

Analyzing your Club with CB

After you have entered your data, analyzing your club in CB is straightforward. While you can analyze your club at the metric level for specific needs, to truly understand your clubs vs. the industry and vs. your peers we recommend starting with the Available Cash™* – Key Performance Indicators report.

Available Cash Report: This report is a business model report and provides valuable information with or without using the database filters. This report quickly shows you how much Available Cash your club generates, where it comes from, and where it goes. Pay particular attention to the charts that show the amount of cash produced as a percentage of Available Cash. These charts show whether you are producing enough cash for the size of your club, and if you consuming more or less than your peers per department. This can indicate areas of overspend or under-spend. The following slides will help you interpret this key report.

The discussion of how much Available Cash is being generated and how it is consumed is **THE STRATEGIC ISSUE** that should occupy Boards. The “F&B focus trap” is a red herring 95% of the time and boards should make every effort to avoid focusing on F&B unless the available cash report shows F&B is consuming a significant portion of the Available Cash.

*Note – An Available Cash White Paper is available on the CB Support page.

Available Cash Sources:

Total Available Cash Equals:

Membership Dues

+ F&B Net = (F&B Rev. – F&B Exp.)

+ Rooms Net = (Rooms Rev. – Rooms Exp.)

+ Other Net = (Other Op. Rev. – Other Op. Exp.)

+ Golf Ops Net = (Greens Fees + Cart Fees + Golf Shop Net)

+ Non-Golf Sports Revenue

Available Cash Uses:

Course Maintenance

General and Administrative

Buildings and Maintenance

Non-Golf Sports (Racquets, Aquatics, Fitness)

Fixed Expenses (Real Estate Taxes, Property and Liability Insurance, Interest Expense)

Golf Operations Labor

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Available Cash Summation and Net Available Cash

Total Available Cash is the sum of all cash creation within the club = Membership Dues + F&B Net + Rooms Net + (Greens/Cart Fees + Golf Shop Net) + Non-Golf Sports Revenue + Other Net



**Are you net positive or negative after expenses?
Negative means you needed to draw from reserves, or capital to cover the need.**

