

Board Brief

Designed for Club
Board of Directors



**CLUB
MANAGEMENT
ASSOCIATION
OF AMERICA**

November/December 2022

KPI

By the Numbers: Introducing the Universal Key Club Performance Indicators

Club Boards have a significant role in the design, monitoring, and execution of organizational strategy. Collecting data points to produce metrics that make up Key Performance Indicators (KPIs) is vital to understanding what makes up the health and success of your club. Effective KPIs are important metrics to make sure that your club can accomplish business objectives. The KPIs introduced below are quantifiable and will assist in the measurement of progress towards organizational goals.

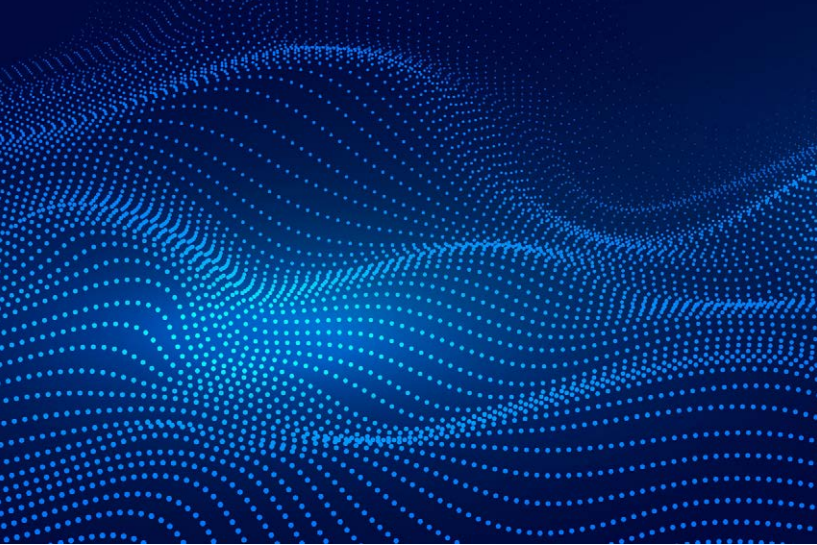
Proper use of KPIs requires a suitably developed and implemented KPI program through regular review which managers and other stakeholders assess the meaning of the results. No matter what result the KPI achieves, that result needs to be qualified, analyzed, and assessed to repeat or even strengthen the organizational performance.

The KPIs were developed by CMAA's task force and are intended to provide a tool to club managers and boards of

directors, governors, or committees to begin a conversation on the effective operational strategies toward the overall financial health of a club. These KPIs are intended to be used together to provide insightful information in concert with other quantitative and qualitative information available to the stakeholders of your club.

The task force chose to highlight the six KPIs listed below, with the intention to provide the industry with a basic level of information regarding your club's overall financial health. Using and interpreting these KPIs individually will not provide a full picture of your organization, but together they will provide a clear picture of the overall financial health of the club. In summary, they give clubs a quick snapshot and provide a basis for understanding your club's financial strengths and weaknesses. These KPIs when properly understood and applied, can provide you with the analytical starting point that will help decisionmakers make better more informed decisions.

continued on next page



1. Change in Net Assets (Member's Equity) Over Time = $(\text{Ending Net Assets} - \text{Beginning Net Assets}) / \text{Beginning Net Assets}$
2. Current Ratio = $\text{Current Assets} / \text{Current Liabilities}$
3. Debt to Equity Ratio = $\text{Total Liabilities} / \text{Total Members' Net Assets (Total Equity)}$
4. Net PP&E (Property, Plant and Equipment) Ratio = $(\text{Net PP\&E} - \text{land}) / (\text{Gross PP\&E} - \text{land})$
5. Change in Full Member Equivalents = $\text{Change in Full Member Equivalents (Annual Dues Revenues} / \text{Annual Dues for a Full Member) over multiple years}$
6. Dues to Operating Revenue = $\text{Operating Membership Dues Revenue} / \text{Total Operating Revenue}$

Excerpted from CMAA's Universal Key Club Performance Indicators White Paper. Read more about these KPIs, their rationales, and how to apply them at your club at cmaa.org/club-operations/research/industry-reports-and-white-papers/#UKPI.



Best Practices: Exploring the Qualities of Outstanding Boards

To establish a sound foundation for an ethical approach to good governance, Boards must examine the qualities of outstanding boards. The board should use the 15 qualities of outstanding boards as a discussion and evaluation tool.

1. Every board member accepts each board member with a due appreciation of his or her strengths and a tolerance of his or her quirks and weaknesses.
2. There is an easy familiarity of approach among the members of the board, with an awareness of one another's backgrounds and viewpoints.
3. Everyone concerned with decisions helps to make them.
4. The contribution of each person or group is recognized.
5. The board has a sense of being rooted in an important tradition and of providing continuity for a program that has been and continues to be important. Alternately, the board is launched on a new and exciting mission and its members are constantly challenged by the need to be innovative.
6. The attitude of the board is forward-looking and is based on a confident expectation of growth and development in the program.
7. There is a clear definition of responsibilities so that each person knows what is expected of them.
8. The members of the board can communicate easily with one another.



