



**Private Club
Performance Management**

What I Expect from Our Club Management Team



Ed Rehkopf

Copyright 2011
Ed Rehkopf

For internal use only at the purchasing club or organization.
Materials purchased from the Private Club Performance Management website are for the exclusive use of the purchaser, individually or as an organization, and may not be reproduced, copied, distributed or resold to others, individually or collectively, outside the purchasing organization.

Disclaimer

All information in purchased documents is provided for guidance only.

Private Club Performance Management makes no legal representation as to their accuracy or efficacy. Purchasers should always review personnel and financial matters with their professional legal and financial advisors.



Table of Contents

Expectations 1

Leadership

Authority, Responsibility, Accountability 4
Two Important Leadership Lessons 5
Personal Leadership: Adding Value to Your Organization 6
Organizational Leadership 8
The Soft Stuff..... 10
Empowering Employees 11
Service-based Leadership and Employee Empowerment 13
Becoming a Service-Based Leader 14
How Consistent is Your Club Leadership?..... 16
The Importance of Consistent Club-Wide Leadership..... 18
Creating a Lasting Organizational Culture..... 19
Passively Creating a Hostile Work Environment..... 21
The Ultimate Value of People 23
Morale Matters..... 25
The Enemies of Effective Leadership 26
Managing Your Boss 28
What You Owe Your Boss – Loyalty and Support..... 30
The 100/0 Principle 31
Leadership Growth and Adaptation 32
Your Example 33

Management Disciplines

Establishing Standards 35
Standards, Policies and Procedures 36
Creating Measurable Accountabilities 38
Spelling Out Your Disciplinary Process 40
Disciplined Hiring..... 42
Prohibited Interview Questions..... 46
Six Steps to Lower Employee Turnover 48



Labor Cost Control Strategies.....	49
Benchmarking Operations.....	51
Hand in Glove: Benchmarking and Budgeting.....	53
Invoice Coding Standards.....	55
How Many Silos Does Your Club Have?.....	56
A Discipline of Planning.....	58
Continual Process Improvement.....	60
Training.....	64
On the Go Training.....	67
Personal Productivity.....	68
Attending to the Basics in an Organized and Disciplined Way.....	70
10 Disciplines that Will Transform Your Club.....	72

Service Standards

The Hierarchy of Service.....	75
Romancing Your Members – Member Relationship Management.....	77
Are Your Internal Customers Also Being Served?.....	79
What is Your Club’s Mental Environment?.....	80
Rules of Engagement – Just How Friendly Should Your Employees Be?.....	82
Thoughts on Offense and Defense.....	84
Service Recovery – The Seven Step Process.....	86
Touch Point Tactics.....	87
Treat Them Like Rock Stars.....	88
What Have You Done for Me Lately?.....	90
Standards of Service.....	92

Performance Expectations

Supervisory Responsibilities.....	97
Managers’ Fiscal Responsibilities.....	99
Legal and Liability Issues.....	101
Principles of Employee Relation.....	103
Holding Your Team to the Highest Ethical Standards – A Manager’s Code of Ethics.....	104
Management Professionalism.....	106
Report This!.....	108
What I Expect from Department Heads.....	111



What I Expect from the Club Controller.....	113
What I Expect from the Human Resource Manager	115
What I Expect from Food and Beverage Managers	117
The Case for a Food and Beverage Analyst.....	120
What I Expect from the Catering Director.....	123
What I Expect from the Facility Manager.....	125
What I Expect from the Membership Director	127
What I Expect from the Head Golf Professional.....	130
What I Expect from the Golf Course Superintendent	132
What I Expect from Retail Managers.....	134
What I Expect from the Activities Director	136
The Proper Role of a General Manager	137
What is Your Contribution? Competency or Legacy?	140
In Closing.....	142

Appendices

A – Remarkable Service Infrastructure Infographic	143
B – Club Operations Plan Infographic	144
C – Member Relationship Management Plan Infographic.....	145



Expectations

In [*Remarkable Service Infrastructure - An Overarching Plan for Club Excellence*](#) (see infographic at Appendix A) we laid out an organizational design for successful club operations. But unless your employees inhabit some alternate reality, one in which every employee inherently understands the multi-dimensional requirements of service and has telepathic powers to know how you want them to function at all times, you as a general manager must spell out your expectations for them.

This is particularly so for your management team. Regardless of background, education, and work experience, you must ensure that they know what you expect of them in all situations. Further, to ensure consistency in the operation and how employees interact with members, managers must have a common understanding of the club's standards, policies, and procedures. This means that you must communicate your requirements for:

- Leadership
- Management disciplines
- Service standards, and
- Performance expectations

Without the effort to define expectations in these critical areas, the club will operate as a collection of tribes, each reflecting the dedication, performance, and example of its manager. Such an operation will be disorganized and conflicted – incapable of rendering consistent service and value to its members.

Any general manager with any length of experience and the leisure to reflect upon the realities of our industry will know this to be true, yet who has the time to spell out such a large, complex, and interconnected set of expectations while dealing with the day-in, day-out challenges of a busy hospitality operation?

It is for this reason that, at the culmination of a long career in hotels, resorts, and private clubs, I have attempted to define the expectations I have for those who report to me. While these expectations reflect my approach to leadership and management and may not apply in every case, I believe they offer many proven best practices for any manager who wishes to develop employees to their fullest potential and provide high levels of service to members and guests.

In the text, you will find mention of various club forms and other operational resources, these can be purchased on the [PCPM Marketplace store](#).

Suggested Uses

The articles included here are meant to define and describe leadership, management disciplines, service standards, and the general manager's performance expectations for the club management team. The concepts are not all-inclusive, rather they attempt to lay out in a broad and general way those important issues that need to be understood and executed consistently and faithfully by all managers. Without an understanding of the principles and disciplines by which the club's business is conducted, the operation will be pulled in many directions and falter for lack of common purpose and execution.

This material can be used in several ways to improve leadership and operational disciplines among a club's management ranks:



- A general manager can assign a different manager to read and lead a brief discussion of an article at each weekly managers meeting. Over time these discussions will help ensure that all managers have a common understanding of key leadership and operational issues, as well as the desired club culture.
- They can also be provided to all subordinate managers to read prior to a training session for managers, again to ensure that all management staff understand how various leadership and operational matters will be addressed.
- Lastly, they can be assigned to a newly hired manager for reading to ensure he or she understands the existing club culture and way of doing things.

While the expectations and best practices described herein reflect my approach to managing a high performing private club, individual managers will need to evaluate and prioritize those that would best serve the needs of their operation. Regardless which, if any, may be suitable for your club, I trust that this material will foster discussion and innovation for those managers seeking to take their club management team to a higher level of performance.



LEADERSHIP

The articles in this section are designed to bring the management team to a common understanding and application of service-based leadership principles



Authority, Responsibility, Accountability

“Authority,” “Responsibility,” and “Accountability” are three terms that are used frequently in connection with positions of leadership. What exactly do these terms mean and how are they related?

Authority is defined as “a power or right, delegated or given.” In this sense, **the person or company that hires a leader vest him with the authority to manage or direct an operation.** It is expected that this individual will exercise the full scope of his authority to properly, professionally, and profitably manage the operation.

Responsibility is defined as “a particular burden of obligation upon a person who is responsible.” Responsible is defined as “answerable or accountable, as for something within one’s power or control.” Therefore, **a leader is responsible and has responsibility for the operation for which she has been given authority.**

Accountability is defined as “subject to the obligation to report, explain, or justify something; answerable.” **A leader is answerable for the performance of the operation for which he has authority and is responsible.**

Authority may be delegated to subordinates. For example, a general manager may delegate the authority to collect delinquent accounts to the controller. The controller then has the right to perform tasks associated with collection, such as sending past due notices, charging finance charges on delinquent accounts, and recommending bad debt write-off for seriously overdue accounts. However, even though the general manager delegated the authority, he or she still has the responsibility to ensure that collections are done properly. As the saying goes, **“You can delegate authority, but not responsibility.”** Even when you delegate, you are ultimately responsible for your organization’s performance.

As a leader, you are accountable for those functions and tasks that have been delegated to you. Likewise, should you delegate any functions or tasks to subordinates; you must ensure that they are held accountable for properly performing them. This requires that you properly explain your expectations to subordinates.

This is most easily done when performance parameters are objective, say telling an advertising executive she must retain her major accounts or else she’ll be replaced. More often, performance parameters are more complex and involve subjective evaluations. Regardless of the difficulties in defining these parameters, it must be done. Otherwise, there is no way to hold a subordinate accountable for results. It is for this reason that performance standards must be defined. Often, detailed benchmarks, consistently and conscientiously tracked over time, will provide the most meaningful measures of performance.



Two Important Leadership Lessons

When I first joined the military, I was drilled repeatedly that the proper answer for any questioned failure was “No excuse, Sir!” While this response seemed to be a martinet-like reply when being chewed out for poorly-shined shoes, an unpolished belt buckle, or for failing to accomplish some impossible tasks, the underlying message was an important one – that **there is no excuse for failure.**

Properly understood it means that there is always more that I, as a leader, could have done to succeed – I could have paid closer attention, devoted more resources, better juggled the demands upon my time and attention, done a better job of planning or preparing, selected better teammates or subordinates, delegated more or better, supervised closer, or any other more appropriate action or initiative that would have ensured success.

The concept of no excuse for failure is an important one in fighting wars, running companies, or any other important or worthwhile endeavor. Further, the concept of no excuses implies that you cannot blame others for your failures – **there is always something more you could have done.**

The second lesson the military taught is that **a leader is responsible for everything his or her unit does or fails to do.** While this lesson is closely tied to “no excuse for failure,” it brings some important distinctions with it – that no matter what role others are supposed to play in the endeavor – **it is the leader who is ultimately responsible for the outcome.**

Some examples to illustrate the point: Too often, managers wash their hands of personnel issues because they have a human resource department. The same is true when the company has a training department or is provided training materials. Suddenly, the manager is no longer responsible for the training outcome because “someone else is responsible for training.” Such attitudes set the manager up for failure.

Remembering that “**you can delegate authority, but not responsibility,**” the manager must take personal responsibility to ensure that not only he or she is knowledgeable about HR issues and labor laws, but that all subordinate managers are as well. Likewise, the manager must be intimately familiar with training materials and whether subordinate managers are properly training front line employees. To do otherwise is to avoid the very responsibilities for which a manager is hired.

While these leadership lessons from the military may seem overly stringent, even harsh, they are, in fact, the essence of leadership – taking personal responsibility. If anyone doubts this, just ask any NFL coach what leadership standard he is held to.



Personal Leadership: Adding Value to Your Organization

If you are interested in advancing your career, the easiest and quickest way to do so is to add value to your employer. When you consistently demonstrate your ability to take initiative, solve problems, and make your bosses' job easier, you will be recognized as one who adds value to the organization. "Personal Leadership" will allow you to stand head and shoulders above your peers and will ultimately lead to greater and greater successes in life.

Reject the Status Quo. Every organization has its way of doing things. Often the methods are a result of stopgap measures implemented over time to deal with various problems as they arose. Seldom are standards, policies, and procedures formalized in writing; even less often are they well-thought out from a big picture standpoint. Despite the haphazard nature of most methods, they are considered sacred and untouchable by employees because "we've always done it that way."

A leader, however, does not accept this status quo. She shines the fresh light of reason on the organization, continually asking questions: Is there a better way to do this? Does this make sense? Does this really serve our members' interests? This willingness to look for new ways to do things allows the leader to realize another principle.

Seek Continual Improvement. Every aspect of an operation – from product and services to standards, policies, procedures, work methods, and training material – should be analyzed for ways to do them better, faster, more efficiently, and with higher levels of service.

When a leader is dedicated to continual improvement and seeks the input of her employees, the entire department becomes energized with ideas, innovation, and enthusiasm. And while the organization as a whole and its members benefit from the improvements, the employees gain the greatest benefit – knowing that their efforts contribute in a meaningful way to an organization that is vital and successful.