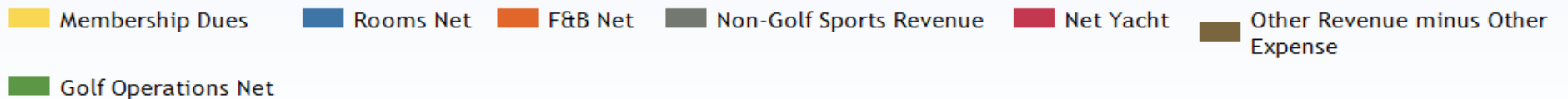
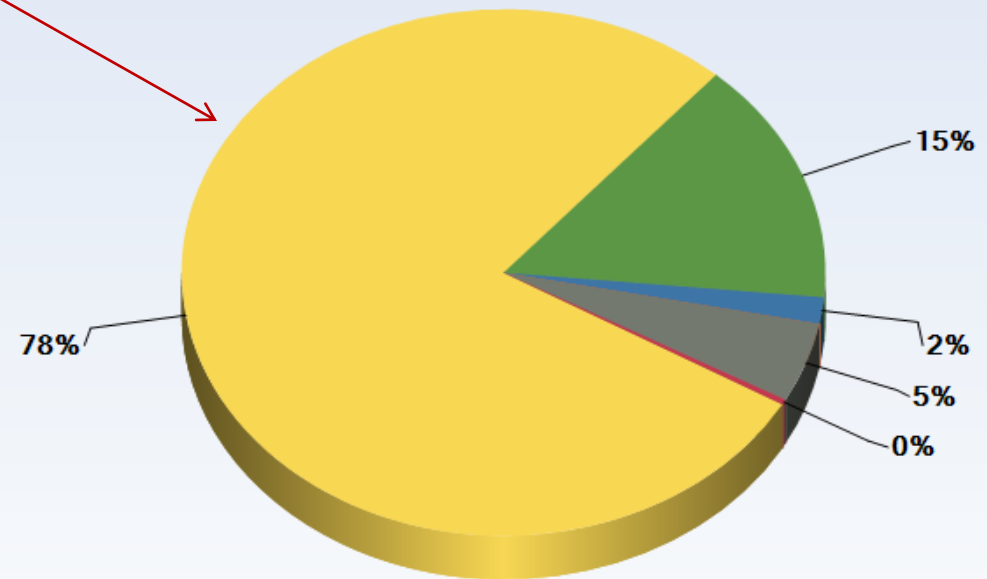
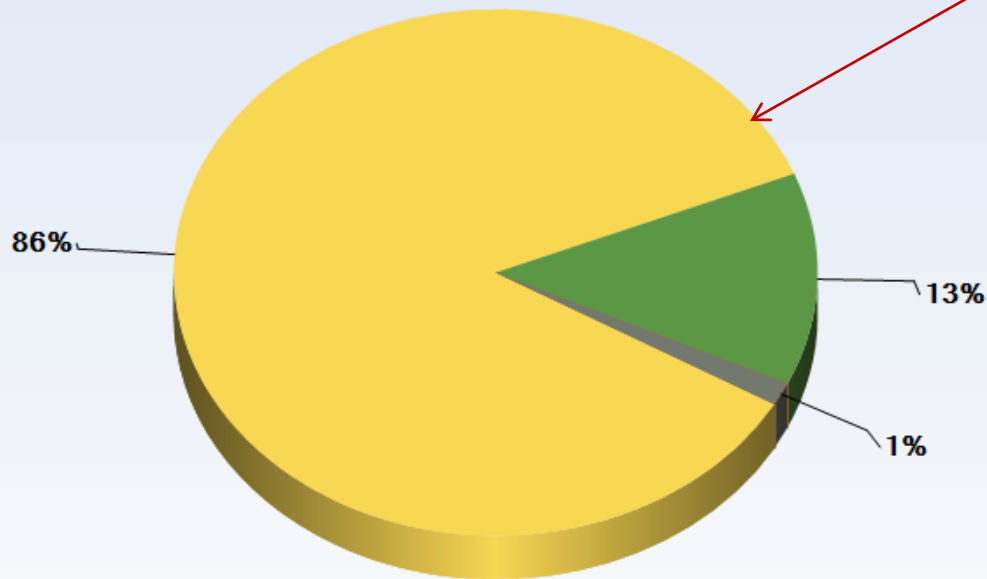
— Available Cash (54th Percentile) — Net Available Cash after Expenses (10th Percentile)

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Where did your Available Cash come from? This identifies the “levers” you can adjust to generate more cash. Note that F&B is not a cash producer in the vast majority of clubs.

