

Business

Private clubs are changing along with the firms that they serve

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Mark Amtower spends at least two hours a week driving to a networking event at a business club in another state, but it isn't because he doesn't know how to use social networking.

Every Wednesday before the break of dawn, he makes the long drive in rush-hour traffic from Howard County to a 7:30 a.m. breakfast at a business club in Tyson's Corner, Va. To him and others, there's no better place to be seen by prospective clients than the Tower Club, one of the 35 business and networking clubs operated by Dallas-based ClubCorp, which operates 154 clubs and resorts worldwide.

"It's like Cheers, but in a professional setting," said Amtower, a Columbia-based government marketing consultant. "I'm there for five minutes and I'll see at least four people I do business with."

But business clubs today are not the cigar-smoke-filled exclusive dens furnished with leather chairs and stocked with bottles of Remy Martin.

They are undergoing a transformation — and those in the industry say it isn't stemming directly from the economic downturn or the emergence of new technologies. Rather, the evolution is a product of the changing nature of businesses themselves.

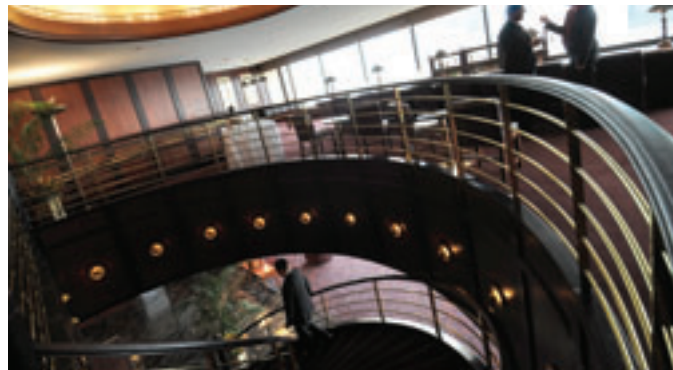
"The days of the two-martini lunch are long gone," said David Nevins, chair of the Marketing Committee at Baltimore's Center Club.

Amtower's long-distance commitment to his club isn't an anomaly. Guy Timberlake, CEO of the American Small Business Coalition, hosts the Wednesday breakfast at the club and also makes the drive from Columbia.

"We meet here because this is where the government contracting community is, so this is the place to be," he said.

These guys aren't old school — they're on LinkedIn, they e-mail from their phones and they have Facebook accounts.

But whereas business clubs used to be a place where a small number of bigwigs and CEOs could gather and talk shop over



cocktails or a meal, they are now playing a bigger role in facilitating networking between more people by hosting speaker events, happy hours and luncheons.

"The nature of the Baltimore business community, not unlike others, has dramatically changed in recent years," said Nevins, founder of the Hunt Valley marketing firm Nevins & Associates. "We don't have as many big businesses as we used to and they are being replaced by the more small, entrepreneurial types."

The adaptation has come in the face of social networking, which allows people to connect and make new business contacts from the comfort of their home or office.

However, while membership to business clubs has declined in recent years, managers attribute that to changes in the business climate and the down economy rather than as losing out to social networking.

Taking a hit

As a whole, private clubs have taken a hit from the economic downturn much like other industries have suffered. The crunch has especially hit exclusive golf and country clubs, which average one-time initiation fees of \$31,000 and \$65,000, respectively, and monthly dues of more than \$400, according to the Club Managers Association of America.

By contrast, the Tower Club and Center Club initiation fees range from \$1,000 to \$2,000 and both have monthly dues of less than \$200.

Club managers say their more affordable cost is one factor that has helped them stay relevant during tough economic times.

John Nicholas, manager of the Tower Club, said it has about 1,500 members and lost about 75, or 5 percent, over the last year. By comparison, declines of 10 percent and 20 percent have been

reported at some country clubs across the nation, which typically range between 250 and 400 members. At its highest, the Tower Club had approximately 1,600 members.

“We’re probably like everybody else, and we’re down a little bit, but people are getting laid off and losing their jobs,” Nicholas said. “We’re down a little more than usual this year.”

