INTRODUCTION
BY STEPHEN READY, VCT

Five of the club industry’s leading technology CEOs presented their views on the future of club technology at the National Club Conference in Boca Raton, Fla., on April 29, 2013. What follows is a more in-depth presentation of their insights into what lies ahead for private clubs and the unique club technology landscape.

Should club technology be viewed first and foremost as an added value experience for club members? Or, is technology in clubs really about efficiency and productivity for club management, thus impacting the member experience in all aspects of club operations? Where should clubs be investing their limited technology budgets, and moreover, should the IT and marketing/communications budgets be merged to better reflect the role technology plays in member experience and engagement? How important is social media to the technology and communications mix, and as with all new initiatives, how much advanced strategic planning is required to make technology investments worthwhile? These are all important questions, and we are just scratching the surface.

While interviews with the CEOs show clear differences of opinion on certain “micro-issues”; there is a general consensus among them on a variety of fronts. There is simply no doubt that as we move forward as an industry, clubs must INVEST more in technology. The days of looking at technology as a line item in the budget are over. Just the opposite, technology, in all of its shapes and sizes, is an investment that requires due diligence, commitment and long-term thinking. Ask any chief marketing officer of a successful organization, who is charged with nurturing, activating and growing their customer base, where they are focusing their investments. Nine times out of 10, it’s technology. If private clubs are going to prosper over the next decade, they must fully embrace relationship-marketing practices with our members, and ensure we are investing in the appropriate and necessary tools, technologies and processes.

Just the same, ask the chief operating officer of any successful enterprise how they are making technology decisions and you’ll hear two buzz words: strategic planning. As our technology leaders point out, the decision matrix is complex and there will be significant increases in the application of technology to club operations. Strategic planning and change management will be the difference between success and failure as new technologies and methodologies are introduced and enhanced. They will help a club align IT investments with strategic goals and objectives. It’s not about one platform or another, or who has what features. It certainly shouldn’t be about “go” or “no go” decisions with regard to mobile, social media, cloud, etc. These are all “on the table,” for all clubs. Some of the answers to these questions are based on business fundamentals, while others are more cultural. In other words, it’s a club-by-club issue.

One of the keys to success moving forward is to embrace technology and ensure industry leaders are committed to its continuous improvement. As an industry, we must stop looking to place blame, or worse yet, continue to search for the next great “solution” to all our technology
challenges. Instead, we need to look to technology as a foundational tool—a supporting resource, as we chart a course for change and the evolution of club operations. We must take a big leap forward with how we plan, budget and prioritize technology-related initiatives, with the primary goal of enhancing the member experience.

Read on for a candid discussion with our technology leaders, including their views and philosophies for tackling today’s challenges and embracing tomorrow’s opportunities.

**Is technology likely to become more important for clubs in the future? How can it enhance the member’s experience?**

The private club world is rich in history and tradition, offering members the chance to escape into an experience separate from their daily lives. Yet, as technology and communication methods advance at breakneck speeds, private clubs stand to fall behind in their ability to retain the interest, and financial support, of their members. The time has come for clubs to decide what role technology will play as they pursue their individual goals, and carry their traditions into the future.

By the end of the technology presentation at the National Club Conference, it was clear: Increased technology reliance will be crucial for the long-term success of private clubs. Although each CEO agrees on this point, they have differing ideas about which areas of operations could benefit most from improved technology.

Dr. William Ivers, CEO of Clubessential, encourages club managers to “look at members as underutilized assets—people who would participate more at the club if you had better communications.” Technology such as social media and web platforms offer a greater level of communication and community involvement than ever before. Ivers notes that even the more senior club members are now actively engaged online and on their phones. The more that clubs make use of such platforms, the more they will be able to improve member awareness, increase participation levels and bolster member engagement.

Kevin Kopanon, CEO of MembersFirst, believes that today’s clubs often struggle to adequately meet the technology expectations of their members, whom expect the club to be as technologically advanced as the restaurants they frequent, the banks they use or even their workplaces. Technology partners need to be laser focused on tools and services that help clubs deliver better, more informed communication, programming and services to their members. One area, in particular, in which clubs should make use of new technology is segmenting members by their interests and what they spend time and money on, and then customizing club communications accordingly.

