

# Club Design 101

**FIND OUT HOW A CLUB LIKE YOURS  
INCREASED GAMING REVENUE BY 30% WHILE  
SAVING \$2,000,000 ON THEIR NEW CLUB FIT-OUT**

*Merlot*  
Constructions (Aust) Pty Ltd

# Club Design 101

**After successfully operating for twenty one years in club construction, the team at Merlot Constructions are proud to share our free ebook which contains stories about club managers who we helped improve the way their club operated. Hopefully the ideas shared here will inspire you as you work towards growing your club!**

You will get to find out first hand from club managers like you how they managed to rejuvenate their club's premises while saving money and as a result grow their business.

When you finish reading this booklet we would like to offer you a FREE assessment where we will discuss your plans for growth and using our extensive knowledge of what works and what does help you create a plan for the future. This consultation saved one of our clients \$2,000,000 on their project and helped them increase their gaming revenue by 30%.

Kind regards



**Peter Deall**

Managing Director  
Merlot Construction Pty Ltd



# Membership grew while they made savings

**We reveal how Smithfield RSL gained 3500 new members while achieving record trading**

Smithfield RSL's careful choice of a firm to carry out a significant design and construct refurbishment to its gaming areas led to a 50% saving on building costs and time and a dramatic increase in membership and turnover.

**As a result, poker machine turnover has significantly increased every month in the outdoor gaming area while membership has increased nearly 3500 and the club is trading at an amazing level above last year's revenue.**

And, according to the club's Gaming Manager, Wesley Komorowski, the six months project was achieved with absolutely no loss of revenue during the building phase.

Wesley said that he has little doubt designer/builder Merlot Constructions could take much of the credit for the club's subsequent turn-around.

Smithfield's relationship with Merlot started five years ago when the firm was one of a number invited to tender on designing and building an outdoor gaming area to help arrest a revenue decline following the introduction of the smoking ban legislation that dramatically impacted many clubs.

They showed Merlot the only available place to put it, which was far from the main indoor gaming area.

"We asked a couple of firms to quote on that project and Merlot was much cheaper plus they could do it in half the time of the other tenderers.

**"When we got the work done we discovered that their quality was also twice as good as we had seen in the past," Wesley said.**

The outdoor area helped arrest the decline but suffered from being separated from the main gaming area.

Two years ago, when the time was right to take the plunge on a new high rollers area, Merlot was called in to consult at the planning stage. The firm's designers suggested placing the high rollers room and the existing gaming



area near the outdoor area and showed how it could be done, particularly how the low ceiling snooker room could be transformed to accommodate a High Rollers area.

**The plan had proved an outstanding success, so much so that Merlot promotes it as the best it has done in its 18-year, 162-project history.**

"Because all three rooms radiate from a stately central space with a granite water feature, it's a nice place to be and convenient for patrons. The outdoor area is now doing astronomical figures. Poker machine turnover in there has increased dramatically. It has made a massive difference," Wesley said

While many have been impressed at the way the old snooker room's low ceiling was effectively hidden by a design that creates an optical illusion to disguise the actual height, Wesley said that Merlot's insistence on bringing in a Feng Shui expert to assist with the overall design had proved a clever stroke.

"Between the Feng Shui and the Asian inspired look of the area we have dramatically grown our Asian customer base," he said.

"We quickly went from our original five roulette stations to 25 and we have just bought another 20.



"The growth in participation by Asian customers was gradual in the first six months but in the last six months has been dramatic."

Growth has not been restricted to one market. Since the new gaming area opened 18 months ago, membership has grown by 3500 and the club is trading significantly higher than last year's figures.

"We're really excited as this is the highest growth we have seen as long as I can remember. In the current market most clubs are

happy with a growth of just a few percentage points."

**Wesley said that there was absolutely no doubt the club would continue its relationship with Merlot. Apart from price and speed advantages, Merlot's capacity to look after everything makes the process seamless.**

"Looking at the way we are trading, I believe we are looking at a four-year payback on the refurbishment investment."



# How was Liverpool club saved by builder?

**After 22 years with Club Liverpool, CEO Ray Stewart does not mince words and he is in no doubt that the club owes a debt of gratitude to Merlot Constructions for a rapid building program without which the club simply would not exist today.**

“When the smoking legislation came in in 2008 we were suddenly losing \$100,000 revenue a week and were looking at a \$4m deficit,” Ray said.

