

Executive Summary Overview

1. The University Club has experienced many of the problems that have led to the closure of similar facilities across the country -- in particular, declining membership and food services that have rarely been profitable. With the campus closure in March 2020, the Club's future is even more uncertain. The Club also has many things working in its favour: loyal members, popular events, and financial support from the University. There are several ways that the Board can respond to meet its mission of creating a community space, where members can share ideas and fellowship in a way that enhances the social and academic fabric of The University of Winnipeg.

Analysis

2. Our analysis of the Club's operations proceeds in step-wise fashion based on the logical order in which decisions must be made.

Membership. The current model of a "private club," dependent on membership dues to provide services for the members, is no longer viable. With membership rates declining to roughly 17% of eligible employees, the Club cannot claim to serve its mission of providing a community space for employees of the University. It must reduce or eliminate its membership fees in order to achieve greater participation.

Vendor. Because of the low traffic through the Club, the status quo model of a vendor providing food and beverage services in the Club and catering to on-campus venues will continue to require a subsidy to attract a new vendor. Under the current fee structure, this is a recipe for continuing decline. Two actions to remedy this situation are possible: lowering membership fees to drive more traffic through the Club may alone eliminate the need to subsidize the vendor; and soliciting a vendor with the brand-name identification to develop an off-campus catering or delivery service may further strengthen the financial position of both the vendor and the Club.

Alternative Revenue Sources. The Club relies almost exclusively on membership dues for its revenue and spends a large portion of the receipts on subsidizing the vendor. Foregone revenue due to reducing or eliminating membership fees may be partially offset by reducing or eliminating the need for a subsidy; however, it is likely that other revenue sources will still be required. This can be achieved through "institutional memberships" (contributions from the Faculty Association and other campus unions and retirees), the possibility of "sustainer" or "legacy" memberships, and venue rentals (such as with the boardroom).

Events. The Club has offered a variety of events that have proved popular. A more systematic evaluation of attendance by employee members, other members and non-members would assist in planning. While there has been a concerted effort to host events in the evening that may cater to the tastes of existing members, event planning for all university employees may need to focus on lunch time and late afternoons.

Physical Space and Amenities. The Club occupies a valued space on the 4th Floor of Wesley Hall. This location and the physical outlay of the space present both challenges and opportunities. A longer-term

consideration for the Board is the optimal use of the space depending upon the food and beverage service and the program of events undertaken. In the short term there is a need to refresh to décor.

Governance. The transition from a private club to an institutional facility should be reflected by including other stakeholders on the Board. More generally, the Club has been too dependent on the commitment and goodwill of the President for the management of day-to-day operations. A more active sub-committee structure and better accountability of the Board to stakeholders is required.

Recommendations

3. In order to be viable, the Club must take the following actions.

Membership: reduce or eliminate the membership dues to serve its mission of being a meeting place for the university community.

Vendor: retain a new vendor that provides a “full-service” lunch, catering within the University and ideally with the potential for external catering. The success of the vendor is essential to the success of the Club since it is central to all activities.

Alternative Revenue Sources: lost revenue through the reduction in membership dues can be offset by a reduced or eliminated subsidy to the vendor; by soliciting financial contributions from institutional members such as the University, UWFA and AESES; the possibility of introducing tiered membership; and by additional facility rentals.

Events: a sub-committee should review and recommend a selection of events that will appeal to the entire university community, as opposed the “members” as previously defined, in order to increase the flow of traffic through the Club at both peak and off-peak hours, and to serve the objective of promoting a sense of community.

Physical Space and Amenities: a sub-committee should be struck to consider the suitability and design of the space in the long-term and to renovate its décor in the short-term.

Board Governance: the transition from a private club to a university facility should be accompanied by including other stakeholder on the Board. More active sub-committees would take pressure off the President. Better financial and other forms of reporting are required.

The Club can succeed; however, it must innovate to address the challenges that it faces and to meet its mission of developing a greater sense of community of campus.