

# The Satisfaction of Survival & Success

BY GREG RUSSELL – PARTNER,  
RUSSELL CORPORATE ADVISORY

Success isn't just about year-end finances and growing the bottom line. It's about building a team of people who work together, share ideas, listen, and work in harmony towards a defined end result...

**T**he New South Wales club industry has continuously proven its strength and determination over the years, reshaping itself to consumers' needs, moving into new markets, expanding its reach in the community, and thwarting poorly conceived legislation that could've spelt disaster.

In my work as an advisor to clubs across the state, it's always extremely pleasing to see clients recognised for their achievements. In being thoroughly across the wide-ranging work that many of the large clubs do and how they go about their business, I'm always pleased to see those clubs recognised.

At Russell Corporate Advisory, we have many club clients that span the entire spectrum of large venues through to those small that survive with large volunteer input. At this year's *ClubsNSW*

*Awards for Excellence*, many of our large club clients were recognised as award winners or highly commended for their achievements. Our role in the success of these clubs is relatively low key via the provision of financial advice, the completion of feasibility studies, facilitating strategic plans, or project managing an amalgamation.

There's also another side to our practice which deals with clubs in financial distress but this is a function of our services that many if not most clubs don't want

to know about. I actually don't usually expect to see club clients from this area of our practice receiving awards, so when reviewing the program at this year's awards I was delighted to see two clubs we've helped to survive and restructure through the administration process being recognised for outstanding achievement.

The point I want to make very clear is that these awards were presented to these clubs in recognition of their achievements after the administration process, and not for the work we'd done – it's an extremely important point to appreciate. These clubs had gone through the process of administration and not only survived but regenerated their businesses, and were aptly recognised for their outstanding level of achievement after coming out of the side of the administration process. And it's recognition that's well deserved.

Personally speaking, it's one of the most satisfying moments in my work with clubs to see two venues we'd directly helped to survive; not only survive in fact but be recognised for their substantial achievement as well. But I don't want to displace the work done by the managers and directors of each club in achieving the results they did by highlighting my own satisfaction because each outcome was fundamentally a team effort. It's the work as a team that achieved such results and any satisfaction is drawn purely from being part of the team that achieved such great results. What's more, it's provided the opportunity for these clubs to continue on to success and now be recognised by the industry for that success.

One of the clubs in question hails from a very small rural community. The club had suffered from years of trading losses, in addition to struggling to attract board members. Its story and history isn't too dissimilar to the story of many clubs facing an upward struggle for survival



today. The club had, and still has, a very significant part to play in the community of the town in which it is. I was originally appointed as administrator of the club and in turn was able to continue to trade the business. Initially we implemented a raft of changes to improve the trading circumstances, however on their own those changes wouldn't be sufficient to create the capital base required to address the issues of the club.

I contacted the other club in town as well as other clubs in neighbouring areas (which were up to 100km away) to find out if there was any interest as well as even a possibility of formulating an amalgamation. Unfortunately there wasn't any interest as clubs in the surrounding areas either had their own issues to contend with or were committed to significant projects and not placed in a position to become involved. Sadly, the club didn't own the club premises either; as a tenant it only made the task an even greater challenge.

With all of this set against the club, it was time to get creative. I for one didn't want to see the local community lose an integral town asset which had served as a valuable element of their community for a long time. Ultimately, a creative and unique arrangement was put into place but it didn't come without its

challenges along with a number of hurdles to overcome. A strategic plan was formulated which involved many people providing significant input. And to see the plan achieve success, a number of people provided their services pro bono while others significantly discounted their usual rates. Not only did this process have to pay creditors but it also had to generate a working fund to enable the entity to survive. It must be remembered that the role of an administrator is to protect creditors' interests and if possible to save the business. In this case, it was essential that creditors be paid in full.

With the administration process now behind the club, the approach adopted by the club ensured the plan was achieved. Without going into the details surrounding what was done and how it was done, suffice to say the plan worked: Creditors' interests were protected and paid in full; and, the local community retained the club facilities. In working towards this end goal, some significant contributions to achieve this outcome were made. In fact, I'd go so far as to say this was one of the most satisfying things I've worked on in the club industry. I wasn't paid with money for all of the work I did, but I was certainly rewarded in

full when the club was recognised for its success and contribution to the community. Job satisfaction is a great reward and the club has survived.

So far this story highlights that if clubs confront their problems directly and in a timely manner, they can put those issues behind them and move forward towards prosperity. It's unfortunate that many clubs spend far too much time avoiding the issues and not addressing the problems. Faced with this style of approach, these clubs are simply denying themselves the opportunity of survival chiefly through their own procrastination and avoiding the issues. Clubs can emerge from financial difficulties with a capacity to succeed and achieve good outcomes through an amalgamation process if they face their circumstances early.

No doubt by now you want to know which club I've been referring to? Well, that part of the story will be continued in next month's issue of *Club Life*. An ironic twist is that the club has survived everything that the previous State Labor Government threw at the club industry, but this small club and its local community now must survive the impacts of the Federal Government's carbon tax crusade. So, the fight... and the story continue. ■



## Architecture & Interior Design

Nicholas Associates Architects | [www.nicholasassociates.com.au](http://www.nicholasassociates.com.au) | 02 9369 3546