“Our club only makes about \$1m net profit a year so we were in dire straits. It was terrifying.

“After the Council’s administrator rushed through the Merlot plans, the company completed our outdoor gaming area in an amazing 50 working day and almost immediately the revenue returned.”

**Ray is convinced from long experience that Merlot is one of the few companies that could have carried out the work as rapidly and with as little fuss.**

Prior to the club and Merlot establishing their relationship 10 years ago, Ray dealt on major projects with two big name builders and another local firm and none were good experiences.

“When I first came here the club was already building its new George Street premises and that was my first confrontation with a builder here. It was supposed to be a design and construct project but an outside architect had been used and builder and architect were constantly at loggerheads with the club as the meat in the sandwich.

“The costs just kept going up and up and went from \$12m to \$19m.”

“We used a local company for the next major project when we bought the original club from the sub-branch and wanted to put in a Brasserie. The builder said that what the architect wanted couldn’t be done and when we found a major company that said they could do the work, they proved extraordinarily difficult to deal with.”



“Since those days we have used Merlot for a number of projects and they’re just so easy to deal with. Nothing’s a problem for them.

They have the same staff on every job, have good relationships with our directors and management and it’s just a real easy way of building something.”

Merlot was put to the test when the club determined to add a second outdoor gaming area, this time in the old Macquarie Street club, to accommodate 48 poker machines and a TAB.

It was a renovation Ray described as a nightmare.

“Had we known how hard it was going to be we would have knocked the building down, but the builders weren’t to know and neither were we.

“The place had been built in 1947. There were walls a metre thick and nothing was to plan. The further the work went, the more surprises we found,” he said.

“Variations were unavoidable but to Merlot’s credit, whenever there was a problem they’d bring in their architect to explain the problem, how best to fix it and the cost.

“Our President’s a former site foreman on big building projects and he was heavily involved so we knew they were always doing their best for us.”



**Ray said that quite apart from Merlot’s incredible speed – “They’ve never been late with any of our projects and most have finished early “ – the company has a distinct advantage in that directors and staff know the club industry and are willing to work without disrupting the club’s trade.**

“At the moment they are totally renovating three lots of toilets and the jackhammering is carried

out before 9.30am. It was the same when we were doing that last gaming room. All of the demolition and a lot of the other work was carried out at night. They’d start at 11.30pm and work through.”

Ray said praise for Merlot was common within his industry.

“Club managers are a pretty tight lot and all of the other people I have spoken to who have had work carried out by Merlot have nothing but praise for them,” he said.

# How did they slash the time it took to build?

**When Avalon Beach RSL undertook renovations in 1992 members thought that they got little bang for their buck. Now, after a recent \$1.8m refurbishment the club is transformed and no one's questioning the value.**

According to former General Manager Ron Berczelly, if there is a question on anyone's lips today it's: "How was the project finished two months early?"

Were members to investigate their builder, club specialist Merlot Constructions, they would find that of 132 projects in 18 years, Merlot has never finished late and is consistently early.

Ron said that the club's building committee, the members of which included two builders and an electrician, was more than impressed, and not just with the speed.

**Merlot's innovative design solved problems that had hampered the club for years. Expanding the dining area out onto a covered deck and into parklands opened up the club dramatically, doubling patronage literally from day one.**

Moving the main entrance eight metres meant that visitors no longer had to access the club through the gaming area and TAB.

Designing a cool room behind the club's central bar meant that no longer did the bar have to be stocked from a cellar at the other end of the long narrow club during service times.

Merlot was one of three companies asked to tender for the project. Each was asked for a conceptual design and pricing. Ron said that Merlot's concept clearly showed the company's extensive experience within clubs, something that came as no surprise to Board members who had inspected the projects of numerous builders including Merlot, looking at some 20 clubs and hotels during their planning process.

"The problem that we had and that builders had to resolve





in their plans was the limitation imposed by our footprint," Ron said.

"The club occupies 986m<sup>2</sup> but it was just 11m wide."

"We also wanted the builders to demonstrate how the rebuilding would be achieved with only a minimal impact on trading."

