

CLUB GROWTH

Strategies that have helped clubs grow their business

HOW A CLUB GREW THEIR SALES BY OVER \$3 MILLION

How did this club manage to grow their food and beverage sales in less than 12 months? Full report, see page 3



Club CEO reveals why he is glad he had second thoughts

This report reveals why seeking a second opinion is invaluable

Are you about to sign off on a major building project for your club? But you have this niggling feeling that you are about to make a mistake. What should you do, stick with your plan or???

Russell Cooper didn't grow his club to 25,000 members by making the wrong decisions, which is why Russell, Gosford RSL CEO, is glad he decided not to go ahead with his original planned building program.

Having attended a club industry event, he heard a speaker who had helped some of Australia's most successful clubs with their master planning and building programs.

As he listened, the words of the presenter set off alarm bells for Russell, but at the same time the presentation gave him the insight to a possible solution.

What did Russell hear at that conference that made him drop his plans and travel in an entirely new direction?

"The session I had attended was run by John Tully, from Tully Heard hospitality specialists," says Russell.

"As John spoke about his success with the club and hospitality sector, I decided to seek out his advice.

"John had shared stories about people like me facing similar challenges and how he had helped them.

"I appointed John, Luke and their team to do a feasibility study of my plans for the building renovations.

"I wanted to know if we were heading in the right direction."

What was the outcome of the feasibility study? How has it changed Gosford RSL's approach to growing their club?

"We went back to the drawing board, and we engaged Tully Heard to do a full strategy and product development project, looking at what we should be doing," says Russell.

"And the outcome of that project is what



we really should have been doing - building entirely new premises.

"Our existing premises have a lot of problems, as a lot of old clubs do, with bits being added on here and there over the years. There were significant inherent inefficiencies due to its bad design and layout."

So if you had actually gone ahead with your original project, what would have been the financial impact for your club?

"Well, we would have built an extension and we would've seen improved revenue," says Russell.

"We probably would have seen slightly improved profitability, but not nearly to the degree that we would see with the project we are looking at now."

What's the outlook now for your new building program?

"I imagine we will be about 200% more profitable in the new building, giving us probably about 70 to 80% more revenue."

In what ways will your new venue be more efficient?

It will have centralised back-of-house, whereas now our back-of-house is spread out," says Russell.

"We will have much bigger function spaces. They will be much more flexible, offering a variety of dining offers, including a roof top bar and dining concept. The new building appeals to some of the wealthier people moving into our area.

"Obviously we will have a new gaming area which will be purpose built and a much more efficient and effective layout. The advantages will be countless.

Have you found working with Tully Heard beneficial?

The expertise and experience that John, Luke and their team bring is just invaluable," says Russell.

"There would be no Club Manager that has the breadth of experience that Tully Heard can bring.

"If people were just to engage design and construct or try to direct an architect themselves, then they are only drawing on their limited experience.

"Whereas engaging Tully Heard means that the plan you are going to come out with is the plan that is the best thing for your club, and purely for the club. You are not looking at anyone else's vested interests."

Mosman Club reveals key to rich dividends

Two years ago, Mosman Club CEO, Gerard Boyle, convinced his board to implement the key recommendations of Tully Heard, hospitality specialists, to construct a rooftop venue “The Fernery”.

This new venue offers fine dining aimed at a younger clientele while providing a stunning view of the Sydney skyline. It boasts an outdoor garden, rose bar and gin corner.

In an interview with Club TV, Gerard said at the time of the opening of “The Fernery” that the new venue had been very successful in its opening week.

“In the first three days of trade we had a full house every day,” says Gerard Boyle.

“Basically it took half a month’s worth of revenue, the average revenue, in the first three days. So it’s been a really positive start!”

But that was two years ago. Has that growth in beverage and food sales continued?

“Prior to implementing the Tully Heard strategy for “The Fernery,” our beverage and food sales were \$2.6 million,” says Gerard.

“Now two years later, beverage and food sales have risen to \$5.6 million, an increase of \$3 million.”

“Plus, due to the fact that this venue is situated on our roof-top, means it has not cannibalised our gaming revenue. If anything gaming revenue has gone up in a flat market.”

What impact has this project had on your club’s membership?

Prior to “The Fernery”, our membership was 4,800 people,” says Gerard.

“One year later we had 11,500 members. This project more than doubled our membership in 12 months.”

Why did you choose Tully Heard to implement their new approach?

“When I first approached my board about my thoughts for growing our club, I knew we could not afford to make a mistake. You only get one chance at making a new project work,” says Gerard.

“To ensure we were making the right decisions, I looked at a number of club strategists to help us out.



“I choose the Tully Heard team, because they were more than consultants. They own and operate several venues themselves and knew exactly what was needed to make our new venture a success.