Available Cash Sources
My Club

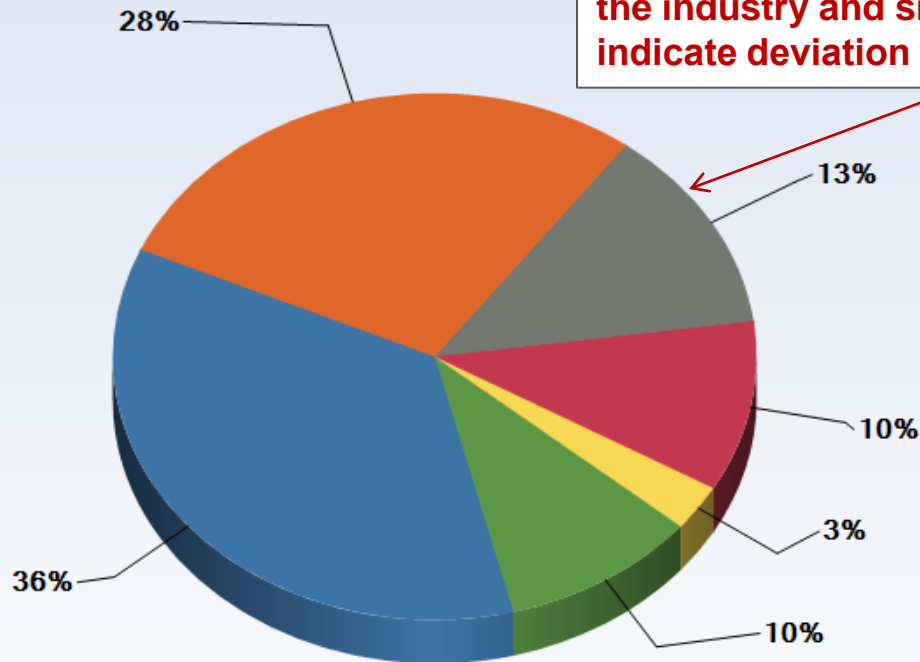
Available Cash Sources
Average Club



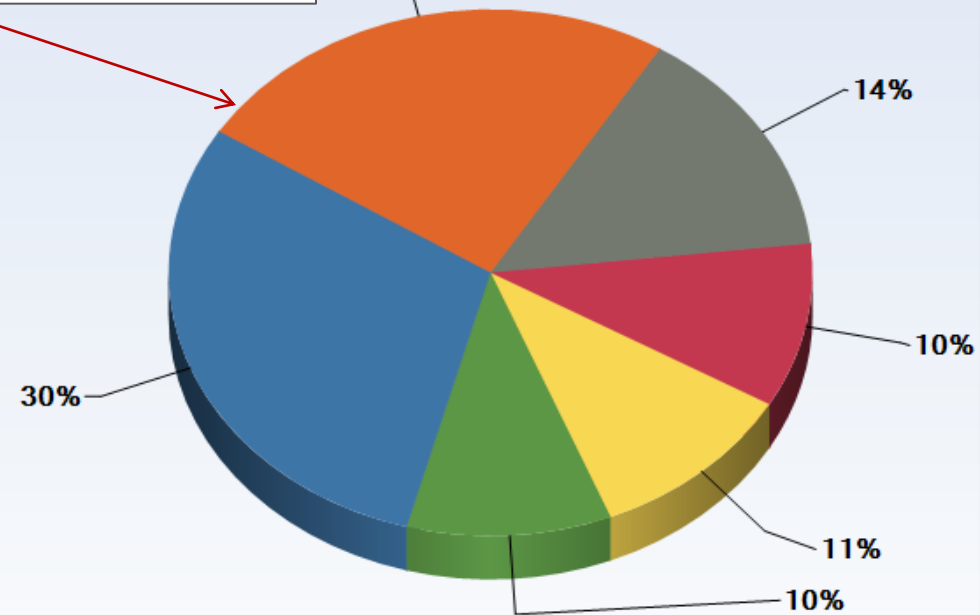
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How did you allocate your Available Cash compared to your peers? This can indicate if your spending allocation is significantly different than your peers. This chart is one of the most important charts in this report. The allocation of Available cash is very consistent across the industry and significant differences indicate deviation from the "crowd"

