

Institutional Memory

How Good Is Your Club's Memory? Really!!

"YOU'D BETTER HAVE A GOOD MEMORY," GREGG PATTERSON ENTHUSED, "BECAUSE, YOU'VE JUST BEEN ELECTED TO SERVE A THREE YEAR TERM ON THE BOARD OF DIRECTORS, YOUR FIRST SUCH OPPORTUNITY AND A GREAT HONOR.

"You and the others in your freshman class arrive for the new board orientation. The manager, who usually does the orientation, is absent. The three of you wait. And wait...and wait!

"Increasingly annoyed by the delay and ready to leave, the three of you are brought up short by the arrival of the president, himself newly elected. He has a look of doom and gloom.

"Ladies and gentlemen,' the president laments, 'our manager of 33 years has left the club to pursue other employment opportunities. I received her resignation last evening; her office is now empty. She's gone and won't be back. We're on our own.'

"And with that the board realizes that a large part of their institutional memory is gone," Patterson intoned. "Whether they succeeded or failed in institutionalizing institutional memory during those 33 years will become evident in short order.

"These characters and this club should have prepared for a moment such as this," Patterson opined. "All should have accepted that the 'chain will eventually be broken' and that they'd better be ready to act in the absence of key personalities.

"They should have focused on institutionalizing institutional memory long ago.

They should have made doing so part of their culture," he emphasized.

So how good is your club's memory?

One of the most frustrating aspects of on-going operations and/or change at private clubs is that there is, sometimes, little consciousness of what has happened in the past. People don't know, can't recall or maybe don't want to know why or how certain decisions have been made.

All too often, people, particularly in organizations with volunteer leaders, who take control after an election, come in and initiate change simply because they have their own "wish" list, or they "desire" (want is likely a better word) to set a new direction for the administration. It's their "agenda."

However, so often these people fail to ask important questions: *How and why did we end up where we are now? How did we get here? What does our history tell us? And what does our history really mean...the values, customs, tradition, the mission...the vision?*

It's particularly relevant to private clubs, with volunteer leaders (boards of directors and committees), where turnover is expected almost every year.

What does institutional memory mean to the private club industry?

What do we mean by "institutional memory?"

A dictionary meaning breaks out this way: "It's a collection of facts, concepts, experiences and knowledge held by a group of people. Over time, it transcends individuals and requires the on-going transmission of memories between members of the group." For example, a private club.



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As Tarun Kapoor says, "It's remembering the decision, the rationale behind the decision, the context of the decision and how the decision was made.

"Because the volunteer leadership is transitory, current leadership making decisions now must know the history and context of the decision," explained Kapoor, managing partner of Kapoor and Kapoor Hospitality, a San Marino, CA-based consulting firm.

Institutional memory is indeed remembering the past. As Patterson says, "it's the sum total of those memories, a compilation of past experiences that represent precedents to guide decision making now and in the future so that the 'cultural ship of state' remains on an even keel.

"Experience and reflection on the decisions are key components of institutional memory. The members did that? The committees said what? The board decided this? That happened after the decision was made?? The recording of these happenings through the spoken or the written word – and the ease of their retrieval – are at the core of institutional memory."

But is there more than the "memory" that makes institutional memory important to a private club? In Norm Spitzig's mind, there sure is! Stories tell the story.

"It makes good sense to formally record a club's institutional memory, although, in



my opinion, the name “institutional memory” does not resonate well in the private club environment – and probably never will,” opined Spitzig. (It just sounds “too corporate and impersonal.)

“The failure of club leadership to fully understand ‘who they really are’ can have a significant negative impact on the well-being of the club and its members.

Spitzig added: “About two years ago, I was hired to secure an experienced, professional general manager, someone in charge of all aspects of a gated private club community. Unfortunately, there was an unusually wide divergence of opinion with regard to the ‘proper’ method of governing the club – and also an alarming amount of business naiveté, considerable micromanagement, and a pervasive lack of ‘club sense’ among the board and search committee members involved in the process. (In retrospect, I should have ‘gone with my gut’ and not accepted the assignment in the first place!)

“Alas,” Spitzig lamented, “my gut turned out to be right! A short 12 months later, a good number of the club officers involved in the general manager hiring process had either prematurely left the board of their own choosing, resigned from the club outright, or sold their home and left the community altogether.

