Benchmarking Operations
The Key to Understanding and Improving Your Club

Ed Rehkopf
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Imagine two professional baseball teams. One team measures every aspect of every player’s performance – the number of at bats; number of hits, walks, and strikeouts; batting averages against right- and left-handed pitchers; slugging averages; and fielding percentages. They also measure each pitcher’s earned run average, number of base on balls, strikeouts, wild pitches; and so on. The other team decides it’s too much trouble and keeps no statistics whatsoever.

These two teams will meet each other twenty-four times a season. While well-matched in player talent, hustle, and desire and though each team possesses competent management and coaching, one team dominates the other season after season. Would anyone be surprised by which is the dominant team?

As everyone knows this example is ludicrous because every baseball team measures players’ performance and uses this information to make crucial game decisions. What is it that baseball managers understand that some club managers don’t seem to grasp? The fact that everything in life follows patterns. When patterns are tracked and analyzed, they can be used to predict future performance and make ongoing operational decisions.

Benchmarking, the act of measuring and analyzing operating performance, seeks to understand the patterns underlying an operation. Reasons to benchmark include:

- Establishing the baseline or “benchmark” of existing operational performance.
- Comparing ongoing performance to historical benchmarks.
- Establishing realistic performance goals for future periods.
- Identifying under-performance or best practices.
- Providing hard numbers to support decisions and requests for additional resources.

A club manager, like the pilot of a plane or the captain of a ship, needs to know that all systems are operating within desired parameters. How will he or she know without detailed measures of performance? The monthly operating statements provide good basic information, but these summary numbers can mask troubling trends within the operation. For instance, higher food revenues can be a result of less patronage, but each member spending more because of higher menu prices. The manager is happy with the higher revenues but is blissfully ignorant of declining levels of business.

Benchmarking is best accomplished by department heads with bottom line responsibility. They have an absolute need to know and understand the underlying factors that affect their revenues and expenses. Each department head will need to decide what important data should be tracked. Most performance measures will fall into the following broad categories:

- Revenues, both aggregate and by type
- Expenses, especially payroll – the largest expense in club operations
- Inventories
• Retail sales mix to determine buying patterns of members
• Processes to track specific tasks or events

Most of the raw data necessary to benchmark comes from point-of-sale (POS) reports. Much of the lode of daily information gets looked at briefly by department heads or the accounting office and is then filed away, rarely to be seen again. The real value of this information comes from tracking it over time to determine trends by day of week, week to week, month to month, and year to year. This means that managers must pull the daily information from POS reports and enter it into spreadsheet software.

Even without sophisticated POS systems, benchmarking can still be done. Cash registers offer a fair amount of data, but state-of-the-art POS systems provide the most information and the greatest flexibility of reports. Despite these reports, it is still necessary to transfer daily data into electronic spreadsheets that allow archiving of data for future analysis.

A few caveats:
• There are as many aspects of an operation to measure as time, resources, and ingenuity will allow. Focus on those most critical to a department’s operation.
• Data used in benchmarking must be defined and collected in a consistent manner.
• When comparing data, always compare like to like.
• Ensure benchmarks measure practices and processes with only one underlying variable.
• Do not draw conclusions from too small a sample. The larger the sample, the more accurate the conclusion.
• When two pieces of data are compared to generate a benchmark, both a small sample size and extreme volatility in one or the other, can skew the resultant benchmark.

Benchmarking is not complicated, but it does require organization and persistence. It is best accomplished by setting up routine systems to collect, compile, report, and analyze the information collected. Like a baseball team, the knowledge gained by benchmarking will bring an operation to the top of its game.

**Assert Your Competence and Authority with Club Benchmarks**

At one time or another every club manager is challenged by a pointed question from a committee or board member. For example:

*Mrs. Johnson, a member of the clubhouse committee, asks in a sharp tone, “Mr. Smith, why don’t you do a better job of training your waiters in the dining room?”*

While there are certainly many possible responses to this complaint disguised as a question, consider the benefits of a reply like this:

“Well, Mrs. Johnson, last year each of our servers had 20 hours of formal training, plus we conduct brief on-the-go training sessions as part of every pre-shift meeting. On average each server who has been with us for six months or more has had over 40 hours of job specific training. Last year, club-wide we averaged just over 92 hours per employee of formal training.”
on a wide range of topics, including organizational values, legal and liability abatement, work rules and club policies, and safety, as well as job-specific skills. This was a 7% increase over the previous year.

