



## PROFESSIONAL MANAGEMENT CASE STUDY

### Historic Equity Country Club

---

#### Situation

Client was a member-owned country club circa the early 1900's with an 18-hole golf course, pool, indoor and outdoor tennis facilities and an extensive clubhouse including a ballroom and private meeting areas.

Accounts payable exceeded 90 days and working capital was insufficient to meet payroll within 30 days. The client had no access to additional borrowing. Members were demoralized from Board discussions to sell the golf course to developers, as well as persistent cost cutting and operating assessments. Retention was a significant problem.

---

#### Key Initiatives

Generated Working Capital - Within 10 days of engagement Affinity created a membership campaign that sold out in less than 30 days, generating \$200,000 for working capital.

Increased Food and Beverage Margins – Reduced COGS from 51% to 38% within 3 months through proper costing, revamped menus, and reduction of waste while improving food quality, service and presentation.

Re-entered Banquet Business – Club had exited the typically profitable banquet business due to substantial losses in that area.

Increased Golf Outing Revenue – Club had limited revenue from this source.

Improved Bank Relationship – Affinity restructured bank financing to increase principal and lower interest rate.

Rejuvenated Morale – Affinity re-energized the golfing members and reduced the friction between the golf and tennis communities.

---

#### Results

In year one Affinity increased net cash flow \$260,631 from the prior year on revenues of \$1,077,343 and eliminated all operating assessments. This figure is net of Affinity's fees.

The Board retained both the golf course and Affinity well beyond the initial management term. The Board President credited Affinity with "saving the Club."