

# Private Clubs & COVID-19: Supply Chain Impacts

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# Henry Wallmeyer

**President and CEO  
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## Coronavirus What Clubs Need to Know

Listen: NCA's Joe Trauger Updates Clubs on a New Relief Bill and How Your Voice Can Help

Become Part of the NCA Network

Join in by visiting **ClubsHelp.org** to donate or find a hospital in your area to help.

Follow Clubs Help on Twitter, Instagram or Facebook

**#CLUBSHELP**



Visit [nationalclub.org/coronavirus](https://nationalclub.org/coronavirus) for more information

# Joe Trauger

**Vice President of Government Relations  
National Club Association**



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# NCA in Action



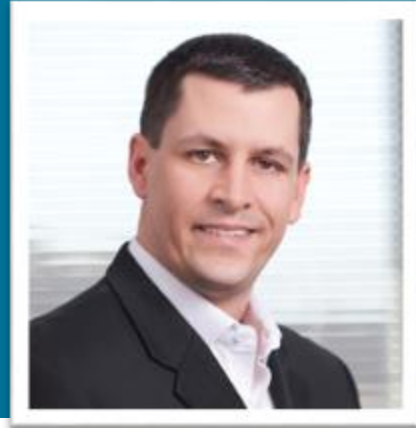
- NCA Letter to House/Senate Leadership
- NCA Letter to House/Senate Small Business Committees
- Contact Congress
- Outreach by NCA to key House/Senate Offices
- Coordination with We Are Golf Coalition

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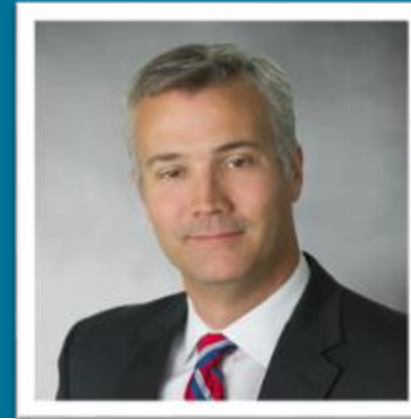
# PRIVATE CLUBS & COVID-19: SUPPLY CHAIN IMPACTS



# On Today's Call: Avendra's Supply Chain Experts



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# Overview

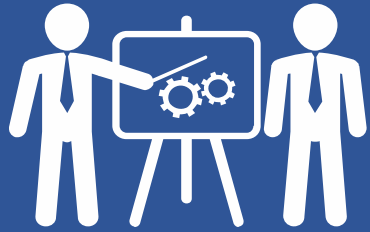
## Objective

- Frame potential Short, Medium and Long-term supply chain risks related to COVID-19
- Review quality assurance measures
- Offer operational guidance, cost saving measures
- Reopening considerations

## Caveats

- Coronavirus is a rapidly evolving situation. What we know today may be very different from what we will know in a day or two
- This is a North America centric point of view; the implications could be different in other parts of the world

# Our Approach



Avendra is continually tracking the progression of COVID-19 and its implications on the Private Clubs supply chain



Our contract owners are in touch with key suppliers collecting updates, developing alternatives and sharing best practices



The Avendra Crisis Protocol has been enacted to ensure comprehensive customer communications

# Coronavirus Assessment – Supply Chain Impact

The Private Clubs industry is being impacted in **four key areas**:

- **Restrictions** – stay at home, social distancing and no gatherings
- The supply chain **disruption of products**, especially those in certain categories (e.g. disinfectant / sanitizers)
- Protecting the wellbeing and safety of both its employees and members; **stepping up efforts to clean and disinfect** all areas of the clubhouse, as well as having alcohol-based hand sanitizer and full soap dispensers available at all times
- **Reopening considerations** for golf and recreation areas -- pool, fitness center, tennis, masks, social distancing signage, etc. What are the special needs?

# Coronavirus Assessment – Supply Chain Impact

The following is our current assessment of implications from COVID-19:

- The food supply chain in North America is secure and operating with minimal disruptions. While there are some empty shelves at retailers, we do not anticipate widespread food or food-related (e.g., disposable packing) shortages
- Widespread factory shut-downs to try to contain the virus will not be required; however, it is possible that some factories will run at lower utilization rates than normal for several weeks to accommodate skeleton staffs
- Distribution of food and other materials may be delayed, or suppliers may go to fewer delivery days/week because of either skeleton staffs or reduced demand. Communication with distributors is critical to keeping the local supply chain as efficient as possible.

# Coronavirus Assessment – Supply Chain Impact

- The current **critical short-supply items include:**
  - Masks
  - Sanitizer
  - Disinfectant
  - Thermometers
- There is a great deal of activity to quickly develop alternate sources of supply; for example:
  - Our alcohol supplier is making hand sanitizer
  - Our textile manufacturers are making PPEs



# Potential Impact By Category

## Personal Protective Equipment (PPE) and Medical Supplies

Categories Affected (Geographies)	Near-term (weeks)		Medium-term (months)		Comments
	Availability	Market price	Availability	Market price	
<b>PPE including masks/respirators, gowns, goggles, shoe covers and face shields (All)</b>	Red	Red	Yellow	Yellow	We have compiled a list of suppliers, available products, minimum order requirements and lead times and are working on determining the best distribution channels.
<b>Non-medical grade masks (Mexico)</b>	Yellow	Yellow	Yellow	Yellow	Limited to no inventory due to unprecedented demand.
<b>Gloves (US and Canada)</b>	Green	Green	Green	Green	Our supplier has sufficient inventory to meet current demand. Place orders through your typical distribution channels.
<b>Gloves (Mexico and Central America)</b>	Yellow	Yellow	Yellow	Yellow	
<b>Thermometers (All)</b>	Yellow	Yellow	Green	Green	

■ Green: low risk    
 ■ Yellow: medium risk    
 ■ Red: high risk


\* Unless otherwise noted in the first column, the updates listed are applicable to all regions that Avendra services –Canada, CARMECA,US.