When Merlot was chosen above the club's previous builder, the Merlot team and the Avalon Beach RSL Board at the time sat down with the club's wish list of features developed from visits to numerous other establishments.

From these planning sessions Merlot developed ideas to be refined to

working drawings that would see the TAB relocated upstairs to free up space downstairs and the Gaming Room and general lounge areas refurbished while the entry was moved and the dining area doubled in size and opened up with a 16 metre long bi-fold door.

A dumb waiter allowed the kitchen to service the dining area which was temporarily re-located upstairs.

Merlot removed the upstairs snooker room and darts recess to accommodate the sports bar and TAB and that was renovated first. Then, the whole trading area was relocated overnight.

**Ron said that the remarkable effort of**

**transforming the club in four months instead of the contracted six months was down to exceptional organisation.**

"The Project Manager, was extremely thorough, particularly with his paperwork. Everything was documented; everything had history. There was never any argy bargy with variations and the scope of works complete with stages and dates meant that we always knew where we were up to."

"The club was delighted. Members and visitors voted with their feet from day one," Ron said.

# How they achieved a Champagne Rejuvenation on a 'Beer Budget'

**We reveal how an RSL Club was able to extend their premises, while renovating inside and out in just four months for only \$1.4M**

When Roseville RSL's Board created an expansion wish list, Secretary Manager Harry Wilkinson thought that there was no way it was achievable for the budget, summing the document up as champagne taste on a beer budget.

Harry had been involved with six renovations at various clubs during a 40-year career as a Secretary Manager. He was speaking from experience.

Two years later, after examining the current and past work of five builders short listed by the Board, Harry believed that there was an outside chance the impossible could be achieved and recommended Merlot Constructions to the Board.

"After speaking to all of the secretary managers involved in various jobs by each of the five selected builders, I told the Board I wanted Merlot," he said.

**A record four months later Roseville was a different club and the Board was celebrating an outstanding bang for your bucks return.**

"We extended into the building we owned next door, adding a smoking deck, a function room and a new kitchen, and we refurbished the club inside and out – all in just four months and all for only \$1.4m.

"Not only that, but Merlot refused to take a \$5000 early completion bonus to which they were rightly entitled," Harry enthused.

**Now retired, Harry looks back on the achievements of the renovation as a highlight of his 14 years with the Roseville club, making no bones about that fact that the new look was very much responsible for a healthy turnaround on the back of a 300% increase in membership.**



He said that while four months and \$1.4m might be impressive figures in their own right, they were all the more remarkable when it is considered that the introduction of smoking regulations caused some substantial alterations to the original proposal almost as the project was to commence.

“It was while we were resolving this that it became apparent just how easy Merlot’s people were to talk to, something that marked the entire project.”

Harry said that Roseville’s costs could easily have blown out had Merlot not talked the Board out of mid project changes by explaining what they would add both to the budget and the timeframe.

**The relationship that developed between Roseville’s management and staff and the Merlot team was epitomized with beer deliveries. Because construction trucks blocked the delivery access, the Merlot crew happily moved kegs into the cellar for our staff.**

While the sheer scale of the job could easily have made life difficult for everyone, particularly patrons, Harry said that, if anything, the opposite was the case.

“When we ripped out the bar, things were a little ungainly for about



three weeks, yet our trade during this period actually improved as the members made a point of calling in to see what was happening,” he said.

Other changes, though, were virtually seamless. Merlot designed the new kitchen to go in behind the operating one and once it was completed organized the changeover of services for a period when the kitchen wasn’t operating.

From Harry’s perspective,

the cleverest feature of the Merlot design concept is the utilisation of space.

“I’ve been in this industry for 40 years and as soon as I saw the first set of Merlot plans I knew they would work. It was obvious from the outset that these people know our industry intimately,” Harry said.

**Harry has already recommended Merlot to many of his contemporaries.**



# Renovation Key To 71% Growth In Membership

**NINE years ago Ingleburn RSL was in a perilous state. The club desperately needed refurbishments but poor cash flow made the need appear an impossible dream. But by taking a step by step approach with a builder prepared to make each job affordable, the club has enjoyed a remarkable turnaround.**

Along the way membership has almost doubled.