Be Proactive. A leader should always be looking ahead to ensure his department is ready for any contingency. Since most businesses have a seasonal routine, the leader reviews past activity from a variety of perspectives in a search for ways to improve performance, and he continually seeks new ideas, events, and activities to keep the operations interesting and fresh for members.

Leaders should be looking at least three months ahead for routine operations, and further for major activities, events, or projects. This continually advancing planning horizon allows all essential requirements to be completed in a timely manner, while effectively implementing and marketing new products and services.

Have a Plan. Every event, activity, project, or initiative demands a plan. Without a proper plan a leader approaches everything helter-skelter, wastes valuable resources and time, and subjects employees to his own disorganization and lack of discipline.

By putting a plan in writing – even something as simple as a one-page outline of timing and responsibilities – a leader is better able to communicate with employees and with other affected departments. A written plan broadcasts a leader's competence and abilities to everyone who sees it.

The Army has a phrase to express the need for planning. The sanitized version of the six P's is:



“Prior Planning Prevents P . . .-Poor Performance”

Yet poor performance isn't prevented simply by planning.

Follow Through and Follow Up. Whatever he undertakes, the leader must follow through to ensure that all details are covered, and all actions completed. Often follow-through requires modification of the original plan when unexpected situations arise.

Lastly, the leader will follow up on all completed actions or projects to learn from mistakes and to ensure that the initiative met the expectations of owners, members, other managers, and employees.

Summary. Demonstrating Personal Leadership is more of a mindset than possessing specific skills. It involves the willingness to tackle any problem, the understanding that every problem has a solution, and the realization that problems are opportunities in disguise.

The choice to be a Personal Leader is up to you. You can tread water and wonder why your career isn't going anywhere; or you can add value to your organization and ensure your future success.



Organizational Leadership

What does it mean to be an “organizational” leader? Much has been written to define what constitutes leadership, the role of the leader, and the habits of successful leaders. Though the exercise of all leadership is situational, the following traits can invariably be found in those who lead successful organizations.

Leading with a vision. Moving large and complex organizations in a direction requires the ability to formulate and articulate a vision of what the organization should be. "Selling" the vision requires constant hammering home of easy-to-grasp themes. Without the "big picture" sense of direction, employees become lost in the day-to-day detail and monotony of their jobs. Leaders must engage with employees on all levels and view such interaction as an opportunity to "spread the gospel."

Transforming vision into day-to-day action. Long range vision must be broken down into a concrete plan of action for managers and supervisors at all levels. Goal setting sessions, work plans, and performance reviews play an important part in establishing and communicating near and long-term objectives. Many organizational failures result from faulty or inadequate communication of the vision. Informed employees are better employees. Leaders should strive to create an environment that facilitates communication flow, where superiors and subordinates keep each other informed, quality and performance standards are communicated, feedback is constantly given, and every employee knows where the organization is going and how it will get there.

Having a bias toward action. Leaders accomplish something every day. There is an insistent time factor in management. New problems crop up continuously. When problems are not solved, the accumulating volume can paralyze an organization. A leader's ideas, words, actions, and examples are major determinants in the success of any operation. No one should need to tell a leader what must be improved in his organization. He should recognize what needs to be done, formulate a vision, and prepare an action plan to accomplish it.

Being proactive in finding problems. Leaders do not have a negative attitude toward problems because they clearly signal where the leader should devote her time and energies. A famous inventor once said that he carried a notebook with him and noted each one of his daily irritations with the world around him. He understood if something irritated him, it most likely irritated everyone else. Finding a solution to the irritation often presented him with an idea for an invention or a business opportunity. The same principle applies to a leader who is on the lookout for problems. Invariably they point the way to some improvement in the operation. Further, when employees work for a leader who solves problems, they feel energized and empowered to do the same.

Knowing that every problem has a solution. Every problem can be solved. It's merely a matter of priorities. Even the most complex problem can be broken down into its smaller solvable components. Sometimes a solution is the result of compromise or many little steps that contribute to an improvement in the overall situation. As much as possible, one should look for system solutions to problems, making their elimination part of the routine.

Paying attention to details. A leader must have an eye for details. Much can be learned by observing an operation and a leader must spend a good deal of her time "out and about" to know what is going on in the organization.



Possessing high standards of quality. Leaders must establish and communicate their standards of quality. When employees are left to decide quality standards for themselves, the best that can be expected is inconsistent, and at worst a complete absence of quality and service.

Being a strong team builder. Motivation and morale are built on making every employee part of the team. Organizational loyalty seemed to be the strong suit of Japanese corporations, but it is little more than a business version of the military's *esprit de corps*. Much of it goes back to pride and recognition, but it also depends on building a strong organizational identity and constant communication. At the end of the day, without the willing and committed involvement of employees, the organization will never achieve its standards of excellence or high levels of success.

Having a positive attitude. Attitude is all-important in any endeavor. Employees look to leaders for guidance, reassurance, and example. A leader must learn to roll with the small ups and downs while keeping an eye on the larger vision. The proper attitude should also be mixed with an upbeat good cheer that is invariably infectious.

Instilling dedication to needs and desires of members. The bottom line for any business is customer satisfaction. Shortsighted policies that have a negative impact on this satisfaction will eventually show up on the bottom line. The surest way to keep members satisfied is to know what they want. Employees at all levels should be required to constantly seek the feedback and input of their patrons. Lastly, they should be instilled with a complete dedication to member satisfaction.

Recognizing the importance of personal selling. Perhaps the greatest marketing tool available is the committed involvement of leadership in selling. By becoming actively involved with members and selling his product at every opportunity, the leader promotes not only the operation, but himself. Since many decisions are influenced by personal loyalties and first-hand recognition of competency, this type of salesmanship is often the most far-reaching and effective.

Summary. Efficient operations in all areas of an organization are the direct result of good leadership. While sound management and technical skills are also important, without strong and effective leadership the organization will never achieve its full potential.



The Soft Stuff

Roger Enrico, former chairman at PepsiCo, famously said, “The soft stuff is always harder than the hard stuff.” As one who has worked in hospitality leadership roles for over thirty-five years, I would say that truer words were never spoken. In the detail and people rich environment of the hospitality business, it is the absence of well-developed “soft” skills at all levels of organizations that create our greatest challenges.

So, what are we really talking about when we speak of the soft stuff? In short, it’s the people skills – those aptitudes and abilities used to get the best out of our human assets. It encompasses all those things we talk about when discussing leadership – the highly nuanced interactions with a diverse workforce that result in motivation, morale, enthusiasm, focus, commitment, initiative, productivity, teamwork, organizational cohesiveness, and group success.

What makes it all so hard is the complexity of human psychology. People are complex and deal daily with the unique and sometimes overwhelming challenges of their lives. Put together in a group dynamic with any number of other people coping with their own daily difficulties and it’s a mind-boggling challenge for any leader.

So, what are some very real things that you can do to improve the soft stuff at your club? Here are three basics:

Leadership training for all managers to ensure they understand the absolute importance of leadership in all they do. My own experience points to a service-based style of leadership and the importance of building a unified and consistent approach to leadership on the part of all managers and supervisors within an organization. The ongoing example and performance of your leadership team is THE most important driver of your club’s success.

Well-defined organizational values and constantly reinforced service culture are an absolute must. Don’t expect that all your supervisors and employees will understand your vision, values, or even how to go about providing service to your members. Without clearly articulated values and club culture, your efforts to provide high levels of service to your membership will certainly fail.

Training, training, and more training is a bedrock requirement in the hospitality industry. There’s just too much that needs to be done right every day by everyone on your staff to leave the details to chance. Without formal training for managers and line staff, it’s a hit or miss proposition and you spend all your time responding to complaints from members, dealing with staff issues, and struggling with high levels of employee turnover. Given the cost and effort of thorough, ongoing training, you must commit to the development and discipline of “on the go” training for all areas of your operation so you can take advantage of the spare moments during every shift.

The “hard stuff” – the buildings, golf course, and other amenities are certainly important to a successful club experience. But without the soft stuff they are just expensive shells and monuments, lacking in the reassuring warmth and human touch that is at the heart of hospitality and service.



Empowering Employees

Staff empowerment became a corporate buzzword in the Nineties and the consensus in the business press was that it was a good thing. Many companies claimed to empower their employees but claiming to do so and doing it are two very different matters.

So, what are empowered employees and how can they help your club in meeting its mission and vision? In simplest terms, empowered employees are viewed as full-fledged partners in your quest for high standards of quality and service. Instead of the traditional view that employees are easily replaceable elements in an organization, people who must be trained to do narrow, well-defined tasks and who must be closely watched and supervised, the concept of empowerment says that today's more educated and sometimes more sophisticated employees need and want to contribute more to their employer and workplace. Yet many businesses marginalize their employees by refusing to listen to them and by failing to let them contribute to the enterprise in any meaningful way.

A few companies have truly embraced the concept of empowerment and have discovered the immense power and synergy that can be unleashed when employees participate more fully in their operations. Any employee at a Ritz-Carlton hotel can spend up to \$2,000 a day per guest to solve problems and not just to satisfy their guests, but to wow them with outside-the-box service.

Yet it takes more than waving a magic wand over employees' heads and telling them they can spend money to solve problems to reap the benefits of employee empowerment. Like any complex and detail-intensive issue, establishing a culture of empowerment for employees requires service-based leadership, careful planning, well-defined policies, and training to implement effectively.

In reviewing club operations, there are three principal areas where empowered employees can contribute significantly to improved performance.

1. Resolving member service issues.
2. Helping improve work processes as part of continual process improvement.
3. Taking on certain delegated management functions.

Resolving Member Service Issues. Line employees who deal directly with members on a day-to-day basis are in the best position to solve service issues and resolve complaints in a timely fashion or before they escalate into larger problems. Unfortunately, in many organizations front line employees are the first line of defense in saying "no" to members. Only when the patron gets sufficiently angry and demands to see the manager, can the problem be solved. Yet this approach sends two very wrong messages – one to the member that says we don't trust you and we don't mind wasting more of your time as you explain the problem again to a manager, and the other to employees that says while we won't let you say "yes," we, the managers, often will, thereby contradicting you and making you look bad.

Since the bottom line in all our dealings with members is to say "yes," there is no reason to put either the member or the employee in the situation described above. A far better solution is to provide useful guidance to employees and give them both the responsibility and the resources to solve service problems. A good start



would be to allow employees to decide on their own how to resolve any issue by “spending” up to \$200 to fix the problem – either by “comping” a meal, sending a token of apology, or doing something special for the member.

The \$200 cost is insignificant compared to the loss of member goodwill and patronage and is a small price to pay, particularly if a lesson can be learned or a work process improved.

Helping Improve Work Processes. Part of every club’s culture should be to foster a process of continual improvement in all aspects of the operations. This means you review systems, standards, policies, procedures, programming, training, and work processes to continually improve the way you do business and provide service. While managers typically have broad industry experience and the big picture of what is necessary to succeed, it is the line employee who is most closely connected with the member and the details of service. Who, then, would be in a better position to recommend improved work processes than the person who works most closely with service and service delivery?

In our business the devil is in the details. When you make a commitment to involve your employees in designing and improving work processes, they become energized by the involvement and look for more and more ways to contribute. The more involved they become in contributing to the success of the organization, the more responsibility they will assume for ensuring that success.

Taking on Delegated Functions. As empowered employees take on more responsibility, managers should select individuals, who show both the motivation and aptitude, to take on some of the management functions of the organization. An excellent example is provided again by the Ritz-Carlton Company. They select and train certain individuals to conduct initial screening interviews with prospective employees. These empowered employees relish the task and see themselves as gatekeepers in keeping the company’s hiring standards as high as possible. These employees get paid slightly more for their additional duty and derive prestige in being given this important task.

Summary. Empowering employees is a requirement in any effort to provide remarkable service. Busy managers cannot do it all and need the help of their willing, committed, and empowered employees. While it takes time and effort to establish a culture of empowerment at a club, the resulting improvement in operations, efficiency, and service levels make it worth the effort.



