

2005/2006 SEMESTER 2 - SEMESTRAL EXAMINATION

Course : Diploma in Sport and Wellness Management

Module : BM0364 – Country Club and Resort Management

Feb 2006

Time Allowed: 2 hrs

INSTRUCTIONS TO CANDIDATES

- 1 This examination paper consists of **SIX (6)** pages including this page.
- 2 Answer **ALL** questions in section A. (30 marks)
- 3 Answer any **TWO (2)** questions in section B. (40 marks)
- 4 Answer **ALL** questions in section C. (30 marks)
- 5 All sections should be answered on the answer booklet provided.
- 6 Start a new question on a fresh page and indicate the question number clearly.

SECTION A (30 marks)**Answer all questions.****Question 1**

- a) With reference to the field visit to the Changi Beach Club (CBC) and the National Service Resort Country Club (NSRCC), state the **FOUR (4)** duties of the Sports and Recreation Executive when on duties in CBC & NSRCC.
(4 marks)
- b) Name **THREE (3)** founding philosophy of the NSRCC.
(3 marks)
- c) Identify the **FOUR (4)** main core revenue generators of NSRCC.
(4 marks)
- d) CBC has a unique feature that all other Country Clubs do not possess. Identify and briefly describe this feature.
(4 marks)

Question 2

- a) State and briefly describe the **FOUR (4)** common types of membership offered by a members' club.
(6 marks)
- b) Briefly explain **TWO (2)** main disadvantages of being a member of a proprietary club as opposed to a members' club.
(4 marks)
- c) Give **TWO (2)** reasons to explain why there has been a substantial drop in the value of most country club memberships in the open market in recent years.
(5 marks)

END OF SECTION A

SECTION B (40 marks)

Answer any TWO (2) of THREE (3) questions in this section.

Question 3

- a) As a sports and recreational manager, how would you convince your management that it is a worthwhile business decision to sublet your SPA operation, that has been not doing well financially, to a suitable franchisee operator? State and briefly explain **FOUR (4)** reasons for your answers.

(8 marks)

- b) From the perspective of club management, buying a franchise brand for various operational outlets of a country club may be a sound business decision in some instances as it shortening the learning curve for that particular business unit.

Imagine that you are making the choice of selecting one SPA franchises for the sports and recreation department under your charge. State **FOUR (4)** considerations for each of the following areas:

- | | | |
|-------|------------------------------|-----------|
| (i) | Franchisor's reputation | (4 marks) |
| (ii) | Franchise product or service | (4 marks) |
| (iii) | Set-up costs | (4 marks) |

Question 4

Food and Beverages ("F & B") operations is an essential feature in all well-run clubs.

- a) List **THREE (3)** types of F & B services that could be offered by clubs to cater to members' needs.
- b) In some clubs, F & B operations outlets may be ran by independent external operators. As part of the terms of agreement, clubs normally offer to these independent external operators' attractive terms and conditions for operating in the club. Identify and briefly describe **THREE (3)** such terms and conditions that independent external operators would find operating in the club attractive.

(6 marks)

- c) Clubs' kitchen staff if not well-trained or managed is the root of all catering problems. List **FOUR (4)** potential problem areas that may arise.

(6 marks)

- d) Name and briefly describe **TWO (2)** possible solutions to the potential problems mentioned in part (c).

(5 marks)

Question 5

- a) SPA business is growing rapidly in the region. In Singapore, the SPA industry is estimated to be worth \$120 million and growth next year is expected to be about 15%. According to the International SPA Association ("ISPA") there are seven types of spas. Name and briefly describe **FIVE (5)** of them.

(10 marks)

- b) Name **SIX (6)** therapeutic effects of SPA services claims.

(6 marks)

- c) Briefly explain **TWO (2)** factors that affect the trends in country clubs development in Singapore.

(4 marks)

End of Section B

Section C (30 marks)

Answer All Questions from the case study

Question 6

Extracted from the Straits Times 30 Nov 2005:

Last day for members to vote on Raffles Town Club plan

By Daryl Loo

TODAY is the last day for Raffles Town Club (RTC) members to vote on a compensation scheme offered by the club - and, some hope, end a long and messy chapter of lawsuits and disputes.

The club has offered cash and meal vouchers as compensation after members complained the club was not as exclusive as promised when it was launched five years ago.

An RTC spokesman estimates 'a few hundred members' will turn up to vote, as most have already voted by mail or e-mail since the scheme was announced in September.

A meeting will take place on the club's Bukit Timah premises, where scheme managers from accounting firm Ernst & Young, and RTC lawyers from Allen & Gledhill will answer questions before the final votes are cast.

The results will be announced today. The scheme needs a majority of 75 per cent to go ahead, but the management seems confident it will be approved. 'Most members have already sent in their votes,' said the spokesman. 'And we were told by the scheme managers that as of last Monday, about 90 per cent of the members support the scheme.'

The saga began in 2001 when 4,895 members - calling themselves the Raffles- 5000 - sued the club. They argued they were misled into joining what they thought was an exclusive club for 5,000 to 7,000 members, but turned out to have about 19,000 members. Each paid \$28,000 in joining fees, and they wanted their money back.

It was the largest class action suit in Singapore legal history.

In August, the club was ordered to pay each suing member \$3,000 in damages, but RTC got approval to make payment with a mixture of cash and vouchers. This was to avoid having to pay as much as \$57 million damages in cash, if all 19,000 members demanded compensation.

Instead, the club proposed a scheme where each member can get \$3,000 through food and beverage vouchers, or part cash and part vouchers. Those who do not want the vouchers can pay a \$3,000 transfer fee - instead of the regular \$6,000 - when they sell their membership.

In a letter to members dated Nov 17, RTC said it wants 'to put the unpleasant litigation that has adversely affected... the club over the last four years to a proper end'.

Member Joanne Ho, 33, said she had voted in favour of the scheme two weeks ago. Said the general manager of a skincare firm, who visits the club about once a week: 'I was also shocked when I found out the club took in so many members. But we should let this end now. If the club is forced to close down, no one will benefit.'

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- a) In summary, describe in **ONE (1)** sentence the key issue in the case above.
(3 marks)
- b) State the **TWO (2)** main categories of clubs that are common in Singapore.
(2 marks)
- c) Provide **TWO (2)** examples of each type of club, not including RTC.
(4 marks)
- d) State **TWO (2)** management goals RTC appear most concerned with in the case.
(4 marks)
- e) Based on the above scheme offered, would you accept the part cash/part vouchers or would you choose to pay \$3,000 transfer fee waiver, if you sell your membership? Give **ONE (1)** reason for each of your decision.
(6 marks)
- f) If you are looking to work in a club, state **FOUR (4)** important factors of a club that would affect your decision.
(6 marks)
- g) Briefly describe the **TWO (2)** likely possible reasons why RTC will have problem recruiting new employee.
(5 marks)

END OF PAPER