Strong and Vital Signs
How many clubs have come to life and rejected the recession

Pictured: Lakewood Country Club, Rockville, Md.
The Wall Street Journal headline and subtext caught Ian Altman’s attention last November, as it did for many other private club directors and managers: Country Clubs Fight An Exodus Economic woes are straining private clubs as members flee.

But while the headline, and article that followed, served to make some in the industry even more nervous about what might lie ahead for them and their properties as the recession deepened, it only prompted Altman, the Board President of Lakewood Country Club in Rockville, Md., to submit a response to the piece.

“To managers and Board members who see the current economy as a detriment, I say look again,” Altman wrote. “[The recession] has given us the rare opportunity to rethink our clubs and deliver unique environments [as] attractive alternatives to high travel and leisure and business expenses.”

The Journal didn’t publish Altman’s response. If it had, it might have served to help other clubs prepare to weather the storm by following the lead, as outlined in Altman’s reply, of how Lakewood CC, a 50-year-old club in the demanding greater Washington, D.C. market, has not only built its full-privilege membership ranks back to capacity (450) in the past five years, but also assembled a solid waiting list.

Not getting published in the Journal, however, certainly didn’t stop Lakewood’s momentum. In fact, the club has gone on this year to take more progressive steps that promise to keep it well-positioned to prosper through many economic cycles to come.

Most notable among these were the arrival in May of an accomplished and widely honored industry veteran, Eric Dietz, PGA, to be the club’s new Chief Executive Officer/General Manager, and the completion in late summer of a clubhouse renovation that included the opening of the instantly popular Rees Jones Grille (pictured on cover). Just how “instantly”? In the 10 weeks between the new grill’s opening in August and the close of Lakewood’s fiscal year, 1,200 more covers were served in it than in the club’s former grill in all of the previous year.

“The grill here used to be a place where you might get people to stop for a beer and a quick bite after coming off the golf course, but then they’d head home,” says Dietz. “Now we’ve made it a destination, for its decor and ambiance as much as its menu. It’s three and four deep in there on many nights.”

The new grill’s name recognizes the contributions of the well-known designer (now an honorary club member) who led the renovation of Lakewood’s golf course in 2004—an important step taken during Altman’s first turn as Board President.
President, when the club, after finding itself at a membership crossroads, began what he describes as a “calculated process to undergo a personality and makeup change.”

Creating a championship-caliber golf course was the key first phase of that process, to set the proper stage for establishing Lakewood as what Altman describes as a “family resort destination within a private club setting.” Meeting that goal, he adds, means striving to have all members see the value of Lakewood membership in the same way one did after researching a one-week Caribbean vacation for his family of four and concluding that full, year-round use of the club was a better and much more convenient, hassle-free deal.

Altman re-upped for a second term as President to direct a new membership initiative built around how the completed course renovation and coming clubhouse makeover, representing a collective investment of $14 million, would create a place where such value could be found—even with initiation fees north of $30,000. Lakewood did not deeply discount its full initiation price ($60,000) in the campaign, instead offering a limited, 60-day opportunity to get in for just over half that amount.

“It was still real money,” says Altman. “We wanted to avoid the gimmicks of no dues or waived initiations, and offer a product that would still be a real draw without being devalued. We didn’t advertise, it was all word-of-mouth. And we actually enhanced the vetting to make our application process more stringent; we weren’t just rubber-stamping applicants. The goal was to get 30 to 50 new members, and we had 25 after the first weekend. By the end of the two-month period, we had exceeded our initiation fee target by 100.”

Delivering a resort-like family setting that is right around the block, but still valued over those that are halfway around the globe, requires the right operating philosophy in addition to the right facilities. That’s where Dietz, who grew up two miles from Lakewood before embarking on a distinguished club management career with several high-end properties throughout the country, has come in—and Altman and the rest of the Board have stepped away.

“We already had many top professionals on our management team, and when we were able to bring Eric in to help fill the remaining spots and then lead it all, I told the Board there was nothing more we needed to do but sit back and enjoy,” Altman says. In just half a year, Dietz has already brought the desired culture of “casual elegance” to life at Lakewood through touches like concierge-style front-desk assistance in the remodeled clubhouse’s entrance, which has been purposely designed to feel more like a boutique hotel (see photo above) than a typical private club lobby.

“The focus is now on removing roadblocks to members’ enjoyment of what the club has become and creating a real sense of pride about it that will keep them coming through the gates,” says Dietz. His operating experience will also help Lakewood earn more expedient returns on the investments it has made, through inventive approaches such as setting up new bridal suites so they can be converted when not used for that purpose into a day spa, or even another ladies’ card room.

“We want to be the premier family-friendly—not family-oriented—private club in the mid-Atlantic region,” says Altman about Lakewood’s ultimate goal. “After we do that, then maybe we can set our sights even higher. And I think we’re very close to where we can start thinking about that next level.”