**Available Cash Use
My Club**



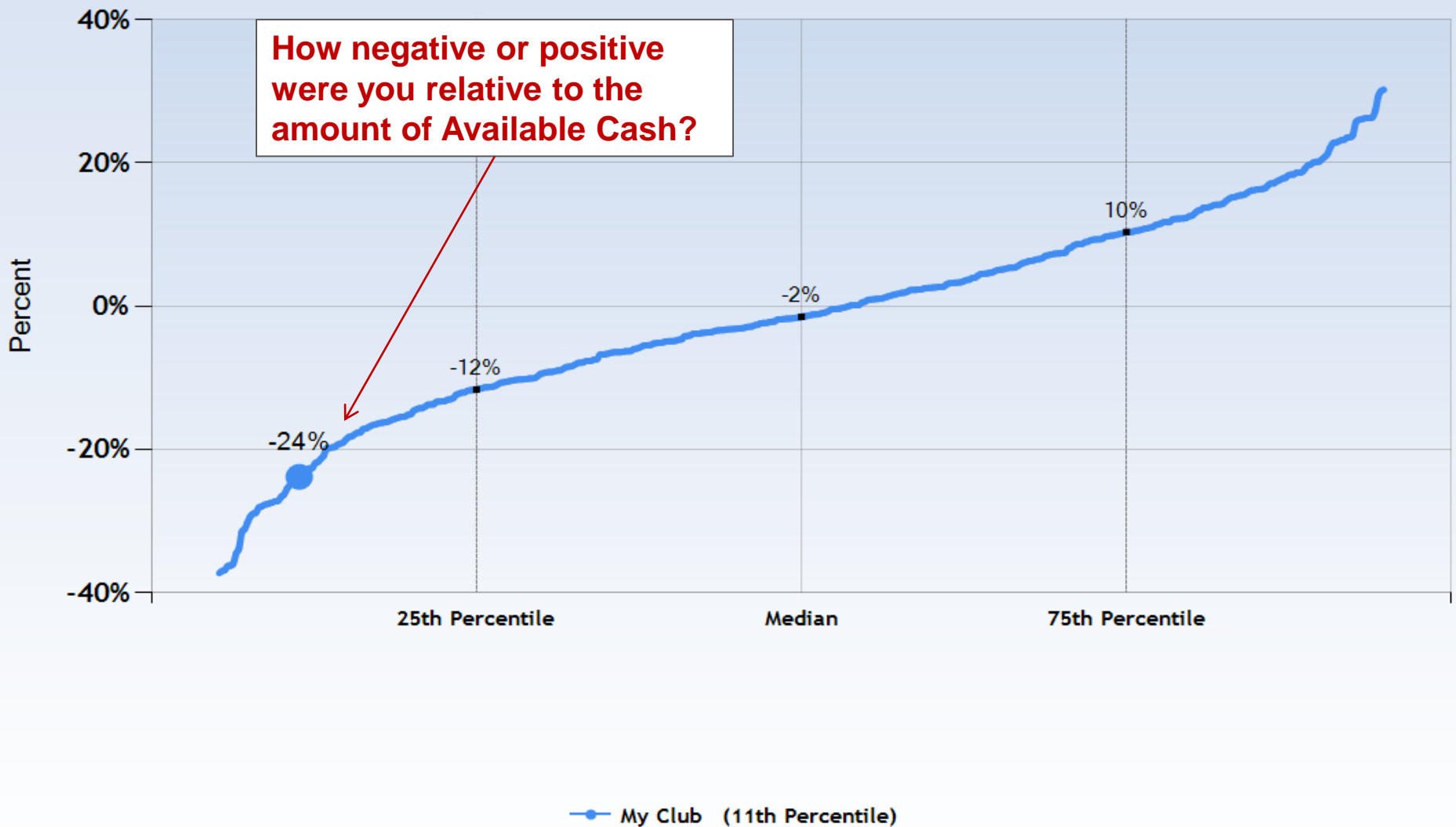
**Available Cash Uses
Average Club**



-  Non-Golf Sports
-  Course Maintenance
-  G&A
-  Buildings & Maintenance
-  Golf Operations Labor
-  Fixed Expense (Property Tax, Insurance, Interest Exp)