Such streamlining of marketing and communications not only improves member experience but, ideally, increases club revenue. Barry Symons, CEO of Jonas Club Management, predicts that technology solutions that simultaneously offer benefits to the club and its members will grow in importance. He notes that, in many cases, this will simply involve incorporating systems into the club world that are already commonly used outside of clubs, including online payment systems and platforms for making and modifying reservations.

Ray McDonald, CEO of ClubSoft, believes that for many, technology reliance is already an important part of the member experience. He notes that most club members are ahead of trends in technology and that clubs need to be taking this into account when planning technology changes. He believes it is no longer effective to make technology decisions based on back-office preferences or familiarity, as most clubs have done in the past. Instead, McDonald states that because technology is playing an ever-increasing role in the member experience, clubs must consider this and start implementing technology roadmaps that enhance that experience. He notes that buying a system just for the sake of change is not a prudent strategy. Clubs instead must consider what their objectives are and how new purchases integrate into the overall technology roadmap. Because the member plays such an integral part in club technology in today’s world, it is fundamental that clubs keep them at the forefront of all decisions.

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**MEET THE CEOs**

As a way of getting to know our technology experts better, we asked them, “How does your background give you a unique insight into the future landscape of IT at clubs?”

**Dr. William Ivers**
CEO, CLUBESSENTIAL, LLC

As CEO of Clubessential, I’ve participated in the major changes in club technology over the last 12 years:

- The original introduction of club websites
- The huge shift in the focus of technology from the back office to member facing online systems
- The introduction of transactional systems including statement display/payment and all kinds of reservations
- The introduction of cross marketing which created a huge ROI for online systems
- The introduction of mobile services

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With the rapid progress of technology today, it is likely that many tools benefitting clubs will take new and exciting forms. Prasad Suryadevara, CEO of Northstar Club Management Software, notes many clubs are exploring mobile, member-facing solutions to respond to member requests for family-friendly, wireless access to the Internet to keep kids entertained, for club news and information, and to facilitate business access for members. As younger members join clubs, they expect to see similar technologies such as smartphone apps, wireless and mobile point of sale, and online access to club services. He predicts that mobile and smartphone technology will become an important part of club life, increasing the range of activities members can enjoy. To ensure younger members retain their interest in the club, such new platforms must be integrated into the member experience.

Kevin Kopanon (MembersFirst) agrees that no single area of technological investment will serve all clubs in the long term. “Any time a club is asked to spend money,” he notes, “it must consider how the expense will tap into operations or the members’ side of the club strategic plan.” In light of this, he suggests that clubs invest in, and utilize, more robust data-collection software to analyze how club activities are affecting the bottom line. This includes transaction data and communications and activities logs—which can tell club managers what areas of operations are truly bringing in revenue. There have to be real benefits that coincide with the strategic goals and objectives the club has established.

In looking for key areas of technological investment, the emergence of smartphones and mobile-friendly websites has increased the demand for lightning-fast access to an Internet connection. Prasad Suryadevara (Northstar) emphasizes that meeting member demand for high-speed, secure Wi-Fi access is the most important investment a club can make. In addition, clubs must be prepared to offer smartphone apps and mobile-enabled websites that connect members to the club 24 hours a day—which, of course, requires the budget, equipment and know-how to provide support.

According to Dr. William Ivers (Clubessential), the ROI for technology has shifted from the back-office to member-facing technologies. Important investments include: mobilization of the website, making reservations of all kinds and contracting of outside services as required to ensure constant tending to the online communication channel. The biggest error clubs make is judging their IT budget in isolation from the marketing budget or relative to last year’s IT budget.

The experience of other industries, according to Ray McDonald (ClubSoft), has shown that integrated technology models often fare better than feature-focused ones. The most important investments for clubs right now may not be just in specific tools, but in technologies that complement and enhance each other—improving overall infrastructure.
When it comes to investing in infrastructure, McDonald recommends a cloud-based approach, which decreases upfront infrastructure expenses by shifting computing hardware and software to a remote server, accessed through the Internet. Ivers (Clubessential) also promotes cloud-based infrastructure, and employs it in his current services. Kopanon (MembersFirst) and Symons (Jonas) both anticipate that the cloud-based model will become prevalent. However, they both believe the process will be lengthy for clubs, and that it will require a total reconsideration of IT at each club. Suryadevara (Northstar) would not recommend investing in a cloud-based infrastructure now, due to high costs and low adoption rates.

