



*Ridgewood Country Club, Waco, TX*

**Club:** Ridgewood Country Club

**Location:** Waco, TX

**Top Executive:** David Gardner

**Club Description:** Ridgewood is a full service country club with 18 holes of championship golf and a 220 slip marina situated on Lake Waco. Additional amenities include swimming, tennis and fitness. Ridgewood has a clear mission to be a very family oriented club.

### Club Background

Ridgewood Country Club was founded in 1947 with the central mission of being a family oriented club. The club is situated in a beautiful location on the banks of Lake Waco, an 8,500 acre reservoir constructed and maintained by the Army Corps of Engineers.

Ridgewood prides itself on offering a great value to families in the Waco area and strives to be identified as the best family club in Central Texas. Over the last few years, the club had acted on its commitment to providing an exceptional member experience by investing in renovations of the clubhouse and the pool facilities and keeping dues low. The most recent dues increase was passed in 2009.

In an effort to understand how the club was doing in achieving its mission, Ridgewood became a Club Benchmarking member in January 2012.

### The Benchmarking Process

Ridgewood's circumstances are common in two regards. First, many clubs experience tension between the desire to provide great service and value to members and the need to keep the club on solid financial footing. Second, like a lot of other clubs, Ridgewood's Board and Finance Committee had a natural tendency to respond to that tension by focusing on the food & beverage results.

Immediately after signing as a Club Benchmarking (CB) member, the club's management team began to input data with help from the Club Benchmarking (CB) Member Services team. Less than 24 hours later, General Manager David Gardner was running comparative benchmark reports and presenting data to the Finance Committee. The following day, Club Benchmarking CEO Ray Cronin met with Gardner and the Committee by phone to review Ridgewood's Available Cash position relative to industry norms.

Ridgewood's benchmark data clearly showed that the club's food & beverage business was operating in line with industry norms. While the department was not profitable, the loss in F&B represented a very small portion of the cash required to operate the club. CB's Key Performance Indicators (KPIs) of F&B Labor to Revenue, Cost of Food and Cost of Beverage all showed Ridgewood operating well within industry norms. Based on those reports, the Finance Committee quickly and appropriately shifted its focus away from F&B to areas where the club's benchmark showed variation from industry norms.

Ridgewood's Net Available Cash deficit (operating bottom line) immediately stood out in graphical reports as larger than the norm. A look at the expense benchmark to identify the likely source of that variance revealed that interest on debt, real estate taxes and property & liability insurance expenses were also above the norm. The CB Membership report showed Ridgewood's member count was higher than the norm for similar clubs, but the amount a member paid for dues was significantly below the norm. Based on those findings, it was obvious to the Finance Committee that the club needed to increase dues revenue and that a decision to strengthen the club's financial position by bringing the members' dues in line with industry norms would be supported by the CB data.

### **Data-Driven Results**

Over the course of the next few weeks Gardner, the Finance Committee and the Board of Governors used benchmark data to drive alignment around the concept of a dues increase. The Board's decision to raise dues by nine percent for 2012 was unanimous, eliminating the need for a member vote according to the club's bylaws. Benchmark findings were shared with the membership prior to the annual meeting in February. "The CB line graphs and pie charts made it easy to for members to understand the club's financial position and they were completely onboard with the dues increase," Gardner explained. "The Board has already approved another increase of three percent for 2013 based on the CB data."

The increase in dues revenue quickly reversed the club's operating deficit, allowing the Board to direct their attention to anomalies in insurance and real estate tax expenses. By the end of 2012, the club was also able to move forward on a long-overdue bunker renovation program. "The inclination had been to wait, but CB data helped us see that we were in a position to move on that project and take advantage of deep discounts from contractors eager to work in a slow economy," Gardner said. That one decision saved the club about \$30,000 on the actual renovation and Gardner expects the improvements to increase member satisfaction and reduce course maintenance expenses over time.

"Over the course of the first six weeks using Club Benchmarking's Available Cash Model and strategic benchmarks, we were able to achieve complete alignment around an action plan that has had a significant impact on the club's finances," Gardner said. "Our member count was strong and the local economy has been relatively insulated from the economic downturn so without such clear comparative information it would have been very difficult to drive alignment and action so quickly."

Ridgewood Board Member Dr. Bond Browder agrees with Gardner's assessment. "I have been deeply involved at Ridgewood for a number of years and I have to say that the service and information Club Benchmarking provided had a significant impact on our dialogue in the board room. Looking back, it seems to me that Club Benchmarking has provided us with a map of clarity as to what matters after years of feeling like we were flying blind."

"We continue to rely on Club Benchmarking data and reports to make key financial and operating decisions. We feel we have significantly more control and understanding of the operation. We have even used CB data with our banker to access further funding for continuing our capital improvement plans. As I look at it now, I can't imagine running a club without the Club Benchmarking solution."

*David Gardner, General Manager*