Service-Based Leadership and Employee Empowerment

It has been said that leadership is situational and that there is an optimum style of leadership for every profession – from politician, to general, to doctor, to professor, to hospitality manager. The skills and abilities that make a person successful in one setting do not necessarily translate well to another. The hard-charging, tough-as-nails, cigar-chomping leadership persona of a charismatic military leader will not work well in the mixed gender, multi-ethnic, and transient workforce of the service industry. Unlike a soldier, if a hotel or restaurant worker isn't comfortable with her boss's leadership, she'll just go somewhere else.

The very term "service industry" gives hint to the necessary service-based leadership style for hospitality managers where the people- and detail-intensive work environment requires open and thorough communication and training, as well as high levels of motivation and morale. Certainly, one cannot expect employees to consistently provide service to a club's members and guests if they are not properly served by the leadership and example of their bosses.

To be sure everyone understands what we mean by service-based leadership here is the description from *Leadership on the Line: A Guide for Front Line Supervisors, Business Owners and Emerging Leaders*:

"With service-based leadership, the attitude and primary motivation of the leader is service to others – to members, to employees, to owners or boards. This approach to leadership naturally creates relationships – the deep and abiding bonds that sustain the efforts of the club. This outward focus of the leader sets up a dynamic where:

- Employees are continually recognized.
- There is an open flow of ideas, opinions, and information.
- Initiative and risk are highly regarded.
- Problem discovery and solution is a focus while placing blame is unimportant.
- Every employee feels energized and part of the team and is valued for his or her contribution.
- Prestige is derived from performance and contribution, not title or position.
- Members are treated well because employees are treated well.
- The energy and initiative of all employees is focused on the common effort.

"The key to serving the needs of your constituencies lies in ensuring that you build strong relationships with individuals. Relationships depend upon how you view yourself in relation to others. If you see yourself as separate and apart from your constituencies, if you view others as the means to your ends, if your vision and goals lack a broader purpose than your own needs and ambitions, establishing meaningful relationships will be impossible. On the other hand, when you see yourself as part of a team with a shared mission, then a sense of service will be an intrinsic part of your service team relationships."

The great benefit of service-based leadership is that it naturally fosters a sense of employee empowerment. As John Tschohl, president of the Service Quality Institute says, "Without empowerment, an organization will never be a service leader. Empowerment is the most critical skill an employee can master, and a company can drive in order to lure and keep customers." With service-based leadership employee empowerment comes naturally, but only if the full management team supports and practices this powerful style of leadership.



Becoming a Service-Based Leader

Developing leadership skills is not memorizing a list of things to do or not to do, though such lists are useful in helping managers learn. Leadership is not the accumulation of managerial abilities, such as budgeting, computer skills, or the specific work skills of a particular industry, though such aptitudes will certainly enhance your overall skill set and add to your competence. Leadership is not a position or a title.

Successful leadership depends on the **quality of relationships between a leader and followers**. As such it entails relationship skills – the personal characteristics and abilities to connect with and inspire the enthusiastic efforts of a diverse group of people toward a common goal.

True leadership requires an understanding of what makes people tick – individually and in group settings. It requires sensitivity to the needs and desires of others, even when they may not be able to adequately define or communicate these themselves. It requires openness and accessibility, so followers are comfortable bringing their concerns and issues to the leader. It requires a person who is self-analytical, who examines every less-than-optimum outcome for improvement, often discovering a better way to interact with followers. It requires a person who puts the needs of the enterprise ahead of personal ambition, who recognizes that tending to the group welfare in a disciplined way will ultimately bring about better performance.

Finally, learning leadership skills is not a one-time event. Just as different endeavors and levels of organizations require different skill sets for managerial success, leadership skills must expand and develop as the individual moves up to higher levels of responsibility. Satisfactory leadership skills in a front-line supervisory position are clearly inadequate for the challenges of a general manager, division manager, or president of a company. But the skills learned in the early years of one's career will be the foundation for the broader skills necessary when one takes on greater responsibilities, particularly if you understand that true leadership is a lifelong journey, not a destination.

The single most important requirement to becoming a service-based leader. Becoming a service-based leader is a transformative process; it's about personal growth. An emerging leader must be prepared to challenge ingrained attitudes and beliefs about self and others. It requires a willingness to closely examine motivations and habits. The leader must also be willing to accept personal responsibility for his or her life and decisions. But most of all it requires **a great deal of personal honesty**. Self-delusion and denial are the committed enemies of personal growth.

As you progress through your career, make a promise to yourself. Promise that you will search the depths of your being to get to and understand your deepest motivations, not those that you glibly repeat because you have so often heard others say them and think they're the norm. True leadership is not the norm and becoming an effective leader will require you to step outside your comfort zone and confront the beliefs and attitudes you hold, not from conviction but from unexamined habit.

The rewards of service-based leadership. Developing the skills of a service-based leader will reward you in a variety of ways. First and foremost, I believe the foundation of service-based leadership and a recognition of the value of people in all you do, can, over the course of a career, lead you to the Level 5 Leadership that Jim Collins found at the top of all *Good to Great** companies.

Second, because service-based leadership is all about developing successful relationships, it can bring success to other parts of your life – your family relationships, your friendships, and the way you interact with people



**Private Club
Performance Management**

What I Expect from Our Club Management Team

wherever you meet them.

Lastly, service-based leadership will help you develop the self-analytical skills to examine life's challenges and better understand how you react to them. Ultimately, it will help you to grow as a person and learn to face difficulties with greater equanimity and purpose.

* The book is: *Good to Great: Why Some Companies Make the Leap . . . and Others Don't*, Jim Collins, Harper Business, New York, 2001



How Consistent is Your Club Leadership?

Strong, stable, and consistent leadership is the single most important requirement for successful club operations. While there are many styles of leadership suited to any industry or endeavor, experience over many years in the hospitality business makes it clear that a service-based approach to leadership works best in the service industry with its often young, mixed gender, and multi-ethnic workforce. This style of leadership has as its primary motivation service to others – to members, to the owners of the club, **and to the employees.**

This leadership style differs from others in its focus on serving the needs of employees to provide them with the proper tools, training, resources, motivation, and empowerment to serve the club's members. In simplest terms, when a club's employees are served by their leaders, they will serve the members, who by their continuing patronage serve the club's bottom line. An understanding of the importance of this style of leadership can be inferred from the question,

“How can employees provide quality service if they are not properly served by the leadership and example of their managers?”

While it is recognized that the general manager must be a service-based leader, it is also critical that the club's subordinate managers and supervisors are also trained to be strong service-based leaders. While some degree of a leader's skill set seems to be inborn, such as personality and an analytic mind, and others, such as confidence, judgment, and basic communication abilities, are developed early in life, the great majority of a leader's skills are attitudinal and can be learned.

But to expect that your managers with varying backgrounds, education, and experiences will have a common understanding of what constitutes effective leadership is naïve. Unless junior managers are systematically trained to develop the skills, which have to do with building and sustaining meaningful work relationships with their constituencies, particularly employees, their leadership development will be hindered and haphazard. This results in the general manager's vision and message of service not being communicated consistently or faithfully to line employees. Instead of having a cohesive team dedicated to a common purpose and acting in a concerted way to further the aims of the enterprise, the club is a collection of tribes who don't necessarily approach the mission or their jobs in the same way or with the same attitude.

Without leadership consistency, employees get a mixed service message, and their morale, engagement, and commitment will vary from manager to manager and department to department. It's quite simple – if your management team does not provide consistent:

- Vision, values, and example,
- Communication and engagement,
- Training, resources, and support,
- Regard for and treatment of employees,

You'll never gain consistency of employee commitment, contribution, and performance.

But the good news is that successful leadership skills can be taught and learned. Warren G. Bennis, widely regarded as a pioneer in the field of contemporary leadership studies, says,



“The most dangerous myth is that leaders are born – that there is a genetic factor to leadership. This myth asserts that people simply either have certain charismatic qualities or not. That’s nonsense; in fact, the opposite is true. Leaders are made rather than born.”

So, the solution to fragmented leadership is to promote a consistent style and application of leadership club wide. This can only be done by providing consistent leadership training to the entire management team. But how does the general manager teach leadership when you have so much else to do and possibly haven’t given a lot of thought to the issue?

Over the years while serving as general manager in hotels, resorts, and clubs, I searched several times and read a number of books – most extolling the successful leadership techniques of Fortune 500 or celebrity CEOs or written by academics with a lot of theory but little practical advice for those toiling in hospitality management. My frustration in trying to find something useful finally led me to write my own leadership guidance for my team, and this ultimately became [Leadership on the Line: A Guide for Front Line Supervisors, Business Owners, and Emerging Leaders](#), first published in 2002 and now in its 2nd edition.

This past year, in response to frequent requests to prepare a more “hands on” learning tool, I wrote and published [Leadership on the Line – The Workbook](#), a companion piece to the original book that builds on the themes of service-based leadership from the book by offering self-study sections on Leadership Basics, Values, Lessons, Applications, and Assessments. Taken together the book and the workbook provide an effective way to teach and to learn a consistent, service-based approach to leadership.

Given the primary importance of leadership in any successful venture, it should never be left to chance. Even if confident of your own leadership abilities, do yourself and your managers a favor by promoting a consistent, club-wide conception and application of leadership. When consistently reinforced by your leadership and example, it will have a dramatic impact on their performance and the club’s.



The Importance of Consistent Club-Wide Leadership

Management teams can be dysfunctional for a host of reasons, but there is none so basic as a variety of leadership styles. To expect that any group of managers, each with his or her own background, training, and experience, will have a similar and effective leadership style is unrealistic.

Yet as with so many other aspects of management, consistency is essential to faithfully communicate and reinforce the club's culture, service ethic, and environment for employee empowerment. Without leadership consistency, employees get a mixed service message, and their morale and commitment vary from manager to manager and department to department.

Imagine a management team made up of department heads with the following leadership styles:

- Military – with its requirement of absolute, immediate, and unquestioned obedience,
- Democratic – where decisions are only made after lengthy discussion and debate,
- Gunslinger – with its emphasis on shoot first, aim later,
- The buck doesn't stop here – where failures are always blamed on someone else,
- Absent – where the leader is never around or is hiding in his office,
- Aloof – while she is there, she never interacts with or engages followers,
- From another planet – where the leader expects that everyone will know what to do and will do it without being told,
- Uncommunicative – where the leader gives everyone the silent treatment,
- Teed off – where the manager is angry all the time at everyone,
- Screamer – where he assumes everyone is deaf and yells at everybody,
- Political – where the manager believes his only function is to suck up to members or owners, and
- Service-based – where the attitude and primary motivation of the leader is service to others – to members, to employees, to owners or board.

Clearly, such a jumble of leadership styles will lead to a confusing and contradictory example and message to employees, as well as create barriers to cooperation and teamwork between departments.

The solution to such a fragmented workplace is for the general manager to promote a consistent style of leadership club wide. This can only be done by providing consistent leadership training to the entire management team. Given the uneven comprehension of leadership issues among any group of managers, the benefits of a uniform understanding and application of leadership will bring club operations to a uniformly high state of performance.



Creating a Lasting Organizational Culture

We frequently talk about the importance of developing a service culture in our organizations. What exactly do we mean by an organizational culture?

The dictionary defines “culture” as *the total of ways of living built up by a group of human beings and transmitted from one generation to another*. With a slight modification of this definition, we come up with the following working definition of organizational culture.

The total ways of working and interacting built up by a group of people within an organization and transmitted from one generation of employees to another.

The major benefit of establishing an organizational culture is that, once adopted by most people in an organization, the culture takes on a life of its own and permeates the workplace. As normal turnover takes place, new hires quickly learn that to be accepted in their new surroundings, they must embrace the culture and make it their own.

In the absence of a culture developed and disseminated by the organization’s leadership, a culture will arise on its own, usually fostered by a vocal few and often cynical and at odds with the purpose of the organization.