“No sooner had we started working with John, he initiated an extensive market research program so that what we did reflected what our patrons and the wider community wanted from a club like ours.

“This research showed us how we could retain most of our current membership while attracting a younger cross-section of the local Mosman community.

“Most clubs have an older membership and we knew that we had to attract a younger audience if we were going to better serve the greater Mosman community into the future.

“From start to finish the guidance given to us by Tully Heard took a lot of pressure off me and my team. Their management of this new project allowed us to get on with what we know best, which is running a club.”

Do you think the success of “The Fernery” is likely to continue?

“Unlike other venues, “The Fernery” is

a living creature full of beautiful plants. As the plants have grown over the past two years the venue has had a constant facelift,” says Gerard.

“It doesn’t date as most renovations do. It is constantly evolving, changing with each season.

“Most of our members want an escape from their hectic lives. “The Fernery” is a little oasis in the heart of busy Mosman offering a changing menu and a place to unwind and relax.”

We asked Gerard why he felt he made the right decision choosing Tully Heard.

“My board has always trusted my judgment and so I do not want to let them down, which is why I only surround myself with the best people.” says Gerard.

“When it came to delivering a major project like “The Fernery”, there was only one choice - Tully Heard.”

If you are planning a major upgrade to your venue please phone John Tully on 0418 267 029 or visit: tullyheard.com.au

How did a club grow gaming revenue by 30% while adding over 2000 new members?

In just a little over two years Shoalhaven Ex-Services Group has gone from merely a successful community club to a powerhouse having grown its gaming revenue at the Worrigeer Sports site by 30%.

“We have achieved these exciting results by implementing a robust strategy with a focus on loyalty, customer service, design and ambience,” says Bernie Brown, CEO Shoalhaven Ex-Services Group.

“Central to this change has been the business planning expertise and recommendations of Peter McLean and the Tully Heard team.

“We have had a lot of early wins thanks to Peter’s strategic planning, which gave the board confidence with rolling out our projects.

“We have done internal renovations now in both clubs in the past 18 months, and those items are definitely proving beneficial to the growth and financial stability of the club.”

Yet the biggest project is still to come.

“*The Growers* project is an exciting food and beverage precinct, that has evolved from consultation with the community, and looking at opportunities and something different for the area,” says Bernie.

“It entails a number of food and beverage outlets plus some alfresco outdoor areas which include communal seating, fire pits as well as an outdoor bar and woodfire pizza.

“Plus, we are adding a 200+ seat restaurant which will feature a theatre-style kitchen where the chefs will be on show.

“There will be a focus on local produce and also our chefs will have access to fresh herb gardens located around the precinct.

“All of these initiatives have been possible thanks to the extensive research done by Tully Heard.”

If you had done that research yourself, do you think you would have come up with just as good information?

“It is important to be working with



people who know how to conduct this type of research to elicit credible responses,” says Bernie.

“It’s all well and good doing surveys of your members, but I think a lot of people when they see the club is managing the research, may be reluctant to speak openly in focus group sessions.

“However from our experience using Tully Heard, for the focus group sessions in the research, the members and non-members spoke more freely and were honest about their opinions of the club and our offering.

“They openly shared what they thought about the future of our club.

“Plus, we made some great contacts with people who are prepared to give the club constant feedback down the track. So that was really great.

How did you find the process Tully Heard use to research the strategic plans they went on to create for you?

“I guess it is just a different experience when you try to manage it yourself. When you get consultants and experts in that area, they know how to ask the right questions.

“Sometimes when people attend focus groups that are run by the business they feel that they give their ideas and that’s where it stops, it doesn’t go any further and its put on the shelf.

“So from my experience, its beneficial to be at arm’s-length from that type of process.”

Now you obviously had a perspective of where you thought the club should go, having taken on board Tully Heard and their research, what have you learnt?

“Who would have thought that our non-members or visitors to the club spend more per head than our members do,” says Bernie.

“We found out from the research that we were missing out on a segment of the market, that’s potentially going to drive membership growth.

“The research is key to completing the due diligence process and talking to the wider community and seeing exactly what they are want from our club has been invaluable.

“My team and I are too close to the situation. Without the Tully Heard approach, we would have been second-guessing what locals wanted from our various venues.”

Has there been any growth in your club’s membership?

“Yes, we have definitely grown quite significantly,” says Bernie.

“Prior to implementing the Tully Heard action-plan, our membership was around 13,800. Now it is around 16,000.

“They have helped increase our membership by over 2,000. It’s part of the their total package that they assisted with our strategic plan.

“One of our strategic items was to have some target numbers for membership, and we are hitting those quite successfully.”

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