“The general manager also resigned, (rightly) seeing the situation as a hopeless. In this case, the club’s institutional memory was virtually non-existent, as those who had seized control of the board - a small group of naïve, uninformed, personal-agenda driven individuals - completely changed (or ignored) the governance structure to suit their own purposes.

“The number of golfing members, the value of the community property, and pride in and use of the club all continue on

a downward spiral. It was – and remains – truly a sad state of affairs,” Spitzig concluded.

Governance issues certainly do have an impact on not only the club, but also a club’s institutional memory. For example, with “collaborative governance,” as espoused by Kapoor, the club president and the volunteer board articulate the mission, vision and values, and continuously champion them. They should be giving guidance and setting policy, though development of long-range strategic plan and it’s the paid management’s responsibility to following through on the vision and actions...to make things happen.

So when you have collaborative governance, “then you have memory being stored by different people of the institution or private club,” Kapoor maintains.

“If there is no formal record of maintaining institutional memory, then the perspective will not only change with time but so will the memory...it becomes more disparate between people...and distant in people’s memories, of what really happened.”

Patterson agrees: “Institutional memory is a record of decisions and the consequences of those decisions. A club culture is built or un-built, affirmed or denied, amplified or diminished, strengthened or weakened each time a decision is made. Knowing ‘what’ was done ‘when,’ and ‘how’ what was done affected the club culture can help guide decision making by boards and committees in the future.”

The fact is most clubs likely formalize their institutional memory to some extent even as they officially record board and committee minutes, and that’s certainly one suggestion offered

by Dick Kopplin, of Kopplin and Kuebler Associates, Scottsdale, AZ.

“One of my favorite authors, Jim Rohn, once said, ‘The person with the best notes has the most power.’ And I have two suggestions:

“First, I recommend that the general manager take minutes at the monthly board meetings. Even though the club may have a board member (the secretary) who is the official scribe, the manager can compare notes, which become the official record.

“And the second strategy I have observed successful clubs engage is to ask the immediate past president to remain on the board for one more year after that person’s term as president expires,” Kopplin explained.

“The immediate past president would serve in an ‘ex office’, or non-voting role but they would provide very valuable history and experience regarding previous decisions and policies of past boards. Those two strategies have proved to be invaluable for some of the private clubs I have worked with in the past,” he added.

And Fred Laughlin, DBA offers another opinion.

Laughlin, a consultant on club governance to CMAA and co-author of ‘Good Governance for Nonprofits’, warns, “institu-

In Spitzig’s mind, “All clubs formalize their institutional memory to the extent that they: (1) officially record board and committee minutes, (2) adopt and implement strategic plans over time, and (3) prepare, when and as appropriate, club history booklets.”

“But the bigger issue, to my way of thinking,” Spitzig queried, “is whether current boards know about, understand, respect and adhere to these three legs that together essentially comprise institutional memory...particularly many older, member-owned traditional ones do have a formal method of recording their institutional memory, at least as I define it.”

One club that has formalized institutional memory is The Beach Club of Santa Monica, CA, where Patterson is the general manager.

“My club, The Beach Club, is particularly concerned about ‘institutional memory’ because the general manager (me!) has been the “Chief Librarian of Institutional Memory” for over 25 years. As the management team and I get older, the possibility of my ‘not being there’ grows. Therefore, my job, and that of the board, is to institutionalize ‘institutional memory’ so that decisions and their consequences will be remembered.”

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tional memory that relies on the recollections of the most senior club members is a poor foundation on which to build and preserve a culture.

“The most dependable way to safeguard a club’s reputation, i.e., its brand, is to identify the values that define its culture, write them out formally as board policies, and then ensure that all the other board policies reflect those values.”

Laughlin, who helped develop the Club Governance Model, which CMAA has adopted as its standard of excellence, points out that “the centerpiece of the model is a board policies manual, which is the only reliable way to guarantee that all policies are working together to reinforce the values that are essential to shaping and preserving a club’s culture. It is therefore the only safe form of institutional memory.”

And here are some of The Beach Club’s examples.

The “Policy Book,” which is a compilation of policy decisions made by the board over 25 years, categorized by committee, dated, with annotations as to “what” and “why.”

“The Anthology of White Papers” is a collection of the background research reports addressing hundreds of different issues under consideration by the board – reciprocity, membership policies, dues increases, dining room operations and the like – categorized by committee, dated, annotated with the board decision taken subsequent to the issuance of the White Paper.