Kevin Kopanon (MembersFirst) suggests that clubs need to create policy that gives members the flexibility they need and want without creating an intrusion for others. He cited smartphone usage as an example. Some clubs have zero tolerance cell phone policies, others have certain areas where cell phones can be used and still others have more lenient policies where cell phones can be used throughout club property.

If members play more rounds and spend more time and money at the club because they can remain connected to the office via their smartphone, is that enough for a club to consider a change to a more lenient cell phone policy? It depends, every club is different. For every member who wants this convenience, there is another who doesn’t.

Prasad Suryadevara (Northstar) reminds clubs that they cannot prevent mobile phone use without alienating a growing percentage of the membership. Why shouldn’t members be able to tweet about their great meal at the club, publish a Facebook status update describing fantastic course conditions or blog about their tennis game?

Clubs must be conscious of how member-generated content on the Internet will reflect on the club. Whether unwanted content takes the form of inappropriate language or extreme negativity toward the club, it can damage a club’s image and make the member experience less comfortable for others. Policies must adapt to address the sort of content that is acceptable for members to post on club websites or other club communications platforms.

Dr. William Ivers (Clubessential) predicts mobile devices will become even more pervasive and members will expect to amplify their activities through such devices. Clubs need to be flexible with their rules on mobile device usage. However, he also cautions that all interactive aspects of a club’s website or social media platforms should be controlled by the club to preserve decorum and club traditions.

Not all considerations of policy should focus on negative outcomes. As Ray McDonald (ClubSoft) points out, many concerns about technology in the past, such as intrusive

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**MEET THE CEOs**

**Ray McDonald**

CEO, CLUBSOFT NORTH AMERICA

I have spent the last 20 years in IT and the last six years in club operations. The fact that I have seen other markets go through similar changes gives me a very good idea of where the private club industry will end up. We are behind the curve on things like cloud computing, VoIP, social media, etc. Having watched the medical industry figure out solutions gives me an idea of where our industry will be in five years. Also, the fact that our company owns and operates eight private clubs gives us a perspective like no other vendor. Not only do we develop solutions, we use them ourselves.
noise from cell phones, have been reduced or eliminated as technological advancements have been made, and will continue to do so. As technology is refined to avoid irritating disruptions, clubs may be able to eliminate or relax policies that previously protected against such disturbances.

**What areas of club operations are most likely to be affected by new developments in technology?**

*Clubs must strike an important balance between upholding their commitment to tradition and adapting to the increased need for technology. Areas of the club most likely to be affected by technology are specific to individual clubs, yet, based on current technology trends, there are certain club areas that seem especially likely to change.*

From staff training, to amenities, to software—innovations in club technology can quickly render your operations out-of-date. As clubs attempt to honor their individual histories while also remaining competitive, certain domains of club life will be revolutionized, while others will remain largely unchanged. Which club areas will technology impact the most?

For Prasad Suryadevara (Northstar), it’s the member-facing aspects of the club that will most likely change with future technology. Communication tools such as the club’s website and mobile applications must be kept relevant and fresh, since they will often serve as a member’s entryway into club life. In Suryadevara’s opinion, clubs will see point-of-sale devices become information portals, providing club employees with information about the member that will be used to customize each member experience. Of course, keeping those segments of the club experience up-to-date will require knowledge and time; therefore, Suryadevara predicts clubs will realize a need for full-time IT professionals to oversee these tasks.

Dr. William Ivers (Clubessential) agrees that a club’s website, serving as an increasingly powerful communication platform, will see many changes as club technology progresses. By keeping the website timely and attractive, clubs will be better able to compete for the attention of members in a world of ever-increasing messaging. As members face more and more external marketing, Ivers also anticipates that membership marketing will receive more attention at clubs. Future technology will both require and enable more efficient member communication and promotions.