We’re currently working on a program to expand server training with a series of videos on tableside etiquette and serving techniques, which we’ll roll out next month. We’re always working on ways to improve the efficiency of our training delivery system, but keep in mind that every hour of training costs the club $10.47 per employee. I’d be happy to share our methods, resources, and job specific curriculum with you, as we could always use another set of eyes on what we’re doing.”

Mrs. Johnson nods her head knowingly and replies in a much softer tone, “Uh . . . no thanks, Mr. Smith. I was just wondering how we go about training our staff.”

As this example suggests, there is no better way to assert your competence and authority than to be conversant with a wide range of operational data. Such information is as useful to the head golf professional, golf course superintendent, clubhouse manager, dining room supervisor, chef, and controller, as it is for the club’s general manager.

But to have such information at your fingertips, ready for all challenges, requires that every club department benchmark their operations in detail. While these details are essential to the department head, important summary benchmarks must be forwarded monthly to the controller for inclusion in the Executive Metrics Report (EMR), a detailed summary of club benchmarks covering all areas of the operation (see Executive Metrics Report in Insights and Ideas – Two Best of the Best Practices for Private Clubs). This report is then attached to the monthly financial statement and forwarded to various board and committee members. Ultimately this information, tracked over time, educates board members, and helps the general manager establish authority while advancing his or her vision and agenda for the club.

Knowledge is Power! And the more knowledge you have about your operations, the more power and control you will have over the club’s direction and your own destiny.

As can be seen from the following Remarkable Service Infrastructure diagram, benchmarking has a central role in the club’s operational planning and performance.
Twelve Reasons to Benchmark

Benchmarking is one of the most significant things a general manager can do to improve the performance of a club organization. By understanding the underlying “drivers” of the operation, he or she can take action to enhance results.

Here is a more detailed explanation of the reasons to benchmark:

1. To establish the baseline or “benchmark” of existing operational performance.
   Clubs generate many variable measurements of performance. Existing data determines the baseline performance against which all future operations will be compared. If data has not been tracked in the past, begin by measuring existing performance and make that the benchmark. Often, past data is available, it’s just that no one has made the effort to collect, organize, and summarize it. With a little effort baseline measures can be reconstructed from past periods. If this is too much trouble, begin by collecting...
today’s data. In a short time, valid benchmarks will emerge, though usually a full year’s worth of data must be collected to account for seasonal variations in business. In the absence of significant changes, the longer the data is tracked, the more valid it becomes as the standard for the operation and as a predictor of future activity. But a corollary to this is that the older the data, the less relevant it is to current operations.

2. The benchmark performance can be considered the operating standard and all future performance can be compared to it. Once the operating standard has been established, all future performance is compared to it. “Out of line” benchmarks become warning indicators that something demands closer scrutiny. Often there are valid reasons for out of line numbers, perhaps the benchmark is a true anomaly that will correct itself in future periods, or it may be the start of a trend that bears management consideration and decision. In any case, by monitoring the benchmarks, managers are aware of changes in their business and will be prepared to act as warranted.

3. After tracking operating statistics for enough time to ensure a statistically sound sample, benchmarks can be used to establish performance goals for future operating periods. When establishing budgets, management can use historical benchmarks to establish realistic and accurate goals for coming operating periods. Once goals are established, they can be used to compare to actual performance day by day, week by week, and month by month to measure progress toward overall objectives. Should actual performance fall short of expectations, management can make timely interventions to get the operation back on track.

4. It is useful to compare a club’s performance measures for a given period to other past periods, to other similar operations, or to the industry. For example, comparing September of this year to September of last year or this year’s Mother’s Day brunch to all previous years. There are national trade associations and certain accounting firms that publish annual performance comparisons of various types of hospitality and club operations on a regional or nationwide basis. It’s a good exercise to compare an operation’s performance with the national average for similar clubs.

5. Identifying under-performance or best practices. Hopefully comparisons with previous periods or other similar operations will be for the better, but if not, it will alert management to problems and possible solutions. By monitoring the operation’s continuing performance measures and closely analyzing the circumstances that lead to extraordinary performance, a department head can identify best practices – those actions, conditions and practices that optimize efficiency and profitability. In the case of downward trends, it can alert management to necessary interventions.

6. Benchmarks from past periods can make budgeting for future periods easier and far more accurate. Absent major change, the best predictor of the future is the record of the past.