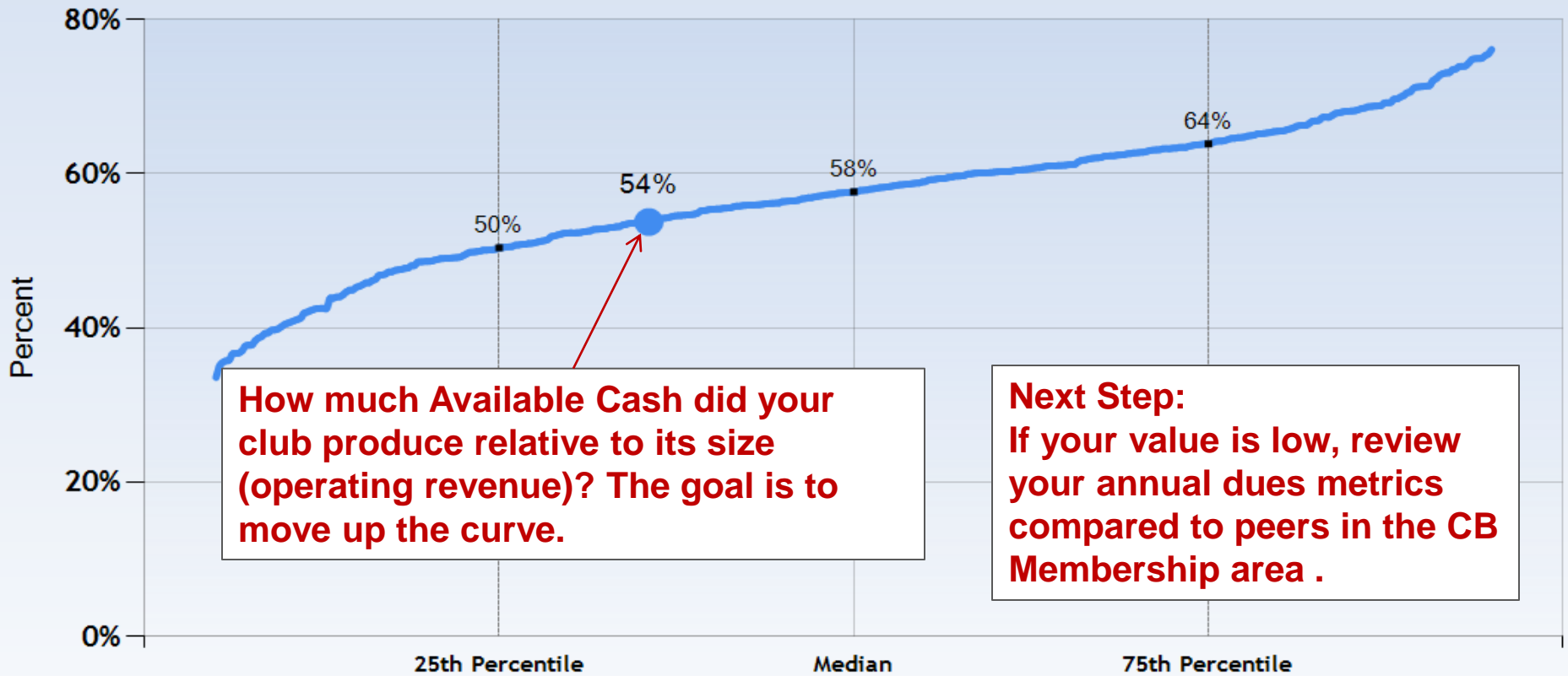
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Net Available Cash as a Percentage of Available Cash



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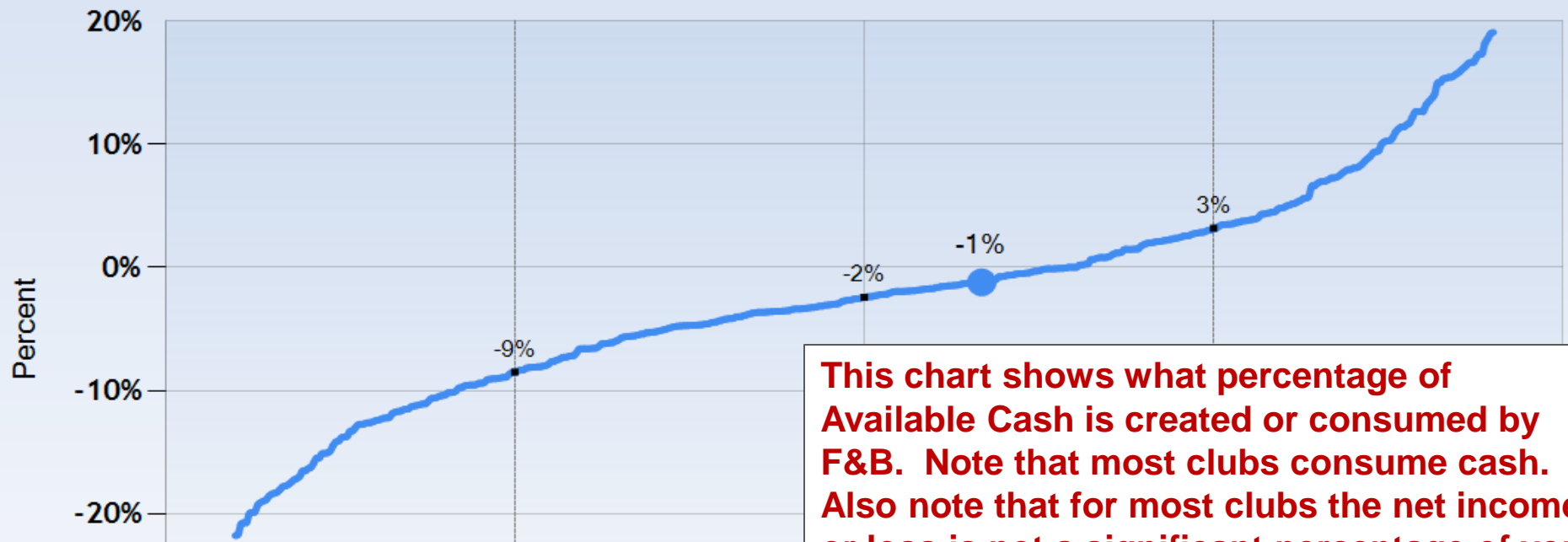
Available Cash as a Percentage of Total Operating Revenue