Both the policy book and the anthology of white papers clearly articulate what the “problem” was, the pros and cons for each issue, what the board decided, and the consequences of those decisions.

“Powerful stuff in guiding the cultural ship of state,” Patterson opined.

It's also Kapoor's opinion that a club, "To be a successful, must have a formal method to institutionalize their memory. That means when volunteer boards and committees deliberate, and when management deliberates, there should be a formal record of those deliberations. But who is recording that information, who is reporting the decision and the rationale of the decision, and who is ensuring that the decision is being implemented, and whether or not the decision is being revisited in later years, as all important aspects of institutional memory," he maintains.

"If you don't have a formal process for recording and reporting, your club, de facto, is going to lose out. In essence, if you don't have a formal process for recording decisions, the clubs will lose out because clubs are transitory, especially with the election of volunteer boards and committee members. Many boards change members every year.

"As chair of the golf committee," Kapoor relates, "I can decide who takes notes and how...and then decide whether or not the committee publishes the full report or one liners, and forward it to the board.

"If no one records what is happening, somewhere along the way, it may be that the club's minutes say "the committee did this, or did that," but with no details or rationale about why a particular decision was made. This may well have future costs ramifications for future boards and members of the club.

"Institutional memory is not just remembering why, and how we got to this point, but it the recording the process and reminding everyone of the process when it's needed."

Kapoor is adamant, "It's a process that must be formalized. Because we have liability, clubs tend to have very poor records, and something could be held against them. People don't want what they say recorded because something they say could be held against them, so it's not recorded. That also allows us to forget why or the reasoning for how a decision was made."

Regardless of whether or not clubs do encourage institutional memory, there are clubs that just don't bother. And does it really matter?

"Probably not!" espoused Spitzig. "Those currently in charge do what they want, regardless of whether it's fair and honorable, makes good sense, and is consistent with all the checks and balances put in place by previous boards to formalize/record/confirm a club's institutional memory.

"Having said this, I believe that most club people really do try to 'do the right thing' (as General Norman Schwarzkopf is so fond of saying). That, more than anything else, may make the private club world so fascinating and enduring," Spitzig commented.

Lack of IM is something Kapoor maintains is prevalent at many clubs.

"I was meeting with a board recently and commented that I'd read five years of board minutes in just a half an hour. Normally when I read five years of minutes it takes me hours. And the response was 'Oh, right, because the only things we record is the decisions. And who attended.' So the minutes for a four-hour meeting may be four lines.

"There was absolutely no background or history for current decision. There's no institutional memory, no one knows why or anything about the background as to why a particular decision has been made," he commented.

"Trust me," Kapoor warned, "all hell can break loose if a club, particularly if a board goes into executive committee, and something goes awry. It could be very costly if a club doesn't have institutional memory...in a formal way, which preserves the history, decision-making process and decisions made by the board and various committee of the club."

PUBLISHER'S FINAL THOUGHTS

Recently I attended a club's board meeting regarding memberships...a club that has serious membership issues and wants some ideas on how to bring in about 250 new members. I also invited Rick Coyne of the Professional Club Marketing Association to come along.

Halfway through Rick's presentation he stopped and looked over at the general manager and said, "I believe I've been at this club before." Rick finished the presentation and then recalled he had been at this club 12 years before talking about this same issue. At that time, he recalled the club needed about 200 members.

Not only did the club not have records telling anyone anything of these meetings or issues, but also 12 years later was still dealing with the same issue, with no idea of how they had dealt with it before. In other words, present members learn very little from the past because no one has any idea of who did what, when, where, why, or how.

So whether or not it's happening at your club, institutional memory should be happening.

To borrow from Gregg Patterson, here's a quick 'to do' list to 'institutionalize' institutional memory:

Boards, committees and management need to work continually at institutionalizing institutional memory. To do so they must:

- Acknowledge that great organizations need institutional memory.
- Accept that memory is embedded in the oral and the written traditions.
- Install filters to remove personalities and perceptions that skew memory.
- Commit to weeding and compressing key issues before committing them to the oral and the written traditions.
- Understand that avenues of research are needed to find stored information.
- Build continuity by creating long term relationships with key players in your board and management teams.
- Create a generation of trained hunter-gatherers who can weed, compress, file and retrieve those memories.

At least, that's the way I see it! **BR**

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