Former Ingleburn manager, David Marsh, lived with the process for seven of his nine years with the club and has no hesitation in saying that were it not for a committed Board and an understanding building company director, the miracle would never have happened.

Dave, who has since moved on to a role as Group CEO at St Johns Park Bowls Club, said that when he joined Ingleburn in 2005 the club was in big trouble.

“They weren’t cash flow positive and the 30-year old facilities were run down and in major need of an upgrade,” he said.

The first tentative step to arrest the decline involved two relatively minor design and construct projects, a smokers’ deck overlooking an adjacent oval and a Coffee Shop adjacent to the entry. The modern styling of this coffee shop was later to dictate the look of the refurbished club.

**Merlot Constructions won those contracts, tendering against the club’s former builder.**

Dave was aware of the company from his involvement in the tender process for a major refurbishment of Pennants Hills Bowling Club when he worked there, and through industry word of mouth.

“Right from the start it was obvious that Merlot would suit us as the company was happy to help us out with these smaller jobs in the realization that each of them would improve our cash flow with a view to financing further works. They were particularly cost effective with these smaller jobs.”



When Merlot was appointed in the first instance, David was aware of the company's industry wide reputation for speed, but it wasn't until Merlot won the next job, refurbishing the RSL's auditorium against a four-week deadline, that he saw this aspect for himself.

"We had to have it finished to cater for some important pre-booked functions. Quite frankly, I didn't think the four-week deadline was possible. Yet they managed to pull it off."

### **When the smoking ban legislation hit the club, an Outdoor Gaming Area became imperative.**

"It was a critical part of the business plan," David said.

Merlot came to the party immediately, getting council approval in quick time and completing the outdoor area in just eight weeks. The company even provided a delayed payment plan to help the club out while it recovered from the downturn caused by the smoking legislation.

To the club's relief, the outdoor gaming area was an instant success.

"It made a massive difference to us. There was a fairly substantial increase in turnover, allowing us to become competitive with venues around us that had beaten us to the punch a little bit."



With their financial position now strengthened, the club decided to bite the bullet and undertake the long overdue renovation of the entire ground floor.

The project, which involved new TAB, main bar, kitchen, bistro, hairdresser salon, childcare room and refurbished foyer was started late in 2009, but it too had a tight deadline. It had to be completed in 16 weeks in time for the club's biggest trading day of the year, ANZAC Day.

Dave said that by then he wasn't concerned about giving the Merlot an "impossible" time frame.

"By this stage I was confident 16 weeks would be achievable, although I knew we would be cutting it fine," he said.

But even he was surprised when the company brought the job in two weeks ahead of schedule in just 14 weeks.

David said that during this refurbishment there were a number of changes at the behest of management and the Board but nothing phased Merlot. The

company bent and adapted and still kept variations to a minimum, with most being mainly for extra inclusions the client added along the way.

He said that Merlot's experience with staging building projects within a trading environment was clearly evident as the club saw only a minimal impact on trading during the renovations.

He also made the point that quite apart from speed, work quality and the quality of Merlot's employees, two very real plusses were the hands-on, personal involvement of the company's Director and Merlot's flexibility with regard payments.

**"It's very rare that the bloke who owns the business is involved in all of the processes, but Peter Deall is and he holds a few more values than just business."**

"They certainly assisted us when we were doing it hard for cash flow by letting us pay off the work in installments," David said.

# Who is Merlot Construction?

## The key facts about Merlot Construction:

I started the business with partners in 1994, so we have over 20 successful years of design and construction in residential, commercial but primarily the services intensive hospitality sector.

Turnover has varied between \$6m and \$15m per year. projects have mainly been for the same repeat clients, who enjoy a great comfort in knowing our tight cost control and innovative designs to give them stand out extensions or renovations. Often award winning but always income increasing.

## What do we do differently from the rest?

Our site staff of twenty years are keenly aware of the customers' needs; clean tidy site, speedy construction and a co-operative attitude that has included unloading keg trucks when the cellar-man is short staffed.

Our design team have a secret weapon that will give you the risk free cost-controlled project putting you in the driver's seat to steer the work and details to what YOU WANT not what suits us necessarily.

**Please call us to show you a unique engagement system that basically allows you to try before you buy, and flushes out all unknowns before you commit!**

Meanwhile please take a little time to read what our clients have enthusiastically wanted to go into print to tell you about their valuable experience in improving their clubs.

