

Earning Your Keep

What would happen if your paycheck were based on how much your facility earned? One town's experiment shows the value of using the profit motive to create a superior aquatics facility. | by Dave Rowland

Municipal pools face an uncertain future. Across the country, tightening municipal budgets are raising serious questions about the hundreds upon hundreds of thousands of dollars in taxpayer subsidies that the average municipal pool requires for annual operations. Some municipalities are being forced to close their pools, while others take bold measures aimed at making their aquatics facility self-supporting. Despite all the effort, in most cases they continue to lose money, which leaves them vulnerable to closure.

It doesn't have to be this way. Municipal pools can be self-supporting. It's being done, and done well, in a few specific locations. But to get there, municipalities have a number of obstacles to overcome.

In West Hartford, Conn., one municipality has found a way around those obstacles. In 1991, West Hartford contracted

with my company, Aquatics For Life, a private, tax-paying corporation specializing in the operation of aquatics facilities. At the time, some questioned the decision to work with a non-public entity for management of the town's newly renovated indoor aquatics facility (Cornerstone Aquatics Center).

But the town's goal was a self-supporting facility that wouldn't require taxpayer subsidies, and that result is basically guaranteed in the management contract. We pay all operating expenses, including insurance, wages, and the approximately \$200,000 annual utility bill. If revenues aren't sufficient to cover operating expenses, we take the hit, not the town.

The result?

Thirteen years and counting of a self-supporting facility — meaning user fees cover all operating costs, save for long-

term upkeep. The facility is widely used and enjoyed by residents of West Hartford (at discounted rates), and has returned money to the tax base every year since we began management (on average, \$100,000 per year). In addition, we also provide free pool time to four high school swim teams and discounted rates to other area youth swim programs.

A public/private partnership may not be the right approach for all municipalities. But it has clearly helped West Hartford meet its goal of a self-supporting facility. And the town got another benefit: a truly superior aquatics facility. Here are six ways we achieved it — and how you can, too.

1 Deliver an Outstanding Product

Any attempt to create a self-supporting facility has to start with providing an outstanding product to customers. With utility, chemical, and even





wage expenses largely fixed, you need to draw users in order to be self-supporting — and the only way to do that is to have a great product. There are lots of recreation choices out there, so swimming by itself isn't enough. You have to devote yourself to great programming, great customer service, great facility maintenance. All of these go into the overall customer experience, and you need a great one if you're going to draw users year after year.

Despite the fact that we're basically an aquatics-only facility, we've achieved membership levels (more than 7,000 members in a town of 64,000) that most broad-based health clubs would be proud of. We've been able to do so because we pay attention to the entire customer experience — from the quality of the water, to the training of swim instructors, to the way the phones are answered, to the cleanliness of the decks and locker rooms.

2 Use the Profit Motive

One of the biggest reasons we've been successful in creating a self-supporting facility is simply that we absolutely have to. As noted above, we pay all the operating expenses for the facility, regardless of whether revenues are sufficient to cover them. If we fail, we lose everything. We can't just ask taxpayers for more money. That's a powerful incentive, and it's one that informs absolutely everything we do, down to the smallest detail.

The management agreement between us and the town is structured so both sides share the same incentives. In this sense, although we are clearly a subcontractor, the arrangement over the past 13 years has felt much like a partnership. If both sides weren't working toward the same end, it is unlikely that the facility would be self-supporting. The bottom line will go where the incentives point, so it's vital that they point the right way.

3 Become Aquatics Specialists

Another reason for our success is that aquatics is all that we do. We align our entire organization with one goal: providing an outstanding aquatics experience to our customers. There's nothing to distract us from this goal; every member of our organization is focused on aquatics, all day every day. Compare this to a municipal parks and recreation department, which has lots of things to worry about besides the pool. (And that department reports upward, where things like roads and schools become substantially more pressing.) For a municipality to achieve the same result, it would need to grant wide decision-making authority to the person who only worries about the pool.

There are many ways that this specialization has contributed to our success. As just one example, we have developed our own suite of software customized to our needs.

One of these programs, because it is so specialized, eliminated about 40 staff hours per week of administrative work. This wouldn't be possible if our choice of software were determined by non-aquatics considerations.

4 Make Market-Based Decisions

Because we're a tax-paying company, we closely analyze all of our programming to ensure that it's the most effective use of scarce and valuable pool space. It's easy to dedicate space to lots of specialized programs when people ask for them. It's difficult, but absolutely necessary, to be capable of determining that the benefits of a particular program don't justify the use of pool space, and to say no. We recently eliminated a number of water fitness classes from our schedule, because we felt that too many offerings were diluting attendance. We certainly heard (negatively) from those whose favorite classes were cut, but average attendance doubled and the cost-effectiveness of the program jumped back to acceptable levels. At the same time, pool space was made available for other popular activities.

Similarly, it's important to deliver a product that appeals to the market, even when doing so isn't easy. For example, we have blocks of six-week-long swim lessons starting every day — not every six weeks, as is traditionally the case. This isn't common because it makes the scheduling, staffing, and marketing substantially more complex. But when customers decide to start swim lessons, making them wait six weeks until the next session risks losing them.

5 Adopt a Consistent Service Philosophy

We have a very clear sense of the type of service we want to offer and what it takes to get there, and we don't allow ourselves to deviate from this philosophy. For example, every pool in the country has rules on its books about showering, shoes on the decks, and swim caps, but we actually enforce these rules, without regard to the resulting awkward situations and unhappy customers. Yes, we occasionally lose customers in a very ugly way, and it's hard to let them walk away. But we recognize

that letting these customers leave unhappy is the cost of having a reputation for brilliantly clean water. And we believe that reputation is well worth the cost.

What makes us successful isn't necessarily our specific choice of service philosophy — there are a number of approaches to customer service that could work equally well. But with any approach, there are temptations to make exceptions, and those exceptions produce a jumbled, ineffective message, both to staff and customers.

6 Keep Swimming

We never stop examining the way we do things and looking for ways to get better, even in areas where we're already successful. For example, two years ago we completely scrapped a successful party program and started from scratch. The result? Party reservations are up 400 percent. Despite that success, we're currently in the process of further modifying that program, based on what we've learned. It's important to look for improvements everywhere, not just in under-performing areas. **AI**



Dave Rowland didn't set out to challenge long-held aquatics management practices. He just wanted a decent place to swim. What he got instead was a pool of murky water and a staff that didn't seem interested in fixing the problem. Rowland figured there had to be a better way and set about to prove it by starting a private aquatics management firm that not only makes customer service its top priority, but also earns a profit. In **Earning Your Keep**, Rowland offers tips all facility operators can use to improve their bottom line and customer service — and maybe even turn a profit. Rowland is the president and CEO of Aquatics for Life, a private management firm that has run the Cornerstone Aquatics Center in West Hartford, Conn., for the past 14 years.

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