# Potential Impact By Category

## Cleaning Chemicals and Sanitizing Solutions

Categories Affected (Geographies)	Near-term (weeks)		Medium-term (months)		Comments
	Availability	Market price	Availability	Market price	
<b>Hand Sanitizers (US and Canada)</b>	Red	Red	Red	Red	We continue to work on identifying alternative sources and will provide updates as additional sources and products become available.
<b>Hand Sanitizers (Mexico and Central America)</b>	Yellow	Yellow	Yellow	Yellow	Limited to no inventory due to unprecedented demand. There is no foreseeable time frame of when product inventory levels will be back to normal.
<b>Hand Soap and Disinfectants (All)</b>	Green	Green	Green	Green	
<b>Spray Bottles (All)</b>	Red	Red	Yellow	Yellow	Spray bottles remain in tight supply.

 Green: low risk

 Yellow: medium risk

 Red: high risk

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# Potential Impact By Category

Food | Rooms | MRO

Categories Affected (Geographies)	Near-term (weeks)		Medium-term (months)		Comments
	Availability	Market price	Availability	Market price	
<b>Pork/Chicken (All)</b>	Green	Yellow	Green	Yellow	Despite what you may see at your local grocery store, supply of center of the plate proteins is good.
<b>Amenities (All)</b>	Green	Yellow	Green	Yellow	No shortages or price increases on current contracted programs. Monitoring suppliers' plant capacity and operations. All Asia relevant manufacturing plants are running.
<b>Bath and Facial Tissue (US and Canada)</b>	Green	Green	Yellow	Green	
<b>Fitness Equipment (US and Canada)</b>	Red	Red	Yellow	Yellow	



Green: low risk



Yellow: medium risk



Red: high risk

\* Unless otherwise noted in the first column, the updates listed are applicable to all regions that Avendra services –Canada, CARMECA,US.



# QA Best Practices

## Club guidance:

- Continue to visit the CDC website for latest guidance for protecting vulnerable populations, hand hygiene and social distancing
- Increase use of EPA approved disinfectants, use proper dilution and water temperatures
- Use disposable towels/napkins, sanitizer in common areas



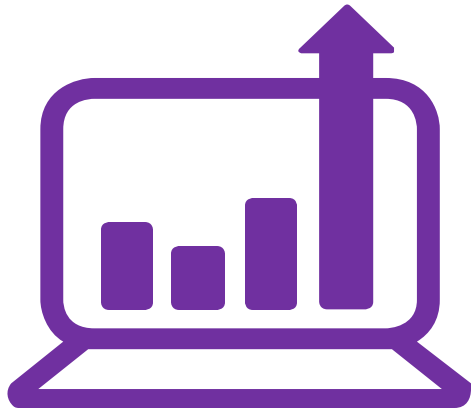
# QA Best Practices

## Club guidance (continued):

- Ensure your janitorial staff and all team members are properly trained in use of cleaning materials
  - Proper chemical dilution rates
  - Consider length of time chemicals need to remain on the surface to kill viruses and bacteria
  - Color-coded cloths / rags for different cleaning surfaces to avoid cross-contamination
  - Wipe down any surface guests may touch with disinfectant



# Cost Saving Measures: Operational Awareness



- ✓ Know your break-even points and true costs; flex to a la carte, grab-n-go and smaller fixed menu offering options
- ✓ Revenue generation; initiate property pop-up concept for quick impulse buys or add/continue carry out and grocery services
- ✓ Limit kitchen equipment use
- ✓ Reconsider contract/buyout labor and instead, cross utilize current employees
- ✓ Suspend/reduce service contracts

# Cost Saving Measures: Purchasing Practices



- ✓ Collaborate with finance and adhere to a weekly spend threshold
- ✓ Centralize purchases and do not allow associates to place direct orders
- ✓ Reduce specialty product ingredients
- ✓ Limit transactions, delivery times and frequencies
- ✓ Suspend non-essential CapEx spend/projects
- ✓ Inquire with supplier/distributors on what they may be discounting

# Cost Saving Measures: Product Alternatives



- ✓ Reduce menu items that are highly perishable and require frequent inventory turns (live shellfish)
- ✓ Adjust specs to lower cost choices
  - ✓ where applicable, downgrade branded coffee options
  - ✓ move away from premium labels (prime, organic, other notable brands)
  - ✓ promote “plant forward” (smaller protein portions, more veg)
- ✓ Evaluate food and beverage deadstock (freezer/wine/liquor)

# Cost Saving Measures: Reopening Considerations



- ✓ F&B – guests may give second thought to buffet style set up for large events, banquets, weddings, etc
- ✓ Tables & Bar Configurations – members' proximity to each other
- ✓ Commonly used items – utensils, transporting plates, condiments
- ✓ Increased cleaning frequency & general sanitation of kitchens, common areas, restrooms
- ✓ Staff – public perception and member feedback/new demands
- ✓ Welcoming Back Members – what does that look like and what supplies may help

# Q & A

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Additional Questions? Contact Us:  
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or

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301-825-0079

[www.avendraclubs.com](http://www.avendraclubs.com)



# Thank You!

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