7. Revenue benchmarks from previous periods aid in forecasting business levels in future periods. Accurate forecasting of future business allows managers to properly staff their operations and schedule appropriately for expected levels of business. This, in turn, helps control payroll cost while ensuring service to members.
Tracking revenues and comparing them to historical benchmarks allows management to measure member response to products/services and new initiatives. The most accurate indicator of member response to new initiatives such as new menus, new hours of operation, improved service training, hiring a new chef, etc., is the response seen in member patronage and buying habits. If members in a club traditionally spend an average of $232 per month on food, but since the new chef came on board that average has climbed to over $300 per month, management could feel comfortable that their decision to hire a new highly-paid chef was the right one. Without the benchmark of previous operations, how would they know, except by anecdote and gutfeel?

While most managers have a general sense of the many variables influencing their operation, having the hard numbers and statistics supports the validity of decisions, proposed changes in the operation, and requests for additional resources. Careful tracking and analysis of performance measures is the basis for sound decision-making and is extremely useful in proposing changes in the operation. Proposals for capital purchases have a better chance for success when supported by details and analysis. Further, there is no better way to manage the boss’s or the board’s perception of the club’s performance than with timely reports about the challenges and progress of the operation.

Benchmarks can be used to establish performance parameters for bonus and other incentive programs. When goals are established based upon historical benchmarks, the ongoing performance measures can be used to determine eligibility and extent of bonus payments and other forms of incentive programs.

The few minutes spent each day in recording and reviewing key operating statistics make a manager intimately familiar with the rhythms and flow of his or her operation. Over time this develops into what can readily be called an intuitive understanding of the essential aspects of the business. As a result, a department head can foresee and prepare for expected variations in the business, such as traditionally slow and busy periods; doing this will ensure keeping costs in check while maintaining high levels of service.

A significant reason for benchmarking is that it establishes the condition of the operation upon a new manager’s arrival and gives a graphic demonstration of the many operational improvements under his or her leadership. This is most helpful in gaining the trust and confidence of the board, peers, and employees alike. Coincidentally, it also makes it easier to justify increased compensation for job performance.

Three Things Every Operation Should Benchmark

We have written repeatedly of the importance of benchmarking key operating statistics which will tell you far more about your operation than just how much of a profit or loss you had in any given period. While we strongly recommend that every department benchmark in detail, here are three key things that every club should begin benchmarking immediately:
1. **Payroll hours by category (regular, overtime, holiday, vacation, and sick time) by department and payroll cost by department – both by pay period.** Just the fact that this data is being reported and looked at regularly will bring down overtime costs, while pinpointing further cost saving opportunities as the ongoing norms of the operations become clearer.

2. **Utility costs by category (electricity, gas, and water).** In most hospitality operations utility expenses are second only to payroll as the most significant operating expense. Once routinely measured and reported, a variety of energy-saving initiatives can reduce these expenses. Utility usage rates can be compared to various measures of usage such as meals served and rounds of golf to establish key benchmarks. The vagaries of weather and its impact on heating and air conditioning can be removed by comparing electricity and/or gas usage to degree days for each heating and cooling period.

3. **Major revenues, number of transactions (rounds of golf, meal counts, retail transactions), and average member spend by revenue category and profit center.** Taken together these measures will pinpoint whether shortfalls in revenues are caused by declines in volume (# of transactions) or by the average member expenditure. Since the steps to overcome these deficiencies are different, knowing whether the problem is volume decline or lower average spend is critical to turning the situation around.

There are many other key numbers to benchmark in club operations, but these three should be the starting point for implementing a larger discipline of benchmarking.

**Benchmarking and Budgeting**

The first step in establishing an operating budget is to forecast revenues. Until some measure of anticipated income is projected, the level of variable payroll and operating expenses is pure guesswork. For existing operations, it is easy enough to look back at preceding years’ revenues and project accordingly. It is far more difficult in start-up operations where even the guesstimates of the most experienced operator are suspect.

Yet even with operating histories at hand, the person preparing the budget must have some understanding of the interplay of volume and average member expenditure which underlie all revenue projections. This is important because the factors that bring a member to the club are far different than those that influence how much he or she spends. These two factors – volume and average expenditure – are key items to benchmark in any operation and are easily determined from point-of-sale or cash register reports.

As an illustration I shall use a golf course operation, but the same would apply no matter what product or services are sold. In our example, revenues come primarily from green fees, cart fees, merchandise sales, practice range fees, and food & beverage sales. The underlying volume benchmark is how many members use the golf course – the rounds of golf played.