So how do you create a culture in your organization? First, you must define clearly and succinctly the aims of your organization and what it aspires to be. These are most often found in mission and vision statements. Beyond these basic statements of intent, one must clearly spell out standards of behavior and performance. These can be in the form of guiding principles, operating standards, leadership principles, service ethic, principles of employee relations, organizational values, service pocket cards, a code of professional ethics, or any other formal statements describing the “What, How, and Why’s” of organizational business.

Yet publishing such principles and statements, no matter how inspirational and well-written, will only foster employee cynicism if the values are not enthusiastically embraced by the organization’s leadership. On the other hand, when leadership demonstrates their commitment to the organization’s values by their daily example, employees will do likewise.

With well-defined values and the enthusiastic example of leaders, the ground has been prepared for the fruits of organizational culture, but just as in growing a garden, preparing the soil is only the first step. The real work for a successful harvest is the daily tending – watering, fertilizing, pruning, weeding, and pest control. In the case of an organizational culture, it is daily reinforcement at every opportunity with all employees that continues to focus individual attention on the values that underlie everyone’s efforts. In some cases, it’s publicly recognizing an employee for embracing and utilizing the values in their work relationships or service rendered to members. In others, it’s privately correcting an employee who has ignored or transgressed the culture. In the extreme case, it’s discharging the employee who refuses to accept the group norm. The key is to continually remind employees of the organization’s values and elevate them from words on a page to an animating spirit that infuses every aspect of the organization and its work.

From the process of continually accentuating and reminding one achieves a breakthrough like that described in Jim Collins’ book, *Good to Great*.



“Sustainable transformations follow a predictable pattern of buildup and breakthrough. Like pushing on a giant, heavy flywheel, it takes a lot of effort to get the thing moving at all, but with persistent pushing in a consistent direction over a long period of time, the flywheel builds momentum, eventually hitting a point of breakthrough.”

This breakthrough is reached when the organization achieves a critical mass of employee buy-in. Though the process of establishing an organizational culture requires patience and persistence as well as leadership and example, when breakthrough is achieved, the culture takes over and is self-sustaining – with the employees holding the bar high and policing their own ranks.

In such an organization, employees understand what must be done and how. Motivation and morale are sky-high as employees are empowered by their participation and contribution. The leader, relieved of the burden of constantly following employees to ensure they are doing the right things, can focus on strategic issues and the future of the organization.

The importance of a well-defined and promoted organizational culture cannot be overemphasized or underestimated in its impact on quality, performance, and member service. The only thing that can screw it up is for leaders to fail to show an ongoing interest or set an uncompromising example of the organizational culture and its values.



Passively Creating a Hostile Work Environment

Leadership and a Failure of Engagement

Most leaders readily understand the negative impact of a hostile work environment on employees. Employees who aren't properly trained, who aren't given the tools and resources to do their jobs, and who are demeaned by the abusive actions of supervisors or other employees, cannot contribute effectively to the team effort and the success of their organization.

Often the hostile work environment is created by bullying, teasing, or insensitive remarks or actions that center on:

- Gender – sexually suggestive remarks, posting inappropriate pictures in the workplace.
- Race or ethnicity – “Polish” jokes, making fun of accents or racial and ethnic stereotypes.
- Religious beliefs – not respecting a person’s religious or moral values by telling “dirty” jokes or making fun of another’s religious symbols or practices.
- Age – “over the hill” comments or pranks centered on the young, inexperienced “rookie.”
- Sexual orientation – using disparaging words to characterize someone with a different orientation.
- Disabilities – mimicking a person’s stutter or limp.
- Differentiation – drawing attention in a demeaning way to anything that isolates and mocks someone who is different from the norm in any way.

When an enterprise is trying to build a team focused on a common vision and shared goals it cannot afford for any team member to be demeaned, handicapped, or marginalized by words or actions that exclude. Leaders at all levels are expected to intervene to ensure that this does not happen. If they don't get actively involved to stop such behavior, they are abetting it and allowing a hostile work environment.

A more subtle factor in creating a hostile work environment is the supervisor who does not communicate well or often with his or her team or who doesn't pay attention to what is going on in the section or department.

Consider that:

- Individuals in any group setting rarely have neutral feelings toward or about the others in the group. They like some and dislike others, usually for their own hard to recognize reasons.
- People are naturally attracted to and spend time with those they like and avoid those they don't. This results in cliques of the included and outside the cliques – the excluded.
- The excluded often feel jealous, resentful, and fearful because of their exclusion.
- In the absence of ongoing timely and accurate information, fearful people assume the worst. Fearful people can be paranoid and perceive discrimination and favoritism where it may not exist.
- A fragmented work team cannot perform effectively.

When a supervisor does not engage daily with team members, give specific directions regarding who is to do what, and communicate thoroughly about all matters affecting the team, the fragmented team will gossip,



backbite, and bicker among themselves. Seldom will they work together and often their antagonisms affect members, guests, and co-workers. Sometimes their behavior is passive-aggressive – trying to sabotage the efforts of others, while acting helpful and friendly.

If all this seems outlandish or too much like Psych 101, let me say that several times in my career I have taken jobs in dysfunctional organizations – operations that were failing for a host of obvious reasons, but underlying each one was a previous manager who did not communicate with his or her staff. In the absence of communication, employees vying for advantage or position continually fought and intrigued among themselves, even to the exclusion of doing their jobs. In every case, the problems went away quickly by building trust based upon daily direction, constant communication, and forcefully putting a stop to inappropriate behavior.

If a manager doesn't understand this important point and fails to communicate and engage daily with all employees, he or she may be responsible for passively creating a hostile work environment. Such inattention to the daily functioning of the organization is just as destructive as a supervisor who actively engages in demeaning, disparaging, and abusive behaviors.



The Ultimate Value of People

Without employees there would be no successful business leaders.

Without members there would be no money to pay employees.

Without owners willing to risk their capital there would be no businesses to hire employees.

The distinguishing characteristic of these three statements is that they all involve people. And while every person is an individual, unique in background, experience, and education, the great majority have a common set of needs as they negotiate their worlds. They:

- Wish to be treated well, with dignity and respect.
- Want value for their labor given or money spent, in other words, they don't want to feel cheated.
- Want to know what's going on and appreciate timely and accurate information that affects them.
- Prefer to trust and be trusted.
- Appreciate kindness and generosity of spirit, especially when unexpected.
- Recognize someone who is principled and whose words and actions are grounded in values.
- Want to be recognized for who they are, not lumped into some great unknown and often unnoticed mass.

While any person can hold a position of authority, true leadership and its attendant success flows naturally from that person who recognizes the ultimate value of people in all he or she does.

While this seems trite, my experience has clearly confirmed that many managers and supervisors do not intuitively understand this critical point. Many are so wrapped up in their own agendas and ambitions they seem oblivious to those around them. And this is a recipe for personal and professional failure as demonstrated by the following story.

Several years back I was at the checkout counter of the local outlet of a national home improvement chain. As I placed my purchases on the counter to be scanned, the cashier began complaining about the lack of adequate cashiers on duty and then rambled on, expressing a general dissatisfaction with her bosses and the company. Not anxious to know all her issues with her employer, I was noncommittal in my responses; yet on and on she went. I couldn't wait to get away.

While I was in the midst of a major do-it-yourself home renovation and making frequent trips for supplies and materials, I began driving an extra mile to the competitor store where the selection and pricing was comparable, but the staff seemed more contented and committed to service.

Having discovered the new, happier store, I spent and continue to spend a considerable sum of money with them. The disgruntled employee may have been an isolated case, yet service-based leaders should have been available for her concerns or, by being more closely engaged with the staff, discovered her "attitude" problem and resolved it without losing a potentially good customer.



**Private Club
Performance Management**

What I Expect from Our Club Management Team

In today's busy world where convenience, location, pricing, and technology drive many purchase decisions, the human touch is often overlooked. Yet I know half a dozen employees at my favorite home improvement store by name and have periodically written letters of commendation to their company when they are particularly helpful.

This is the way I prefer to do business. I may not be in the majority, but I can't help but believe there are many others like me who enjoy friendly human contact. When major corporations are vigorously contending for a few percentage points of market share, the human touch inherent in service-based leadership should not be overlooked. People matter! And true leaders understand this.



Morale Matters

In 1951 General Dwight David Eisenhower was tasked with the nearly overwhelming challenge of rallying the European democracies to the need for a common defense force – NATO – to counter the threat of the Soviet Union and its 175-division Red Army. The mood in the European capitals was one of deep pessimism. Having seen two world wars on their continent in three decades, having suffered death and destruction on a massive scale, facing home populations with deep distrust and antagonisms toward their neighbors – especially Germany – the situation was not promising for the necessary cooperation and effort to confront the Soviet menace.

While Eisenhower knew that the rearmament of Europe would be costly and take time, he saw as his greatest challenge the need to rebuild European morale and confidence. At the time he told Averell Harriman, “The last thing that a leader may be is pessimistic if he is to achieve success.” In his diary he wrote, “Civilian leaders talk about the state of morale in a given country as if it were a sort of uncontrollable event or phenomenon, like a thunderstorm or a cold winter . . . (while) the soldier leader looks on morale as the greatest of all his problems, but also as one about which he can and must do something.”

Morale has always been, and will always be, an important concern to military leaders. The effectiveness of their fighting force demands it. But it is not just in armies that morale is important. Athletic coaches know that dissension, bad attitudes, and pessimism will destroy all chances for victory, and work hard to build the confidence and morale of their teams. The same is true in business or any group endeavor. Morale matters!

One dictionary defines morale as “the moral or mental condition of a person or group with respect to cheerfulness, confidence, etc.” Another says, “the mental and emotional condition (as of enthusiasm, confidence, or loyalty) of an individual or group regarding the function or tasks at hand; a sense of common purpose with respect to a group” and “the level of individual psychological well-being based on such factors as a sense of purpose and confidence in the future.” A synonym is listed as *esprit de corps* – a French term dating from 1780 meaning, “the common spirit existing in the members of a group and inspiring enthusiasm, devotion, and strong regard for the honor of the group.”

Attitude and morale are also important ingredients in hospitality operations where friendliness, good cheer, and enthusiasm are bedrock requirements for success. While hiring the right people with the right personal qualities has always been a safe bet when building service teams, the very act of creating teams brings its own challenges. As we have said in *Passively Creating a Hostile Work Environment*, the group dynamic often creates problems that can interfere with the smooth functioning of the work team.

So, just how does a leader go about ensuring good morale within his or her team? First and foremost, are the requirements of service-based leadership – of the need to communicate well with the team; of interacting daily with team members and providing direction; listening to and addressing their concerns; providing the tools, resources, training, and support for employees to do their jobs well. Beyond that is the need to recognize *The Ultimate Value of People* and act on that principle; to provide value as described in *Personal Leadership: Adding Value to Your Organization*; to treat all employees with dignity and respect; to lead by example; to ensure closure on issues; and to be open and approachable to employees.

When all these things are done conscientiously and consistently by the leader, good morale is a natural by-product. By focusing on being the best service-based leader you can be, morale and its attendant group enthusiasm and good cheer will come naturally.



The Enemies of Effective Leadership

Leadership is never as important as it is in times of difficulty and stress. For many of us in the club business facing declining memberships and club use, belt-tightening budgets, and the insistent clamor for high quality service, that time is now. And while we all like to think of ourselves as effective leaders, it may be a good time for a brief leadership reality check of your organization.

The following list includes some things that can destroy anyone's effectiveness as a leader:

Lack of Values. In order to lead others, a leader must have a grounding or center of moral and ethical values that is held to regardless of situation. This center is who you truly are and will see you through any difficulty. With a strong center, your integrity is intact, and you can be trusted by your constituencies to do the right thing. A person without a foundation of values is frequently seen as an opportunist – doing this or that or whatever serves the interests of the moment.

Lack of Integrity. Your integrity is dependent upon the values you hold and your steadfastness in maintaining those values in the face of challenge and adversity. Integrity also means that you are whole, sound, and true. Lacking this, you cannot be counted on by others.

Personal Insecurity. Insecure people are fearful, defensive, and sometimes paranoid. They assume the worst and look for every piece of evidence to support their fears. Consciously or unconsciously their fearful actions damage their relationships with others. Being fearful, they do not trust. In not trusting they are quick to blame and act defensively, which causes offense to others. Their words and actions destroy the very trust that underlies any meaningful relationship.