How much Available Cash did your club produce relative to its size (operating revenue)? The goal is to move up the curve.

Next Step:
If your value is low, review your annual dues metrics compared to peers in the CB Membership area .

Net Food & Beverage Income/Loss as a Percentage of Available Cash

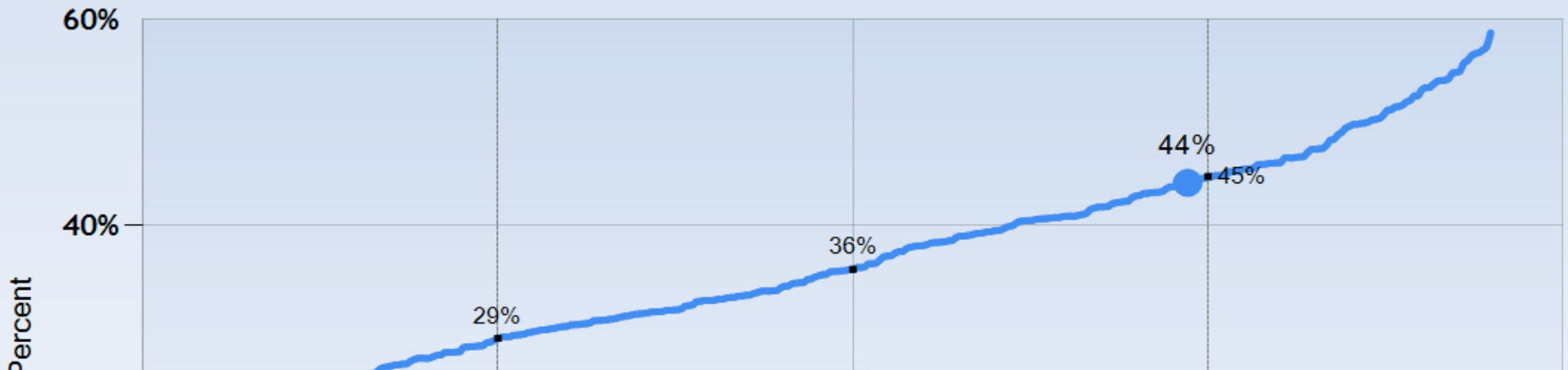


If your F&B loss consumes more than 10% of your available cash you should consider investigating ways to move your F&B loss to a lower level of Available Cash consumption.

This chart shows what percentage of Available Cash is created or consumed by F&B. Note that most clubs consume cash. Also note that for most clubs the net income or loss is not a significant percentage of your available cash and thus should not be considered an issue worthy of lengthy board discussion.

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Course Maintenance Expense as a Percentage of Available Cash



Review the remaining charts in the report similar to this one. These will give you a department by department spending and affordability view. Departments charts in the report include Course Maintenance, G&A, Buildings & Maintenance, Sports Facilities, Interest Expense, and combined Property tax, Property Insurance, and Interest Expense.

Next Step:
If you are significantly above the median you are overspending in this area relative to your peers. To resolve you either need to increase Available Cash or decrease spending. Use the specific CB department metrics to find the specific expense issues (labor, fertilizer, etc.)