Amtower and Timberlake said they have been trying to get a Maryland chapter of the Tower Club established in Howard County for the past year because they believe the influx of government employees into the area from the Base Realignment and Closure process will create a greater need for those in the government contracting community. But the down economy has impeded their progress as they have been met with subdued interest from county officials.

Membership dip

In the Legg Mason tower in downtown Baltimore, the Center Club has also had a dip in membership, going from a high of more than 1,700 members to losing about 100 over the last year, according to Nevins.

But both said their position as a place where business connections are made and deals are consummated, even with the burgeoning popularity of social networking sites like LinkedIn, Twitter and Facebook, will keep business clubs active during the recession.

That’s because many in the club industry and social networking industry alike see connecting on the Internet as a stepping stone to connecting in person — not as a replacement.

“We view those sites as much more complementary than competitive,” said Nevins. “But while those sites are playing an increasingly important role, they cannot replace that person-to-person contact. It doesn’t replace two people having a glass of wine and overlooking the harbor in Baltimore and talking about the future of business here.”

The perception that online activities like “friending” business associates on Facebook or tweeting about looking for a job can replace attending networking events is a mistake, social networking experts said.

‘Just more tools’

“All these sites, they’re just more tools,” said Peter Shankman, a social networking speaker and founder of the New York-based public relations company The Geek Factory.

“And if you don’t know how to use the tools to begin with, all the tools in the world won’t help you,” he continued. “From a networking perspective, I can find people online, I can talk to people online, but I can’t forget I have to do this in person, too.”

Across the board, experts agreed that virtual networking will not completely replace the in-person version.

“Sites like LinkedIn, they solve a handful of problems that weren’t available before,” said Patrick O’Malley, a Boston-based consultant who trains businesses in using online social networking sites. “But it’s a long way to the point where that’s going to

be the only thing and we’re not even at 50/50 at this point.”

O’Malley said networking sites can now save people steps in the networking process. For example, whereas a business card is useless after a person has changed jobs, that person could still be found on a networking site with their current job and contact information. Or a job seeker can find other professionals in their field who live in their area by doing a keyword search.

But then what?

“The reality is no matter how much you sit behind a computer and network online, nothing’s going to happen until you connect face-to-face,” said Molly Wendell, CEO of Phoenix-based Executives Network, a networking group for job-seeking executives. “It’s critical that people have a balance, because that’s where you’re going to get the most effectiveness.”

A seamless transition

And that’s where places like business clubs are molding themselves to be a seamless transition from the cyber world to the physical one.

David Witherspoon, 33, chair of the Young Members Committee at the Center Club, said the distinction of taking a new contact to a gourmet lunch at a club versus dining at a different white tablecloth restaurant can score big points. After all, he noted, anyone can wait in line for a table at an Inner Harbor steakhouse; not everyone can dine at the Center Club.

“It’s like going to an Infiniti from a Pinto,” he said. “A Pinto’s got to get you there, but you kind of enjoy the travel in the Infiniti.”

Amtower also noted that by joining a club with sister locations [like the Tower Club], he gets the same amenities and familiarity on the road as he can at home.

“I go to Denver, San Francisco, wherever and I can take people to the ClubCorp properties there and I’m going to get that same level of service, attention to detail and recognition that I get here,” he said.

But just as it’s not enough to be “seen” online, simply showing up to schmooze at a business club isn’t good enough anymore and clubs are evolving to meet that demand.

Both clubs hold speaker seminars and other networking events designed to help people meet face-to-face. The Center Club is also undergoing a four-month, \$2.6 million renovation this summer on its 15th floor that will feature a private wine room, high-definition televisions, a new pool table and other upgrades. Witherspoon said the renovations will make it a more attractive socialization venue for younger members.

Nevins said they also want to add more events that will specifically allow up-and-comers to meet the more established members of their field.

“Twenty years ago, you didn’t need to do networking events because everybody knew each other — all you needed to do was be in the place where they come,” he said. “Now we need to be more in the role of helping members meet one another.” ■