**If you want more help, I am contactable on 02 8850 0078 to answer any of your questions and assist you in achieving your next club fitout or club construction project.**

## Important Merlot company contacts and information

- Our Solicitors - Matthews Folbigg c: Phillip Brophy 02 9806 7453
- Our Accountants - Gelonesi de Bertolli c: Frank Gelonesi 02 8707 0300
- Public Liability - \$20,000,000.00
- Professional Indemnity - \$10,000,000

# Club Projects by Merlot Construction

The company has a reputation for finishing early and thoroughly. **In fact we have NEVER finished late.** Although speed is not the only consideration in a builder's ability, it is indicative of being well organized. This also ensures finishes are excellent and defects comparatively rare. The number of repeat clients listed is also testament.

The efficiency of a smaller company (with solid financial backing), with the expertise and teamwork accumulated from 16 years of virtually the best selected staff have created a track record that is remarkable. Were the quizzical ones to take the time to investigate their builder, club specialist Merlot Constructions, they would soon find that of 132 projects over 18 years, they have never finished late and in most case are consistently early.

## Club Projects in chronological order, performed for:

|  |   |
|--|---|
| Austral Bowling Club (\$1.4m)                | MBA Excellence in Construction Award Winner   |
| Dee Why Bowling Club(\$0.14)                 | Avalon RSL Club(\$1.4m) * MBA Excellence in   |
| Asquith Bowling Club (\$0.15m)               | Construction Award Winner                     |
| Berowra RSL Club (\$0.25m)                   | Blacktown Leagues Club(\$0.25m)               |
| Kingswood Bowling Club (\$1.1m)              | Rockdale Tennis Club(\$1.5m)                  |
| Picton Bowling Club (\$0.95m)                | Liverpool RSL Club (\$4.5m)                   |
| Corrimal RSL Club(\$0.85m)                   | Ingleburn RSL Coffee Shop & Terrace           |
| Carlingford Bowling Club(\$1.4m)             | (\$0.35m)                                     |
| St Marys Bowling Club(\$0.3m)                | Hills Bowling Club (\$0.42m)                  |
| Canley Heights RSL & Sporting(\$5.7m) * MBA  | Roseville Returned Servicemens' Club (\$1.4m) |
| Excellence in Construction Award Winner      | West Pennant Hills Sporting Club DA for       |
| West Pennant Hills Sporting Club(\$0.3m)     | \$28m project (\$0.5m)                        |
| Mooney Mooney Workers Club(\$0.3m)           | Bowral Bowling Club DA & Working              |
| Nelson Bay RSL(\$1.8m)                       | Drawings (\$0.5m)                             |
| Mt Lewis Bowling Club(\$1.5m)                | Ingleburn RSL BCA Upgrade (\$0.25m)           |
| Pennant Hills Bowling Club(\$1.8m)           | Earlwood Ex-Servicemens' Club (\$2.9m)        |
| Terrigal Bowling Club(\$0.75m)               | Ingleburn RSL Auditorium Upgrade (\$0.15m)    |
| Muirfield Golf Club(\$1.8m)                  | Campbelltown Golf Club (\$2m)                 |
| West Pennant Hills Sporting Club(\$3m)       | Liverpool RSL Club (\$2m)                     |
| Fox Hills Golf Club(\$3.2m) * MBA Excellence | Ingleburn RSL Club Smokers Deck (\$0.18m)     |
| in Construction Award Winner                 | Weston Workers Club (\$1.5m)                  |
| Cabramatta Rugby League Club(\$0.4m)         | Moorebank Sporting Club (\$2.5m)              |
| Carlingford Bowling Club(\$0.65m)            | Smithfield RSL Club (\$1.3m)                  |
| Albion Park Bowling Club(\$5.5m)             | Hills Bowling Club (\$0.5m)                   |
| Corrimal RSL(\$1m)                           | Ingleburn RSL Club outdoor gaming (\$.490)    |
| Warragamba Workers Club(\$2.8m) *            |   |

**Merlot Constructions Pty Ltd - Club Fit-out Specialists**

**To contact phone: 02 8850 0078**

**Copyright 2017**