Lack of Vision. Without an understanding of where you're taking your followers, they will not be inclined to join you on your journey.

Poor Communicator. Even with a profound vision, you must be able to communicate it to your followers. They want to know where they are going and how they will get there. But you don't necessarily have to be a great orator to communicate effectively – you just must communicate often and thoroughly.

Large Ego. History is littered with failed hero cults – Adolph Hitler, Joseph Stalin, James Jones, and Nicolae Ceaușescu, to name a few. As Jim Collins points out in *Good to Great* there is a negative correlation of “celebrity” CEOs and great companies. Every great company he identified in his book had Level 5 leadership – the combination of personal humility and overwhelming drive for the company's success, not one's own.

Lack of Competence. Your followers will never trust you if you can't demonstrate competence in your field of endeavor. Without trust in your abilities, they won't follow you. Some “leaders” have been able to mask their incompetence with bluff, arrogance, and braggadocio to gain a following, but in the words of Abraham Lincoln, “You cannot fool all the people all the time.”

Lack of Initiative and Execution. Leading isn't just about talking, it's about doing. Ultimately, you will be judged as a leader by what you successfully accomplish. Initiative is taking your thoughts and words into the realm of action.



Lack of Organization. Leadership is a group activity. You are required to motivate your followers to accomplish some goal or mission. To do this effectively you have to be able to organize their efforts. Your followers will lose heart if your efforts and theirs are chaotic.

Lack of Standards. Just as you have values, a leader must have standards – for herself as well as her followers. An ill-disciplined army can win a battle but lose the war for failing to maintain basic standards of human behavior. As a leader, you will be judged by the actions of your followers. Therefore, they must understand the high standards that you have and hold dear.

Lack of Personal Accountability. Harry Truman said, “The buck stops here.” Every true leader must be prepared to accept the responsibility he assumes. Dodging responsibility will quickly cost the trust of your followers. Be a “stand up” person and recognize that not everything you do will be right. Your followers will readily understand that if you simply hold yourself to the same high standards you expect of them.

Lack of Confidence. You must be confident in your vision and your cause for people to willingly follow you. Most people are looking for guidance and direction and will embrace your well-thought-out course of action when you’re confident.

Failure to Value Followers. You cannot “use” people. They will gladly follow a trusted leader with a compelling vision but will become cynical and alienated when they know they are being manipulated for your purposes alone.

Lack of Ongoing Involvement. Accomplishing a challenging task requires persistence and effort over the long haul. An effective leader sees the task through to successful conclusion, whereas the dreamer or visionary can envision the result but has no conception of how to accomplish it. As a leader, you must remain engaged in your enterprise until you’ve accomplished your mission. If your followers sense your detachment from the tasks you’ve assigned, they will lose interest and their willing efforts will rapidly erode.

Lack of Emotional Maturity. To win the hearts and minds of your followers you must have the emotional maturity to build solid, enduring relationships with all manner of people. As a result, you can’t be impulsive, rash, or emotional in your dealings with others. Likewise, you must maintain a leadership presence by avoiding childish actions and immature reactions to others around you.

Effective leadership is never easy, particularly in changing times and circumstances, but the best leaders seem to rise from the challenge of the moment. In the words of one hospitality executive, “The longer I’m in this business, the more I realize it’s all about leadership.” With this thought in mind put your time and emphasis where it will have the greatest impact.



Managing Your Boss

Just as a leader must manage available human, capital, and material resources to accomplish the mission, to be truly successful you must also manage the perceptions of superiors, in particular your immediate boss.

Why is this important? Shouldn't the boss be able to clearly recognize a subordinate's performance and progress? Not necessarily so. The boss:

- May work in another building, city, or state and may not have many firsthand impressions.
- Is certainly busy with her own priorities.
- May have other direct reports and can't focus sufficiently on anyone.
- Is often focused on problems and underperforming areas, not on those operations that are running smoothly.
- May be subject to the persuasive opinions of others who are not familiar with your performance or who may not have your interests at heart.
- May have mistaken impressions based upon limited, partial, or biased perceptions.
- Can't be expected to be aware of all you are working unless you tell him.

Ultimately, if the boss has a bad impression of you and your performance, you have no one to blame but yourself. So why leave it to chance. A leader must be as proactive about managing your boss as you are with other important areas of your life – family, community, and hobbies and sports.

So how should you manage your bosses' perceptions of your performance? The short answer is "information," but for practicality's sake, here are five sure-fire ways to make a favorable impression.

1. Give your boss an honest, critical "State of the Union" report outlining the current realities of your operation. As Jim Collins says in his book, *Good to Great*, never be afraid "to confront the brutal facts." Support your analysis and the report with current operating benchmarks.
2. At the same time, present your "plan for improvement." I prefer to do this as an Annual Plan that will be updated each year as the state of the operation changes.
3. Provide brief monthly reports that update your boss on progress toward Annual Plan objectives and milestones.
4. Develop, track, and present your boss with meaningful benchmarks and analysis that demonstrate trends. Obviously, positive trends should be discussed, but negative ones also warrant discussion of planned corrective action.
5. When presenting or discussing problems in reports or in person, always present proposed solutions and plans of action at the same time. A boss, who continually receives a subordinate's problems without proposed solutions, may eventually realize he doesn't need the subordinate.



A few caveats:

- Honestly identify and discuss problems. Overly optimistic or continual rosy, but unachieved, assessments invite skepticism and may undermine your efforts. Remember that all operations have problems and the first step in problem solution is problem discovery.
- Don't over-promise and under-deliver. You must have a clear grasp of what improvements your operation can realistically make.
- When reporting operational successes, share the credit liberally with your staff. When reporting or discussing failures, reserve the blame for yourself. There is always more you could have done.

Managing the boss is a skill like any other. Each boss may be a little different in how he wants information presented and you should take your cues from him. Ultimately, a leader's job is to make a bosses' job easier. To the extent that you manage your operations successfully, make continual improvements, and provide her with meaningful, timely, and useful information, you will relieve the burden of her responsibilities while making her look good. The usual outcome of doing this is to gain your bosses' trust and support for all that you do – and this is a great start to a successful career!



What You Owe Your Boss – Loyalty and Support

In *Managing Your Boss*, we talked about providing your boss with a “State of the Union” report, timely and accurate information about your plans and projects, as well as the progress of your initiatives. In doing these things you keep your boss informed and assured that you are properly attending to the needs and requirements of your position. The ultimate purpose of managing your boss is to make her job easier, allowing her to focus on the other pressing issues of her position. Beyond this, what do you “owe” your boss? Most importantly you owe her your undivided loyalty and complete support.

Hopefully your boss is a service-based leader who has a plan of improvement and works diligently toward its implementation. In the process of implementing her agenda she will develop plans and programs and issue directives for their accomplishment. It is your responsibility and duty, then, to wholeheartedly support her agenda in its thorough implementation within your area of the operation.

But what if you have doubts about the wisdom or efficacy of her program? In this case you as a leader have a duty to fully and frankly express your reservations to her. However, this should always be done in private in a calm and deliberate way. Your purpose here is to convince, not attack or criticize. Clearly, rationally, and with suggestions for alternative courses of action, you must express your reservations and persuade your boss of other means to her desired ends.

If, after exhausting your powers of persuasion, your boss is unmoved and insists upon her original instructions, you have but two choices – to completely support and devote yourself 100% to accomplishing her directives or, if sufficiently opposed, to resign your position since you are unable to fully support her initiatives.

Why is the choice so stark? Is there no alternative between these two extremes? No! Either you fully support and implement her program without grumbling, complaining, or hesitation, as if the initiative was your own, or you step aside because you can't.

The most damaging thing you can do is to undermine your bosses' efforts by publicly criticizing her plan or by failing to actively and aggressively implement it. Both send a clear message to your employees that you neither agree with nor support the plan. This will quickly set up divided loyalties in the workforce. Its impact on employees will be like the well-known phenomenon of parents sending mixed behavioral messages to their children.

Even worse is to pretend to support your bosses' agenda while secretly resisting or acting to sabotage it. This passive-aggressive behavior is unfair to the person who hired you and is damaging to the organization. Your employees will readily understand your lack of commitment, and ultimately your boss will recognize it too. In this instance, your bosses' only recourse is to discharge you – and you will certainly deserve it.

The bottom line is that you have a responsibility to fully support and show loyalty to your boss. If, for whatever reason, you have come to lack respect for your boss, it's time for you to move on.

Still unconvinced? For one moment put yourself in the position of the boss – how long could you tolerate a subordinate manager who, either actively or passively, worked at cross purposes to your plans?



The 100/0 Principle

Al Ritter has written a great little book, *The 100/0 Principle*, subtitled *The Secret of Great Relationships*. While this may sound like any one of the score of self-help books published annually, one merely must look at Mr. Ritter's resume – MBA from Dartmouth, marketing and operations positions with PepsiCo, CFO at Swift and Company, Senior VP for Citigroup, consulting for Accenture, and founding his own consulting company – to recognize that this short, simple, and easy-to-read book holds much promise for business leaders in any setting and level of organizational hierarchies.

I believe the simple concept at the heart of this book is arguably the single most important guarantor of success in any relationship, certainly in the personal arena, but beyond that in any organization or business enterprise. Such well-known leadership authors as John C. Maxwell, Brian Tracy, and Warren Blank have all recognized the central role of relationships in any attempt to lead. As Maxwell said, "People who are unable to build solid, lasting relationships will soon discover that they are unable to sustain long, effective leadership."

What Mr. Ritter so strikingly advocates in his book is that if you want any relationship to be successful, you must take 100% responsibility for the outcome while expecting nothing in return. While this statement may seem shocking to some, I believe it is counter-intuitive wisdom of the highest order. To examine why, consider the following statements relating to leadership:

- A leader is responsible for his own success.
- A leader is responsible for everything her organization does or fails to do.
- In a free society, all but the most socially or economically disadvantaged followers have choice and can go elsewhere.
- Meaningful relationships are based on trust.
- Followers don't automatically extend their trust to a leader; it must be earned.
- As the one with the power and authority, the leader must take responsibility for establishing trust.
- If, for whatever reason, a relationship with followers is not going well, a leader cannot expect or wait for others to fix it.
- Therefore, he or she must take responsibility for the relationship.

Mr. Ritter states and I believe that taking complete responsibility for your relationships and expecting nothing in return will yield vastly improved results in every arena of life. His book offers concrete advice and steps, such as creative listening, suspending judgment, and unconditional acceptance, for readers to adjust their thinking and change their responses to difficult people, challenging situations, even "toxic" bosses. While his experience with the 100/0 Principle has been mostly successful, he outlines a few situations where it doesn't apply. He also candidly admits that there are no guarantees that it will always work, but that in most situations, dramatic results are achieved.

Roger Enrico, former Chairman and CEO of PepsiCo said, "The soft stuff is always harder than the hard stuff." I can't imagine that anyone who has attempted to lead would dispute this basic observation. Read Al Ritter's book – it offers a simple and straightforward approach to getting the soft stuff right!

The Book is: *The 100/0 Principle: The Secret of Great Relationships*, Al Ritter, Simple Truths, LLC, Naperville, IL, 2010



Leadership Growth and Adaptation

As any individual grows in leadership, his or her ideas about what leadership entails will mature and, in that maturation, one constant will stand out – change. Adaptation to insistently changing circumstances is a hallmark of success. One must approach life as a continual learning experience.

What attitudes and approaches lend themselves to this continual learning experience?

