

Using Technology to Reduce Costs



BILL BOOTHE

If your club is looking to save more money, here are some ways technology can help reduce costs: electronic delivery of member billing statements and electronic delivery of member communications.

Across the private club industry we see a high availability rate of these technologies, but a relatively low member adoption rate. So most clubs have the technology available and they use it, but a low percentage of the members actually adopt these technologies.

Why?

Most clubs provide online statements and check detail on the club's website. Many also allow members to pay their bills online - primarily with ACH bank draft but some with credit cards.

The potential cost savings are in two areas: printed materials and postage. These are substantial dollar savings, sweetened by a reduction in labor hours needed for folding, stuff-

ing, stamping and mailing. In spite of these obvious benefits to the club, the typical member adoption rates remain relatively low.

The second technology is e-communications: email delivery of promotions, announcements and club newsletters.

Again significant dollar and labor savings, with a higher but still disappointing member adoption rate.

So why the low member adoption rate? The answer is simple: poor deployment strategies. When clubs launch these technology initiatives they typically make little or no effort to encourage members to get on board. That lack of emphasis dooms these technologies to low member adoption rates. So to help you improve your club's adoption rates, here are three deployment strategies that we've seen clubs use successfully.

Require members to opt out of e-billing and e-communications. Many clubs have found this to be a real key to their success. When members are invited to opt in, you get a relatively low participation rate. But if you opt all of the members in and allow them to opt out, the participation rate skyrockets.

Automatically the members begin receiving emails and statement notifications.

They see the communications and over time they become more comfortable with the technology.

Then later, when they are encouraged to "go paperless", their receptivity is much higher. Of course the members always have the ability to opt out, but amazingly, most don't.





Promote the cost savings and environmental green impact of electronic communications. Clubs are finding it effective to show the members what will be saved over a five or 10-year period.

Even better, take those figures and show the members specific capital projects that could be funded with the projected savings. Clubs are also emphasizing the green side of the equation - providing projections on the positive environmental impact (number of trees saved, reduction in carbon footprint).

Members have different motivations for wanting to participate. But typical savings for a club that mails 1,000 member statements a month is \$12,000 annually – or \$60,000 over 5 years, or \$120,000 over 10 years. Even with a 50 percent participation rate, that's not chump change!

Add other printed/mailed items such as promotions, announcements and newsletters to the statements and the savings are even greater.

Encourage member adoption through ongoing reminders. Clubs that regularly communicate with their members about cost savings and green impact see steady increases in their member adoption rates. Establishing specific goals and regularly reporting on accomplishments is proving to be a very effective strategy. The silver lining is that a substantial amount of the promotional work can be offloaded to this committee, rather than burdening staff with another time-consuming activity. **BR**

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