While member-facing tools and marketing initiatives are key to club operations, the CEOs also noted some important aspects of planning, research and strategy that technology will transform at clubs. Ray McDonald (ClubSoft) believes that one crucial shift at future clubs will be an increased reliance on the Internet for mission-critical tasks. McDonald observes that many commercial businesses have already moved all business applications to a cloud-based infrastructure—requiring a strong, secure and reliable Internet connection—and he believes it is only a matter of time before most clubs do the same.

Kevin Kopanon (MembersFirst) sees “in-time” data collected and applied in real-time, as the next big thing for strategic planning at clubs. This information allows club managers to notice trends as they happen, revealing such patterns as what dishes are most popular in the dining room, what types of members refer the most new members, what brands members prefer in the pro shop and more. Kopanon notes that, in the community of a private club, members expect their tastes to be known, and appreciated. “In-time” data is the key to giving them exactly what they want, and increasing revenue in the process.

This sort of predictive data is also a central area that Barry Symons (Jonas) identifies as likely to change with future technology. He sees predictions being applicable on the level of assigning staff to club facilities to meet expected usage. Symons also expects that automated member services and grounds maintenance will become useful for future clubs. The ability to make dinner reservations, view statements and book tennis courts online or through smartphones will be needed to satisfy an increasingly tech-savvy membership, and will simplify operations for the club. Additionally, the ability to perform functions automatically, such as golf course maintenance (e.g., watering based on need), could mean significant cost savings for clubs in the long term.
WHAT IMMEDIATE DECISIONS CAN CLUBS MAKE TODAY TO ADDRESS COMMON IT PROBLEMS?

While preparing for the future of private club technology is essential to the long-term success of a club, technological issues also exist in the way of many clubs’ current, day-to-day successes. These immediate difficulties may overshadow future technology concerns for some club leaders, as the private club industry struggles to keep pace with today’s innovations. In follow-up interviews, the experts of the Technology Innovation panel offered their insights into what clubs can do today to address pressing technology issues.

Before a club can prepare for the future landscape of private club technology, it must assess its current IT needs, and address any obstacles. How can a club catch up to the technological solutions available today?

**IT Planning**

Kevin Kopanon (MembersFirst) reminds club leaders to take the time to review their current hardware, software and overall infrastructure and network. This presents a great opportunity to get everyone on the same page as to what systems are used for what functions. To make sure technology decisions best serve the club, Kopanon recommends keeping the club’s strategy and goals as the driving forces. He also suggests that clubs involve their technology partners in the planning process, noting that the best IT partner firms will show deep interest and knowledge of the club’s operations and needs. He especially encourages clubs to embrace change—especially in IT, which changes quickly and usually at lower costs with less complexity.

Many IT issues in clubs today, according to Ray McDonald (ClubSoft), arise from a tendency for clubs to approach only one problem at a time. Instead, he advises clubs to set comprehensive roadmaps in place to decide how IT changes in one area of operations will affect others. These roadmaps need to include, but are not limited to, changes in: software, connectivity, networking, security and mobile capability. McDonald contends, having a long-term plan will save clubs money and headaches down the road.

**Budgeting**

Prasad Suryadevara (Northstar) recommends clubs budget for an annual information technology review that includes the network infrastructure and software in use at the club. By doing this annually, clubs can resolve problems such as failing hardware and untrained staff, before the problems escalate into major issues. An annual preventative maintenance check-up is the best investment a club can make towards maintaining its information technology.

**Software Integration**

A common club IT problem is implementing an integrated club management software solution. According to Barry Symons (Jonas), “My answer to this question may seem a little self-serving, but in all honesty, we design our products to be fully integrated because it solves so many issues for our clients.” One of the biggest IT headaches for any business is trying to patch together multiple systems that weren’t designed to communicate with one another. Says Symons (Jonas), “It often results in constant updating, which causes errors, requires extensive troubleshooting and creates redundancy for users.

Through the implementation of one integrated system, these issues and more can be immediately addressed.”

