that has a membership base growing quickly.

## **6. What advice would you give anyone who wishes to enter the club industry?**

It is important to understand where the club industry is heading.

Traditional clubs are getting squeezed by social media and encroachment by boutique hotels and quasi clubs like Soho House and Home House. Modern clubs have to be far more meaningful to members. The tradition of a Club being a place where you get to meet the right people and to find out what is going on does not resonate with a population now used to having thousands of friends on Facebook and worldwide access on their PDA.

I certainly believe that new entrants into the industry will have to confront the fact that clubs have to evolve rapidly to stay relevant. This is especially true of business or city clubs which were supported by business interaction that is now predominantly done by electronic media. The need for the private business lunch has disappeared as business people have accepted e-business practices that often preclude the necessity of a face to face meeting. Clubs have to play more of a role as places of entertainment, group activities and the purveyors of insight rather than just information.

A major trend in F&B is that people now go out to drink and food offering is becoming secondary. The noisy, busy restaurant is the preferred place to do this rather than a quiet club dining room. Clubs will have to be redesigned to compete.

There is therefore a need for a new style of club. The concept of limited, private membership and exclusivity still has a lot of appeal. The challenge is to find what works in each community. For those who get it right there is a whole new generation willing to join.