1. Always keep an open mind. Try not to pre-judge situations or people.
2. Never assume you know it all. The more you learn, the more you realize how little you know.
3. Be open and accessible to constituents – particularly followers.
4. Remember that each follower and each constituent is unique and may require different motivators.
5. Take time to stop and listen to your constituents. In your rush to accomplish, do not forget that you need their input, feedback, and support. Knowing their needs is essential.
6. Don't cast others as adversaries. Find out their legitimate concerns about your agenda. Accept the challenge of winning over your most difficult constituents.
7. Take constituent concerns seriously and adjust your agenda as necessary. Their buy-in to your program is essential to your success. Judicious compromise is a sign of intelligence and flexibility, not defeat. It should never be "my way or the highway."
8. Stay informed. Know what's going on in your organization, community, and the world at large. To be effective, you must be relevant to your time and place. To speak with authority and win people over, you must be knowledgeable about more than just your job.
9. Nurture and care for your constituents. While never on a *quid pro quo* basis, you will find that the care you give will be returned many times over in loyalty, support, and advancement of your goals.
10. Be aware and alert to what goes on around you. Learn by observing others, by witnessing their successes and failures. Most knowledge comes not from education, but from your life experiences. When you go through life in a fog of your own making – too consumed with real and imaginary dramas – you are inert, like a rock, to the wealth of learning opportunities around you. As one leading hospitality company puts it, "always keep your antennas up and your radar on" – you'll learn a lot by doing so!
11. When you're stressed or something has you ill-at-ease or on edge, it is a sure sign that something is wrong somewhere. Analyze your situation. Discovering the source is the first step in finding out what's wrong and where you need to act.
12. Once you've discovered the problem, contemplate how your leadership can overcome the issue. Like any other learned ability, this continual "puzzling" over leadership challenges will enhance your skills and usually bring you to a better resolution. If things turn out badly, figure out what went wrong and learn from the mistake.

Darwin was right on many levels when he said that creatures must adapt to survive. Leaders must adapt, not just to survive, but to thrive.



Your Example

Albert Einstein said, "Setting an example is not the main means of influencing another, it is the only means."

Always keep in mind the consequences of your own behavior as a leader:

- *If you are not loyal to your employees, they will not be loyal to you.*
- *If you do not respect your employees, they will respond in kind.*
- *If you don't care about your employees, they won't care about you or your endeavors.*
- *If you don't look out for their interests, they won't look out for yours.*
- *If you don't treat your employees with respect, they will not treat you or your members with respect.*
- *If you are abusive to employees, the good ones will leave; only the poor ones will stay.*
- *Remarkable service is all about attitude; treating employees badly fosters bad attitudes.*

"A leader leads by example, whether he intends to or not."

– Unknown

Your example sets the standard for all your employees. Don't blame them if they don't have high standards.



Private Club
Performance Management

**What I Expect from Our
Club Management Team**

MANAGEMENT DISCIPLINES

This section covers a variety of disciplines that will
ensure your success as a club



Establishing Standards

The owners of any enterprise are the ones who determine the desired standards for quality and service. In the case of member-owned clubs, it is the governing board that has this responsibility. The problem for board members, though, is that seldom do these individuals have the in-depth knowledge or experience of hospitality operations to translate their desires into reality.

So, it is the general manager who, in consultation with the board, determines the desired quality and sets the standards. This is challenging in three ways. First, board members may have difficulty articulating their quality and service desires since the perception of quality is the culmination of a great number of operating details. Second, each individual member has his or her own expectations for quality, thereby making for an imprecise common standard. Third, boards change over time and the changing agenda of new boards may require changes in priorities and allocation of resources, which may ultimately impact standards.

Given these realities it is essential for the general manager to “manage” the process by establishing standards of quality and service at the club based on his or her best professional judgment and querying the board and membership periodically to ensure expectations are being met. This is usually done with a membership survey regarding service levels in the various areas of club operations.

The common wisdom in our industry is that the higher the standards of quality and service desired by the membership, the greater the cost of operations – most noticeably in payroll cost from higher staffing levels, extended hours of operation, more personal services, and more intensive training. While these are all contributing factors, there are the operating inefficiencies as a result of weak leadership, poor organization, staff turnover, and inadequate training that are also significant drivers of higher costs.

A further challenge arises from the need for management to consistently communicate operating standards to employees. Regardless of age, background, education, experience, training, personality, and habit, all employees must have a common understanding of what they must do in all service situations. This can come about only through clear standards, policies, and procedures consistently communicated to employees during onboarding and training. It is also essential that the training, particularly for values and service standards, be consistent across all operating departments. It does not speak well for the club to have the head golf professional and food and beverage director teaching and reinforcing different values and standards to their respective staffs. Ultimately, the only solution is to create a common service standard that is integrated and consistent across all elements of the club.

Lastly, while service-based leadership focuses largely on providing training, resources, and support for the staff, the concern for staff motivation and morale should not for a moment be mistaken to imply that standards are not rigorous, and devotion to those standards are paramount. Leaders must be fanatical in their focus on the established standards and attention to detail in all areas of the operation.



Standards, Policies and Procedures

The terms “standards,” “policies,” and “procedures” are used in business to describe the “what” and “how to’s” of a club’s organization and work processes.

Standards. In a manufacturing setting, product standards usually include material specifications, manufacturing tolerances, quality measurements, and the functionality of the finished product.

In the club industry, however, the establishment of a standard is usually made by management based upon an understanding or expectation of what will satisfy or impress members. Often this satisfaction is based upon the way some service or action is performed. Therefore, the standard is a description of the desired outcome of that service or action and/or the way it is performed, such as the approved way of presenting and opening a bottle of wine, or the correct way to fill out a form used for documenting personnel actions, the way month-end inventories will be conducted, or the level of professionalism of management and operations.

Standards are established by the board or general manager as the acceptable model of performance by which members judge proficiency and professionalism. They apply not only to the daily performance of individual duties, but also to the way employees conduct themselves.

Policies. Policies and standards are so closely interwoven it is often hard to tell them apart. Policies most often apply to those areas of the operation where there can be little or no leeway in how something is done, for instance in the area of human resources where so much is dictated by law and the need for correct action to avoid litigation, or in the area of accounting where exactness and consistency are necessary to ensure the correctness, accuracy, timeliness, and transparency of financial reporting and fiduciary responsibilities.

Policies can also apply to operations. Policies are established to ensure the consistent and fair treatment of members; for instance, there might be a policy for giving refunds or making dining reservations. The need for policy here is to ensure that every member receives equal treatment and the same opportunity to use and enjoy the club and its amenities or services. Nothing will upset a member faster than believing he or she is not getting a fair shake from the club. While human resources and accounting policies must be stringently followed, operating policies tend to be more flexible to meet changing member needs.

Procedures. Procedures are the “how to’s” of business. Sometimes they flow from standards and sometimes from policies, but in the end, they are exact instructions of how to do or complete a process, act, or event. Whereas policies are often the reason why something is done, procedures are the detail of how it is done.

Example of Standards, Policies, and Procedures

Note the policies and procedures for taking a dining reservation below. Taken together they represent the standard of how to take a reservation and provide a description of the desired outcome of the process.

Policies:

1. *Reservations will be taken for all dining venues – casual dining, fine dining, and Sunday brunch.*
2. *Reservations will be taken no earlier than 60 days in advance of a requested date.*
3. *A la carte reservations will not normally be taken for parties of more than 12. When an exception is made for a party of more than 12, the dining room manager and chef will coordinate a set or limited menu for the party.*



4. *The dining room manager is responsible for maintaining the reservation book for all venues.*
5. *Reservations may be made by calling 555-5555, from 8 a.m. to 9 p.m. Tuesday through Friday, and 11 a.m. to 9 p.m. Saturday and Sunday.*
 - a. *During normal office hours (8 a.m. to 5 p.m., Tuesday through Friday), reservation calls will be taken by the receptionist.*
 - b. *During all other hours, reservations will be forwarded to the dining room where they will be taken by the dining room host or hostess.*
 - c. *Outside of normal reservation times, a voice mail message will inform members of the hours that reservations may be taken and that a voice mail message will be returned promptly during normal business hours.*

Procedures

1. *Answer the phone in three rings.*
2. *Use a pleasant tone of voice to communicate your desire to help.*
3. *Answer the phone with “Good morning/ afternoon/ evening, thank you for calling the main dining room, this is (your name). How may I help you?” Note: It is important to get the name of the caller first, so that you may address him/her by name during the rest of the call.*
4. *If you must place the caller on hold, say “Mr./Mrs. (member name), may I place you on hold for a moment?”*
 - a. *If the answer is yes, say “Thank You” and place the caller on hold.*
 - b. *If the answer is no, continue with the call.*
5. *Obtain all necessary information: day/date of reservation, time, number in party, and member phone number.*
6. *Ask for special needs, accommodations, or if they are celebrating a special occasion.*
7. *Read back the information you have taken to ensure all information is accurate.*
8. *Thank the member for calling.*

Standards, policies, and procedures are the building blocks of the [Club Operations Plan](#) and form the bulk of the material that an employee must master to satisfactorily complete all their job functions, duties, and responsibilities. Without taking the time to define, explain, and clarify standards, policies, and procedures, how can management realistically know what it is that employees need to learn? Without well-defined standards, policies, and procedures, any attempt to train will be disorganized and inconsistent.

While department heads and junior managers are typically responsible for developing the operating standards, policies, and procedures for their departments, the general manager is still responsible for ensuring the overall quality of the operation and must therefore review all operating standards, policies, and procedures. She can only do this if they are in writing and available for her review.



Creating Measurable Accountabilities

I have spent a good deal of time over the course of a career trying to establish a basis for meaningful work plans with measurable accountabilities for club department heads. Looking back on a long career, I would reluctantly admit that I spent too much time doing and not enough time planning and appropriately delegating.

Sure, work planning takes time, particularly if you put enough effort into it to be of value . . . and finding measurable accountabilities for department head performance seems an elusive goal. Now, though, on the tail end of my career, I have finally found the time to give the matter some serious thought.

As far as work planning goes, what I expect from subordinate managers is to meet goals and budgets and to help measure their progress toward specific objectives. To do this I find it important to establish monthly reviews of financial performance, as well as timelines and milestones toward non-monetary goals, such as developing departmental operation plans and effective training programs.

On the other side of the coin, measurable accountabilities have continued to be a challenge. Over the years I've developed and deployed several versions of managers' performance evaluation criteria. Each ultimately proved unsatisfactory though they included several meaningful and worthwhile objectives such as "builds teamwork and morale," "directs work effectively," and "follows through and implements well." As good as these criteria may look on paper; they turned out to be practically meaningless as I attempted to do reviews because I had no hard evidence or objective means of measuring them. Once again, my reviews degenerated to my "gut feel" or "overall sense of things." Clearly measurable accountabilities continued to prove elusive.

In recent months I've taken another stab at finding performance criteria for which I could establish specific measurable goals. Here's what I've come up with.

On the big picture scale, I've broken down performance expectations for department heads into six major categories – leadership, management, training, performance, compliance, and member satisfaction. These can be weighted based upon changing emphases but must equal 100%. Within each major category are sub-categories that can in some way be measured. These are also weighted, again totaling 100%. The following chart lays out the major and sub-categories, as well as the means to evaluate and who is responsible for creating the measurements. Check out the chart on the next page.