By tracking these key revenues and golf rounds on a daily, monthly, year-to-date, and year-to-year basis, we can derive the following benchmarks (highlighted in yellow) in the diagram below:

- Green fees per round
- Cart fees per round
• Merchandise sales per round
• Practice range income per round
• Food sales per round
• Beverage sales per round

Recognizing that absent significant change or abnormal events, the recent past is the best predictor of the future, these benchmarks can help determine future rounds per period and revenues by round. All it takes is a little informed judgment and knowledge of upcoming events or trends that may impact the forecast.

By setting up a bank of data entry cells in a spreadsheet (yellow highlighted below), we define the assumptions underlying our revenue projections at the same time we create those projections. Nothing could be simpler – the spreadsheet is set up to automatically multiply the number of rounds by the benchmark for each revenue category to project future sales. Such clearly stated assumptions make it easy for superiors and the board members who review the budget to understand how the projections were made. It also makes it easy for the manager who has missed his or her projections in each period to go back and see why they were missed – either not enough customers (in this case, rounds of golf) or lower expenditures per round.
Assumptions

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Income

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Projected Revenues using Rounds and Revenue per Round Benchmarks

Once revenue projections are made, it is easy enough to project operating expenses if they have been benchmarked as a percentage of revenues. Therefore, if office supplies have historically run at say .12% of revenues, then it’s a good bet, that absent significant change, they’ll continue to run at that level.

Given the magnitude of payroll costs in most operations, payroll can also be projected using volume (number of hours worked) and average hourly wage benchmarks. These are easy enough to track since gross pay is a function of how many aggregate employee hours are worked and what the gross payroll amount is for any given pay period and by extension for the entire year.

Payroll Benchmarks and Budgeting

In each department there are two methods of compensating employees – salaries for exempt staff and hourly wages for non-exempt employees. Usually there are a few exempt employees who make up the management staff in each department. Their compensation is easily calculated for budgeting purposes by using the annual salaries plus any proposed increases and breaking this down into monthly amounts.

For non-exempt hourly wage employees this is a more complicated task due to the larger number of employees involved, their varying rates of compensation – due to longevity, positional skills, and higher pay for overtime hours – and hours worked due to varying schedules. But by using similar data to the volume and average unit used in revenue projections, in this case the number of hours worked and the average hourly wage, it becomes easier to accurately project payroll costs. Here’s how:

By using a spreadsheet form to benchmark payroll cost and number of employee hours worked in each pay period throughout the year, a department head is readily able to see the average hourly wage for the period and year-to-date because the spreadsheet automatically divides the pay cost per period by the number of hours worked. See yellow highlighted cells in the sample below.
With this information the payroll forecast can easily be built for the coming year by reverse engineering the data and using the number of hours worked and the average hourly wage from the previous year. For instance, using the example above and adding any adjusting factors envisioned in the upcoming budget such as an expected 2.5% increase in hours worked due to extending the hours of operation of the dining room and a 1.2% across the board increase in the average hourly wage (highlighted in orange), the new annual budgeted amounts are projected. Dividing the annual amounts by 26 pay periods (in this case for bi-weekly pay periods), gives the average pay period budgets (highlighted in green).
This presentation of the new year’s budgeted payroll is an abridged version focused on the annual amount and average amount per pay period. With a little effort the annual budgeted number of hours worked, and average hourly wage can be broken down more accurately by computing the percentage distribution of the last year’s per pay period benchmarks to allocate the upcoming year’s pay period budgets.

Whether the average method or more accurate percentage distribution of pay period numbers is used to establish the new year’s per pay period budgets, the entire budgeting process is based upon the previous year’s volume and average unit benchmarked data. If a department head misses her budgeted numbers, she can see if the overage is due to more than expected hours worked or a higher-than-expected average hourly wage. This is important because the solution to one or the other is different.

This more accurate method of establishing pay cost budgets is also important in that it provides all stakeholders with an easier and more rational means of reviewing and commonsense validation of the budget for this largest of all expenses. This is a great improvement over simply reviewing the aggregate payroll budget for each month or year.

*Departmental Payroll Analysis Summary, PCPM Form 230 (copies of PCPM forms are available at the PCPM Marketplace store).

Note: Some departments have multiple operations with different underlying hours worked and average hourly wage. For instance, the F&B department which may have a la carte dining with constant hours of operation, a catering operation with varying levels of business, and a snack bar with lower compensated seasonal staff. In this case it would make sense for the department head to project budgeted numbers separately for each distinct operation for accuracy sake and then combine these into an overall budget.