9. There is a sense that the whole board is more important than any of its parts.
10. There is a capacity to resolve dissent and discord or, if it cannot be resolved, to keep it in perspective in terms of larger purposes.
11. There is acceptance of and conformity to a code of behavior, usually involving courtesy, self-discipline, and responsibility.
12. There is an awareness of the fact that all boards contain clusters or pairs of people who tend to like or dislike one another, as well as ones who may not be closely involved with others. There is also a capacity to use their personal relationships as effectively as possible to achieve the larger purposes of the program.
13. There is an ability to recognize and use wisely the influence of individual board members that arises from their power, connections, wealth, social status, age, or ability.
14. In case of internal conflict, the group has the capacity to examine the situation objectively, identify the sources of difficulty and rectify them.
15. Most important of all, the board members share a clear understanding of, and commitment to, the mission of the organization.

Excerpted from CMAA's *Director's Guide for Understanding Club Governance*

Legal, Legislative, & Regulatory Update

DHS and DOL to Release Additional FY2023 H-2B Visas

The Department of Homeland Security (DHS), in conjunction with the Department of Labor (DOL), has announced their intention to release 64,716 additional H-2B visas for FY2023. This move marks the first time that these agencies have made additional visas available for the entirety of the fiscal year. These visas will provide welcome relief for many employers as the first half Fiscal Year 2023 allocation was already exhausted as of September 12.

Of the nearly 65,000 visas being made available, 20,000 visas will be earmarked for workers from Haiti, Honduras, Guatemala, and El Salvador. The remaining 47,716 visas will be designated for returning workers, those who have received an H-2B visa within the past three fiscal years and be allocated over the entire year to address the need for peak season summer employment.

In addition to the announcement of the release of additional visas, DHS and DOL plan to convene the H-2B Worker Protection Taskforce in cooperation with the White House. The Taskforce will examine policy options to address threats to the program's integrity; vulnerabilities for H-2B workers, including their limited ability to leave an abusive employment situation without jeopardizing their immigration status; and the impermissible use of the program to avoid hiring US workers. DHS indicated that it would propose further rulemaking related to the program.

For the latest availability information, visit the [Fiscal Year 2023 H-2B Cap Count webpage](#).



CMAA News & Announcements

The 2023 CMAA World Conference & Club Business Expo: A Shining Opportunity

Club management professionals from around the world will gather February 24–28, 2023, in Orlando, FL, at the only annual event focused on the business of running a club, the CMAA World Conference and Club Business Expo. The industry's largest annual gathering provides unparalleled educational opportunities for club management professionals. Is your team planning to attend?

Seek new talent for your club and mentor future industry leaders

Participate in the Career Opportunities & Networking Showcase to highlight your club and meet directly with the next generation of club industry leaders, CMAA Student attendees from the more than 40 hospitality programs around the country. Connect with individuals seeking internship and entry-level positions. CMAA's on-site career resources offers you the opportunity to post club openings and engage directly with attendees seeking new club positions.

Spark new ideas and insights for your club

With more than 70 educational offerings across all areas of club operations, club management professionals can learn from industry experts and key practitioners. Attendees can also create their own think tanks with Open Space and tap the wisdom of fellow managers. Additionally, the Idea Fair offers club tested solutions for events, holiday programs, staff management and incentives, membership development, cost/time-saving concepts, internships, and more.

Source and secure solutions to your club's challenges

The two-day Club Business Expo, Sunday, February 26, and Monday, February 27, provides an opportunity to explore products and services offered by more than 300 companies showcasing industry leading trends and innovations. Nearly every product and service you could need to purchase for your club is showcased in the Expo. Meet face-to-face to discuss potential purchases and explore aisles of possibilities.

Early registration discounts apply through December 15. Learn more at cmaa.org/conference.

The Board Brief is a publication of the Club Management Association of America. Founded in 1927, CMAA is the largest professional association for managers of membership clubs with 6,800 members throughout the US and internationally. Our members contribute to the success of more than 2,500 country, golf, athletic, city, faculty, military, town, and yacht clubs. The objectives of the Association are to promote relationships between club management professionals and other similar professions; to encourage the education and advancement of members; and to provide the resources needed for efficient and successful club operations. Under the covenants of professionalism, education, leadership, and community, CMAA continues to extend its reach as the leader in the club management practice. CMAA is headquartered in Alexandria, VA, with more than 40 professional chapters and more than 40 student chapters and colonies. Learn more at cmaa.org.