Managers' Performance Review Criteria and Measures

	Criteria	Method of Measurement	Measurement Responsibility
20%	Leadership		
	25% Values/Culture Reinforcement	Department Head's Weekly Report of Daily Huddles	Department Head
	60% Leadership	360 Reviews, Annual Employee Survey, Employee Comments	HR Manager
	15% Employee Turnover	Personnel Benchmarks	HR Manager
	100% Total		
10%	Management		
	20% Organization, Order, Cleanliness, Maintenance	Monthly GM Inspections on pre-designed form	GM
	20% Planning (Departmental Annual Plan)	Plan Review scored for value and impact	GM
	20% Employee Development and Reviews	Review of Work Plans and Performance Reviews	GM
	20% Standards, Policies & Procedures	Review of Material scored for quality and thoroughness	GM
	20% Safety, Security, Sanitation	Monthly GM Inspections on pre-designed form	GM
	100% Total		
15%	Training		
	15% Departmental Training Plan	Annual Plan Review scored for adequacy and quality	GM
	20% Curricula Development	Annual Plan Review scored for adequacy and quality	GM
	20% Training Material Development	Annual Plan Review scored for adequacy and quality	GM
	30% Training Execution	Training Visits scored for adequacy and quality	GM
	15% Benchmarks	Monthly Review of Financials, Benchmarks and Plans	GM
	100% Total		
25%	Performance		
	30% Revenues	Monthly Review of Financials, Benchmarks and Plans	GM, Controller
	30% Pay Cost Control	Pay Period Summary Reports, Monthly Review of Financials	GM, Controller
	20% Cost of Goods Sold	Monthly Review of Financials, Benchmarks and Plans	GM, Controller
	20% Other Expense Control	Monthly Review of Financials, Tools to Beat Budget	GM, Controller
	100% Total		
10%	Compliance		
	20% Departmental Annual Plan Completion	Monthly Review of Financials, Benchmarks and Plans	GM, Controller
	20% Tools to Beat Budget	Monthly Review of Financials, Benchmarks and Plans	GM, Controller
	20% Departmental Benchmarking	Monthly Review of Financials, Benchmarks and Plans	GM, Controller
	20% Accounting Compliance	Controllers Report and Benchmarks	Controller
	20% Human Resources Compliance	HR Managers Report and Benchmarks	HR Manager
	100% Total		
20%	Member Satisfaction	Annual Member Survey, benchmarked year-to-year	Membership Dir.
100%	Total		

This whole process presupposes that the club has already instituted certain disciplines such as holding monthly reviews of financials and departmental plans with each department head; measurements such as departmental and personnel benchmarks; and both member and employee surveys.

I'm sure that there may be other worthwhile things to measure and for which subordinates should be responsible, and I'm equally sure that there will be some challenges in implementing such a system. But ultimately, I believe the benefits of holding subordinate managers strictly accountable for their performance outweighs all challenges encountered.



Spelling Out Your Disciplinary Process

Discipline is necessary to maintain the direction and focus of any organization and to establish and maintain standards of quality and service. The desire is to achieve excellence and success and supervisors must understand that these goals are dependent upon the quality and commitment of employees.

Unfortunately, in every group of employees, there are some who have attitude problems, lack commitment, or are not capable of meeting standards. When confronted with such a problem employee, it is the responsibility of supervisors to deal quickly and effectively with the situation before it degrades the efforts of the rest of the staff.

The following are suggested guidelines for a club's disciplinary process:

Supervisor's Responsibility. It does no good to have rules, regulations, and policies spelled out, if they are not going to be enforced by all supervisors. Whenever a supervisor overlooks an infraction, he encourages others to similar violations. A lax supervisor can be more damaging than no supervisor at all.

Further, supervisors are expected to actively confront any problem employee in their departments with the aim of correcting the problem. If it cannot be corrected in a reasonable period, supervisors are expected to discharge the individual while following established termination policies.

Good Communication. Good communication is important when working with a problem employee. Some supervisors do not like to confront staff on seemingly "small" issues. As a result, many small problems build up until the supervisor finally blows her top and is ready to fire the employee. However, discharge is inappropriate because the supervisor has not previously discussed the problems with the employee, warned him of the consequences of continued problems, or offered any help to correct the problem.

Good communication would prevent this situation. If the supervisor talks frequently with employees, points out minor problems as they occur, and addresses continuing problems in a proactive and formal way, an employee will never be surprised should he be discharged.

Disciplinary Philosophy. The club subscribes to the "hot stove" approach to discipline. Employees are told what is expected of them and what the consequences are of ignoring rules, requirements, policy, and procedure. If they then touch the hot stove, they get burned. The rationale behind this philosophy is that supervisors want to deal with staff as adults who are responsible for their own actions, and they want to avoid inconsistency in applying rules, requirements, policies, and procedures.

Rules, Requirements, Policies, and Procedures. This philosophy requires that supervisors tell staff what is expected of them. First, do this by spelling out in detail what the club's rules, requirements, standards, policies, and procedures are. The Employee Handbook contains many club-wide rules for employees. Second, expend some effort through orientations and formal training to make staff fully aware of their responsibilities and the club's expectations.

Fairness and Consistency. A club's disciplinary process must be fair and consistent. This will follow naturally from rules, requirements, policies, and procedures being applied fairly and consistently to all employees. Supervisors who are not fair and consistent will create major problems within their departments. There is no quicker way to destroy departmental trust and morale than to play favorites. Often the perception is as important as the reality. Supervisors should not only be fair, but also give all appearances of being fair.



Constructive and Progressive. The club's disciplinary process is designed to be both constructive and progressive. By this it is meant that all disciplinary actions are aimed at correcting erroneous or inappropriate behavior and successive disciplinary actions will be progressively more severe. These two aspects are part of the same philosophy. While the club wants to help employees overcome their problems, when the problems continue, the supervisor wants to get the employee's attention with progressively more severe consequences.

Higher Standard for Supervisors. Because of a supervisor's position, experience, training, education, and other factors that led to hiring, she is held to a higher standard of conduct and performance than line staff. In disputes between staff and supervisors, it is expected that supervisors will have solidly documented cases showing thorough investigation of any incident.

While supervisors will always be supported when the right, line employees will be given the benefit of the doubt when there is insufficient evidence or the absence of a thorough investigation. The best way for a supervisor to ensure that he is supported in her decisions is to have all the facts together before taking disciplinary action.

Summary. Given the many potential pitfalls in disciplining problematic employees, all managers and supervisors must have a thorough understanding of a club's disciplinary process. Spelling out the key elements of that process is an important first step. As an example of how this can be done, see [*Employee Development and Disciplinary Guides*](#).



Disciplined Hiring

Hiring the Right People

There is no more critical task for managers than hiring the right employees. As Jim Collins says in his groundbreaking book, *Good to Great*, which delved into the reasons some companies outperform their competitors, that getting the right people on your team or, as he says, “getting the right people on the bus,” was an essential ingredient in all good to great companies. Further, he went on to say that

“The adage ‘People are your most important asset’ is wrong. People are not your most important asset. The right people are.”

Implied in this statement is the requirement that companies **identify and only hire the right people**. The “wrong” people can be damaging to your business. Dr. Bradford Smart, in his book *Topgrading*, also speaks of hiring the right people for your organization, whom he calls high performers or “A-Players,” as opposed to “B” or “C-Players.”

Dr. Smart says,

“High performers, the A-Players, contribute more, innovate more, work smarter, earn more trust, display more resourcefulness, take more initiative, develop better business strategies, articulate their vision more passionately, implement change more effectively, deliver higher quality work, demonstrate greater teamwork, and find ways to get the job done in less time with less cost.”

Damage Caused by the Wrong People

Dr. Smart lists the many downsides of hiring and retaining C-Players as managers or supervisors. He says C-Players:

- “Embrace tradition over forward thinking.
- Have difficulty coping with new and complex situations.
- Prefer the status quo.
- Lack credibility, so others are hesitant to follow them.
- Require specific direction [from superiors].
- Hire mostly C-Players [A- and B-Players are seen as threats].
- Tolerate mediocrity.
- Are inaccessible, hypercritical, stingy with praise, and late or shallow with feedback [for subordinates].
- Drain energy from others; their [inaction or] actions prevent synergy.
- Sporadically meet expectations.
- ‘Bend the rules.’
- Have mediocre skills [and seldom seek self-improvement].”



Hiring and retaining low performing managers or supervisors can have a long-term ripple effect in an organization. On the other hand, hiring A-Players for those critical leadership positions in a club can have long term positive effects on the organization.

If hiring the right people is particularly critical in hiring leaders, the managers and supervisors of the club, it is also important, though for different reasons, in hiring line employees – those that interface directly with members. The dangers in hiring the wrong people in member-interface positions include:

- The damage they can do to member service.
- The turmoil they create in your work team while they are with you.
- The amount of time that you must spend in training and retraining them.
- The amount of time that you must spend in counseling, disciplining, and ultimately discharging them.
- The lost opportunity of using your limited time and resources to work with them – time that could be better spent on other initiatives and pressing issues.
- The cost of replacing a substandard employee – both in terms of hiring and training a replacement.
- And the emotional wear and tear on everyone involved.

Why Are the Wrong People Hired?

While there is no fail-safe method of hiring only the right people, there are common denominators underlying most mis-hires. They include:

1. The failure of hiring managers to use “due diligence” in hiring applicants. This includes:
 - Failing to analyze and identify the requirements of a vacant position.
 - Failure to carefully screen applicants to ensure that their experience, skill set, and personality is appropriate for the vacant position.
 - Failure to conduct adequate interviews, particularly face to face, with applicants.
 - Failure to carefully check references.
2. Lack of supervisor’s screening, interviewing, and reference-checking skills.
3. Hiring managers not taking full responsibility for the hiring process by assigning or delegating the responsibility of hiring to another person who may not understand the needs of the position or who has no vested interest in a successful hiring outcome.
4. Hiring a “warm body” to fill a position.
5. Failure to learn from past hiring mistakes.

Reason #1: Failure to Use Due Diligence

Given the responsibility managers must hire the right people and to avoid hiring the wrong people, hiring supervisors need to exercise “due diligence” throughout the hiring process.



Due diligence is a financial/accounting term that means to investigate of a potential investment and/or confirm all material facts regarding a sale. Generally, due diligence refers to the care a reasonable person should take before entering into an agreement or a transaction with another party and is essentially a way of preventing unnecessary harm to either party involved in a transaction.

While the term “due diligence” has come to take on the wider meaning of doing one’s homework to prevent mistakes, clearly the original definition applies to hiring employees, that is making an offer of employment to another party.

Reason #2: Lack of Interview Skills

A brief informal survey of club executives revealed that none have ever received formal training in how to screen and interview applicants or in reference-checking techniques. Despite the overwhelming importance of hiring the right people, it seems to be assumed that people can figure out for themselves how best to do it or will inherently know or possess such skills. Since Dr. Smart’s research and experience points out that 50% of all hires are mis-hires, this is clearly not the case.

At the same time, a survey of hiring managers shows that most managers think they do a good job of interviewing job candidates. Given the sad hiring success rate, which is no better than flipping a coin, there is an obvious disconnect between hiring managers’ perceptions and reality.

Reason #3: Not Taking Full Responsibility for the Hiring Process

Before going any further, let us make one thing perfectly clear. There is only one person responsible for hiring the right people and that is the manager or supervisor of the person being hired. The hiring manager or supervisor is the one who is accountable for her department or section’s performance and, therefore, is the only person who should make the hiring decision. While every leader will periodically mis-hire, those supervisors that consistently hire the wrong people should be held accountable.

Do not for one moment think that hiring is the responsibility of a human resource manager. She may assist in the process, but that assistance is no more than clerical or consultative. If any person hired turns out to be a bust, the only person responsible and accountable is the hiring supervisor, and he must bear the consequences of mis-hiring.

Reason #4: Hiring a “Warm Body” to Fill a Position

There are times when there is a great sense of urgency in filling a key position. Often an empty managerial position puts a greater burden on other managers and the general manager. There is the well-recognized phenomenon of the spinning top – *“Hospitality operations are like a spinning top. Without competent management to add the daily ‘spin of leadership,’ the operation soon begins to wobble and fall.”* – so hiring managers are keen to fill vacant leadership positions quickly, lest the operation begins to wobble badly.

Despite these pressures, hiring managers should resist the temptation to hire a less than perfect candidate to quickly fill the vacant position. Jim Collins in *Good to Great* says the #1 practical discipline in finding the right people is **“When in doubt, don’t hire – keep looking.”** All the successful Good to Great CEO’s stressed the importance of finding the right people.

Don’t settle for less. At best you’ll have a B-Player. At worst, you’ll have someone that you’ll need to spend hours and hours working with before letting him go, only to start all over again.



Reason #5: Failure to Learn from Past Hiring Mistakes

While it is understood that every hiring manager will make some hiring mistakes, it is essential that lessons are learned from mis-hires. This can only be done if there is enough documentation of the hiring process. Without a written record that includes a resume or application, thorough interview notes including questions asked and answers given, and details of each reference checked, there is no way to go back after a mis-hire to try and determine what was missed during screening and interviewing.