### Benchmarking Utilities

Almost daily we hear disturbing news about environmental degradation and the impact on our planet of our ever-increasing levels of fossil fuel consumption. There is also a significant debate on whether the current period of global change is man-made or if it is part of the natural cycle of the planet. While scientists continue to debate the exact causes of warming oceans, melting ice caps, and other symptoms of our impact on Mother Earth, the consensus today seems to be
we are facing a looming crisis and that much needs to be done to decrease our carbon footprint in all areas of our lives.

While most of us wait for some stroke of technology or government intervention to lead us out of the crisis, there are currently and soon-to-be other significant reasons for the business sector to address the problem within the scope of their operations – that of cost. While government regulation of utility prices has kept the upward climb of utility costs manageable, we cannot always expect this to be so as the cost of extracting oil or converting to new greener technologies is expected to rise dramatically in coming years.

Environmentalists have long pointed out that the cheapest alternative to ever rising energy costs is that of avoidance – of conserving energy by the end user. This applies to our homes, but increasingly is being looked at by businesses as a way of reducing or stabilizing these costs. It seems at every turn we are being encouraged to change our light bulbs, better insulate, shift demand to non-peak hours, purchase more energy efficient machines, or just turn off unneeded lights and equipment.

Whether you are currently considering new investment in energy-saving technologies or will wait until it becomes a financial imperative for your operation, you will not be able to adequately determine the cost/benefit of any initiative without an understanding of the energy use at your facility. Without this understanding any decision you make will be based upon wishful thinking or the promises of vendors.

So now is the time to start benchmarking your utilities which is easily done by tracking your consumption and cost for electricity, gas, and water. For each one of these commodities, you receive a monthly bill from your utility companies that provides all the pertinent information. It’s a simple matter of extracting this data from the invoice and putting them in digital spreadsheets month-by-month and year-by-year for each area of your operation for which you receive a bill.

Whether you plan to act soon to control energy costs or wait to some future time, these utility benchmarks will serve you well as you determine options and costs.

**A Roadmap to Successful Club Benchmarking**

As mentioned in *Twelve Reasons to Benchmark* above, there are many reasons to benchmark your club’s operations. One important reason is to compare your club’s performance to that of the wider industry. But just as there is value in benchmarking your operation externally, there are valid reasons to benchmark your performance internally – that is within each department and the club as a whole. Having provided this context, let me now provide some of the key specifics on how to benchmark.

For those who want to set up an internal program of benchmarking, here’s a discussion of some of the challenges and pitfalls, as well as information on where to get the necessary benchmarking instructions and spreadsheets to do it.

Let me start by saying that every day there are literally hundreds of data points generated in club operations. The real benefit of benchmarking, though, is in tracking data over time. The number of meals served in the club dining room on a particular Friday night doesn’t signify very much; it is simply an occurrence. But if that number is part of a declining trend in Friday night
dining, it is certainly a cause for concern. Without the effort to track trends and compare them to historical performance, there is no way to manage for either quality or performance.

It is essential that the club’s general manager buys into the value of benchmarking and fully supports the effort. Without his or her backing, it will be far more challenging to implement club-wide benchmarking. That doesn’t mean that individual department heads cannot benchmark within their departments and be successful, but it does limit the overall value of benchmarking to the club.

It is helpful to have a point person for the project – and I suggest the club controller. This does not mean that the burden of benchmarking falls on the controller’s shoulders – as each department’s benchmarks must be the responsibility of the department head. But it is helpful to have a person knowledgeable about accounting and the use of spreadsheet software to help guide and assist less knowledgeable department heads through the process.

Having said this I also want to stress that the controller’s office is the logical place for the preparations of several key reports (some sort of Weekly Revenue Report (see PCPM Form 203 for an example), and a Pay Period Summary Report, PCPM Form 229, both available at the PCPM Marketplace store) that will facilitate data availability club-wide, as well as the consolidation of key benchmarks from all departments into the Executive Metrics Report which I have advocated as a useful enhancement to the monthly financial reporting package.

But even in the absence of such reports from the accounting office, a conscientious department head, recognizing that she is the person fully responsible for her department’s performance, can with a little effort get the necessary data to benchmark. For example, revenue information can usually be accessed from POS reports and payroll data is available from the accounting office or payroll service – both merely take a little initiative to get the desired information.