**Aligning IT, Marketing and Communications**

Beyond strategic planning, there are several specific directives that Dr. William Ivers (Clubessential) suggests can help clubs tackle current IT problems. He encourages clubs to start viewing member-facing technology, such as the club website and mobile applications, as revenue centers. Also, combining the club marketing and IT budgets, and increasing the club’s emphasis on member marketing. Ivers notes that, with transactional systems such as reservations platforms, club website traffic can be increased dramatically. He also suggests that clubs can streamline communications and save money by using electronic, rather than print, communications.

**MEET THE CEOs**

**Prasad Suryadevara**

CEO, NORTHSTAR TECHNOLOGIES, INC.

In 2002, I founded Northstar to bring state of the art technology to the club industry and have been involved in Northstar from the very beginning, focusing on the product roadmap, sales and marketing.

I also founded Spectrum Technologies in 1997—a systems integration company—and successfully expanded operations to 12 countries to serve several multinational companies. Spectrum pioneered the building of large-scale, mission-critical business and operation support systems for Telecom companies like Vodaphone, British Telecom and Verizon.

Additionally, I served as the architect and technical lead for AT&T’s Universal Windows project for customer service, which won the prestigious Malcolm Baldridge Quality Award, and played a key role in Motorola’s joint venture with Imonics to develop a document management and workflow automation product.
How will social media impact the way clubs use technology?

Is your club on Facebook? How about Twitter? Or Pinterest? The list of social media sites and mobile apps is seemingly endless, and it is only getting longer. Even more senior members are casually sharing information across multiple networks at today’s clubs, creating a rapid, hard-to-control dialogue about the experience you provide. This unique feedback loop poses some important challenges, and benefits, for the ways clubs will make use of technology in the future.

Social media is already pervasive among private club members. Nearly half of the club leaders attending the “Technology Innovation & the Future of Private Clubs” discussion indicated that they had a Facebook page. These platforms offer both challenges and rewards for private clubs.

Dr. William Ivers (Clubessential) emphasizes the benefits of offering a private social network—an open exchange among club members. Specialized websites or apps allow members to strengthen the sense of the club’s community from the bottom up. This can influence certain members to spend even more time at the club, or to pursue more activities at the club that bring in revenue. Public social networks, such as Facebook, create more competition for the members’ attention by pushing them to engage with the rest of the world, rather than just the club.

According to McDonald (ClubSoft), the reality is that members will visit sites such as Facebook and Twitter much more often than they will a club site. If clubs use these platforms as another means to keep members informed and engaged, it offers clubs a chance to level the playing field in competing for members’ discretionary spending. Clubs need to recognize that social media is an opportunity and take full advantage of it. The key will be harnessing the power of technology while remaining private.

Kevin Kopanon (MembersFirst) feels that there isn’t a one-size-fits-all solution for social media and results will vary by club. He recommends surveying club members, talking with other clubs and deciding how using social media could help the club and its members. Is it a channel for member communication, for new member recruitment, for intra-member communication and engagement? Your solution will depend on where you decide to focus first.

Kopanon (MembersFirst) also notes that, although social media services are free-of-charge, clubs must still invest significant resources to manage them. This includes direct and indirect time and money. Prasad Suryadevara (Northstar) asserts that the extra cost and time involved with managing social media can be worth it for clubs that use the networks to segment their membership using communications based on interests and activities.

An additional, prime concern of social media at clubs is the ability for members to create widespread negative publicity in the blink of an eye. McDonald (ClubSoft) speaks to the importance of having a staff member monitor social media interactions to help manage such incidents. Still, the possibility for negative feedback will require clubs to adjust crisis communication plans accordingly and force our industry to raise the bar. Ivers (Clubessential) similarly emphasizes the importance of club staff maintaining decorum when responding to member-generated content on social platforms.

Clubs can ignore the benefits of technology and maintain a digital-free atmosphere, or they can consider how technology can help drive the club business to new levels. By leveraging the power of always-on wireless technology and instant messaging, Suryadevara (Northstar) believes clubs can promote their brand and satisfy the demands of tech-savvy members. He notes that social media can be a great tool, but ultimately today’s social networks will be replaced as time goes on. Clubs cannot simply alter their technology plan now to incorporate social media, but they must strategize to anticipate shifts in this crucial, dominant segment of our culture.