Depending on the club’s pace of operations and individual department heads’ workloads, it may make more sense to start small with one or two departments whose managers are “numbers” people and who relish the idea of a deeper empirical understanding of their business operations. The enthusiasm and resultant success from these early adopters will serve as invaluable inspiration and guide for others. An alternative would be to implement one significant form of benchmarking club-wide – say benchmarking payroll costs across all departments. In time, the value of this will lead to a desire for more robust benchmarking of other areas of club operations.

While every club can set their priorities for data to benchmark, here are some suggested priorities and the reasoning behind them:

- **Profit and Loss Statement** (as part of the Executive Metrics Report) – low hanging fruit, easy to access data from P&Ls, requires only monthly data entry.

- **Payroll Cost** – largest cost in operations, potentially yielding greatest opportunity for improvement and savings; makes future budgeting far easier; most effective when employees are paid on a bi-weekly basis (see Why Our Workweek and Pay Cycle In Insights and Ideas – Two Best of the Best Practices for Private Clubs to understand why).
• **Departmental Revenues** – by day of week, week by week, monthly, and annually; easy to access data, historical record can improve staff scheduling, makes future budgeting far easier.

• **Food and Beverage** – probably the most effort and time-intensive if done thoroughly (tracking sales of beer, wine, alcohol, appetizers, desserts, specialty drinks, etc.), but provides critical feedback on any efforts to improve the average check; data can also help with managing inventory levels of alcoholic beverages.

• **Inventory and Accounts Receivable** – low hanging fruit, easy to access data in accounting office, helps monitor and correct inventory volatility, requires only monthly data entry.

• **Retail** – can dramatically improve performance when coupled with other retail disciplines.

• **Utilities** – low hanging fruit, data comes from monthly utility bills, once-monthly data entry for electricity, water & sewer, and gas; helpful in spotting and investigating usage and billing anomalies.

• **Individual Departments** – prepared by department heads, makes them more knowledgeable about operations (enhancing their authority and influence), analysis of benchmarks leads to improved performance.

All the resources to begin internal benchmarking at your club can be found in the 153-page *Club Benchmarking Resources* at the PCPM Marketplace store. It contains the background information, the basics of benchmarking, departmental benchmarking instructions, and samples of benchmarking spreadsheets. Each departmental instruction gives a list of benchmarks to track and sources of data, as well as specific instructions on how to use the spreadsheets and a sample spreadsheet for both year-to-date and year-to-year tracking.

Various benchmarking spreadsheets are provided with the purchase of *Club Benchmarking Resources*. After downloading and reviewing the benchmarking material, managers can customize the spreadsheets for their operations, and begin collecting and recording the necessary data. If key data has never been tracked before, patterns will emerge quickly as benchmarking progresses, though the longer the data is tracked, the more valuable the benchmarks will be as operating standards.

My experience with benchmarking over the years is that it usually takes several months of close focus and review to initially set up; thereafter ongoing benchmarking becomes part of the club’s routine.

Some department heads may need training and handholding during implementation, particularly if they are not familiar with computers or spreadsheet software, but once up to speed, they fully appreciate the value of monitoring the underlying details of their operations.

An important discipline that fully exploits the benefits of benchmarking is to make a formal review of departmental benchmarks part of the ongoing monthly review of financial statements with each department head. When combined with the Real Time Accounting - Tools to Beat Budget program and a review of progress toward the goals of the department head’s annual work plan, benchmarking becomes a particularly effective means of driving progress and
performance club wide (see Insights and Ideas - Tools to Beat Budget - A Proven Program for Club Performance for more information.)

All departmental benchmarks are then summarized monthly using the spreadsheets and a copy forwarded to the controller who completes the Executive Metrics Report using selected benchmarks from the departmental spreadsheets and submits it to all stakeholders as part of the club’s financial reporting package. One controller who presented the EMR to the club’s finance committee reported that a particularly influential member said he was “thrilled” to see such underlying performance data and looked forward to reviewing it on an ongoing basis.

Benchmarking is an essential business discipline that yields significant benefits to club operators. As H. James Harrington author, engineer, entrepreneur, and consultant in performance improvement, said “If you can’t measure something, you can’t understand it. If you can’t understand it, you can’t control it. If you can’t control it, you can’t improve it.”
About the Author

Ed Rehkopf is a graduate of the U.S. Military Academy and received a Master of Professional Studies degree in Hospitality Management from Cornell’s School of Hotel Administration. During his long and varied career, he has managed two historic hotels, managed at a four-star desert resort, directed operations for a regional hotel chain, opened two golf and country clubs, worked in golf course development, and launched a portal web site for the club industry.