With proper documentation, the hiring manager can review the entire screening, interviewing, and hiring process to see what signs were missed to improve those skills during future hiring.

Summary. When you recognize why the wrong people are so often hired, you can do something about it.

- First and foremost, you should train yourself and your subordinate managers in proper screening, interviewing, and reference-checking techniques.
- Next, you should use various tools to help in the hiring process, such as interviewing and reference-checking forms.
- Lastly, you should establish and maintain a discipline of using the techniques and tools of Disciplined Hiring in all hiring situations.

Initially, Disciplined Hiring may take more time, but the more it is used, the easier the entire process becomes.



Prohibited Interview Questions

If you are considering hiring a new employee, be sure you know what you can and cannot ask during a job interview. You don't want a hiring discrimination lawsuit brought against your club.

What questions should not be asked during an interview stem from a variety of federal, state, and local laws which prohibit employment discrimination based on protected groups. Below are some general topics you must avoid asking a job applicant during an interview. Also included are some specific questions that you can ask during the hiring process.

Direct questions of a job applicant on the following topics are prohibited:

- **Age** – including questions that may reveal age, such as the year of high school graduation.
- **Religion** – you can and should, however, explicitly state the working hours of the position, particularly if it includes weekend work, and ask whether the applicant can work those hours with reasonable accommodation.
- **Race**
- **Gender**
- **National Origin/Citizenship** – you may ask if the applicant is eligible to work legally in the United States.
- **Disabilities/Health History** – you can enquire about the applicant's ability to perform the essential functions of the job.
- **Union Membership**
- **Languages Proficiency** – unless a specific language skill is required for the job.
- **Marital/Family Status** – including questions about maiden name, pregnancy, children, and childcare. You can, however, ask any former employer if the applicant was ever known by another name. You can also ask job-related questions about hours/shifts applicants would and would not be available to work, as well as any other responsibilities that might interfere with specific job provisions, such as traveling.
- **Workers' Compensation/History of Sick Days**
- **Prior Arrests** – being arrested is different from being convicted.
- **Current Military Service and Type of Discharge from any Previous Service** – you can ask if an applicant was formerly in the military, but enquiries should be limited to length of service, final rank upon discharge, and the type of applicable work experience gained in the military.
- **Sexual Orientation**
- **Past Bankruptcies or Garnishment of Wages** – employers may still use credit reports in their hiring process, but they must ensure that they comply with the Fair Credit Reporting Act, as well as any applicable state privacy laws.
- **Frequency of and/or Treatment of Illegal Drug/Alcohol Abuse** – some very limited questions about illegal drug use are technically permitted. Specific questions such as, "Do you currently use illegal



drugs,” “Have you ever used illegal drugs?” and “What types of illegal drugs have you used in the last 6 months?” can be asked, but to be safe, these are better left for HR experts.

- **Clubs/Organization Memberships** – you can, however, ask “What professional or trade groups do you belong to that you consider relevant to performing this job?”
- **Home/Car Ownership** – you can ask if the applicant has a reliable method of getting to work each day.

While these prohibited questions can be quite specific, a good rule of thumb if you are ever in doubt about a potential question is “If it’s not job-related, don’t ask.”



Six Steps to Lower Employee Turnover

Study after study has demonstrated the high cost of employee turnover, particularly in the hospitality industry where the work is so detail-intensive, requiring significant training to meet standards.

Recognizing that the desired outcome of every hiring decision is to find and bring aboard a qualified and enthusiastic person who will make a positive contribution to the success of the club, it is essential for all managers to make every effort to lower employee turnover rates. Here are six steps to help you do just that:

- 1. Hire Well.** Use the techniques of Disciplined Hiring to screen applicants and check references. When possible, use personality profiles to ensure you put the right person in “the right seat on the bus.”
- 2. Onboard Well.** Use all the club’s tools to both welcome and orient new hires to the workplace. The *Employee Handbook*, as well as the club and departmental orientations, are designed to provide and reinforce important information to the new hire. Managers must make sure that orientations are welcoming and make all necessary introductions to both supervisors and peers.
- 3. Train Well.** Both initial and ongoing training is essential. Most people want to do a good job and appreciate the efforts made to train them. Without adequate training and the necessary tools and resources to do their jobs well, new hires will quickly become cynical and alienated. Never forget that their success guarantees your success.
- 4. Organize Well.** No one wants to work in a chaotic environment. If your department or section is well-organized, if everyone knows where things are, if employees are well-trained in opening and closing procedures, if everyone knows their responsibilities and is held accountable, the workplace runs almost effortlessly. Don’t run off good people by putting them through the hell of a disorganized operation.
- 5. Communicate Well.** Daily interaction and direction ensure that everyone is informed, knows what is going on, and what they must do individually to accomplish the tasks at hand. It is also instrumental in building teamwork and a sense of shared values and mission. Some form of pre-shift meeting is a necessary discipline to ensure ongoing, consistent communication.
- 6. Value Them Well.** Remember the ultimate value of people in all you do. Value your employees and they will value you as a leader and their efforts at work.

The bottom line is that your leadership is the essential element in your success. If you have high levels of turnover, there is no one to blame but yourself.



Labor Cost Control Strategies

While there is no single answer to controlling labor costs, there are many different things that can be done to ease the task.

Forecast Scheduling. Using various tools at your disposal such as benchmarked levels of business, the schedule of club-sponsored events, and the catering forecast, supervisors should attempt to forecast their staffing needs at least one month out. The one-month horizon is important in that it allows time to contact, hire, and train seasonal help.

Seasonal Hires. When business conditions dictate (i.e., when the forecast shows business levels surpassing thresholds), supervisors should begin bringing in seasonal hires. They can be people who you have already interviewed, hired, and trained such as former employees or employees hired specifically for seasonal work. In either case, these new hires should be given some indication of how many hours they can expect to work each week and how long they'll be kept on the payroll.

Conversely, supervisors should also plan for the sudden deceleration as the busy season comes to an end. Intelligently managing both the expansion and reduction of staff results in satisfied members and significant payroll cost savings.

Budget Time Off. Clubs have fluctuations in business on a daily and weekly basis as well as seasonally. These fluctuations can result in legitimate overtime.

Having also said that we want to avoid overtime costs as much as possible, the same fluctuations in business that cause these costs can also help us balance them out. Using the concept of Budget Time Off, a supervisor can send an employee home early on a slow day. Budget Time Off is used frequently in housekeeping and the food and beverage area. When the work is done or its slow, employees are released to go home.

Budget Time Off should also be applied in areas where staff work established shifts, such as the reception desk, maintenance, or in administration. The concept works like this – if, because of circumstances, an employee works more than eight hours in one day, the supervisor should send him home early on another day in the same workweek to avoid surpassing 40 hours worked in each week.

Cross Training and Departmental Shares. In a small organization like a club, it does not make sense to have a large staff of specialists. Rather, managers should have a smaller staff of people who are cross trained to work multiple positions. Often while one area of the club is slow, another is busy. Most cross training takes place within departments and allows a supervisor to deal with sickness and emergencies.

Another form of cross training is inter-departmental and results in departmental shares – employees who can work in two or more areas as the level of business requires. Departmental sharing requires close cooperation and communication between department heads to ensure that the needs of both staffs are met, and cumulative overtime is avoided. Supervisors who are interested in exploring the possibility of departmental shares should pick other departments whose workload is dissimilar to their own.

Project Work. When fluctuations in business create short-term lulls, supervisors who are concerned about keeping staff productively employed should assign project work. In a club operation, particularly one



that has been busy; there are many things that are deferred in the rush of business. These deferred items, such as intensive cleaning, polishing the details, and straightening out back-of-house areas, make excellent project work.

Because you never know when business will suddenly slow down, supervisors should have a ready list of necessary project work. With this list at hand, it's a simple thing to assign the work whenever staff have excess time on their hands in lieu of sending them home.

Sending Home Early. Sending home early is self-explanatory and easy to do. It requires the will to do it, vigilance on the part of the supervisor, and a feel for the business. While there is always some risk involved that you may suddenly get busy and need the full staff, supervisors should take the risk and depend on the dedication and professionalism of remaining staff to rise to the occasion. Experienced supervisors know that good hospitality employees have an overdrive that they can kick into for short periods of time to get the job done. For many who are "adrenaline junkies," (and who in this business isn't?), they get a rush from it.

Layoffs. As long-term busy periods wind down, supervisors are often faced with the difficult task of reducing staff. While no one enjoys laying off employees, it is much easier to do if the employees involved were hired seasonally and already know that their hours will be reduced, or they will be laid off when the busy season is over.

Voluntary Leaves of Absence. Before a supervisor considers staff layoffs, he should inquire if anyone on his staff – core or temporary – wants to voluntarily leave. There may be a temporary employee who for some reason wants to leave or a core staff member may want to take an unpaid leave of absence. While no one may be interested, it's always worth asking before another staff member is involuntarily laid off.

Scheduling Vacations. Usually, full time employees earn vacation time. Some employees, by virtue of their longevity, have substantial amounts of vacation to use each year. Supervisors should schedule their employees' vacations during slow times when you will not be forced to replace them on the schedule.

Summary. Regardless of what combination of strategies ultimately proves most helpful to a supervisor, continuing success depends upon vigilance and attention to business levels and scheduling. The easiest way to achieve this is to make this vigilance and attention part of your daily routine. Compare daily hours and schedules frequently to ensure compliance. Monitoring employee hours daily will help avoid overtime. Pay close attention to levels of business. Know who is on the clock, what their schedule and rate of pay is. Act decisively to control cost. Act as if your job depends upon it. Ultimately, it may.



Benchmarking Operations

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 bases 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 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 to discover 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.

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

- Establishing the baseline or 'benchmark' of existing operational performance.
- Comparing future performance to the benchmark.
- Establishing realistic performance goals for future periods.
- Comparing a period's performance with past periods, other similar operations, or the whole industry.
- Identifying under-performance or best practices.
- Improving the accuracy of budgets.
- Forecasting business levels.
- Measuring member response to new products/services and initiatives.
- Providing hard numbers to support decisions and requests for additional resources.
- Establishing the condition of the operation when a new manager assumes charge.
- Establishing parameters for bonuses and other performance-based incentives.

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 club's 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 member usage.

Benchmarking is best accomplished by club department heads who have 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 are the important data to track. Most performance measures will fall into the following broad categories.

- Revenues, both aggregate and by type
- Expenses
- 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 makes it necessary for managers to 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 reporting. Despite these reports, I still find it 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 discipline. 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 a club to the top of its game.

For more information, see [Club Benchmarking Resources](#) on the PCPM Marketplace store.



Hand in Glove: 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 the guesstimates of even 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 an establishment 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, and practice range fees. The underlying volume benchmark is how many people use the golf course – the rounds of golf played.

	Oct	Nov	Dec	Annual
Rounds of Golf	3,135	2,703	2,274	27,484
Revenues				
Green Fees	\$66,875	\$54,268	\$44,569	\$607,892
Cart Fees	\$39,904	\$33,267	\$27,224	\$352,852
Merchandise Sales	\$5,295	\$4,726	\$6,790	\$68,159
Practice Range Income	\$4,148	\$2,670	\$3,323	\$37,892
Total	\$116,222	\$94,931	\$81,906	\$1,066,795
Revenues/Round				
Green Fee/Round	\$21.33	\$20.08	\$19.60	\$22.12
Cart Fee/Round	\$12.73	\$12.31	\$11.97	\$12.84
Merchandise/Round	\$1.69	\$1.75	\$2.99	\$2.48
Range Income/Round	\$1.32	\$0.99	\$1.46	\$1.38
Total Income/ Round	\$37.07	\$35.12	\$36.02	\$38.82

Sample Benchmarks Computed by Dividing Revenues by Rounds

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:

- Green fee per round
- Cart fee per round
- Merchandise sale per round
- Practice range income per round



By recognizing that absent significant change or abnormal events, the recent past is the best predictor of the future, these benchmarks can help us determine our 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 (shaded 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 owners who review the budget to understand how the projections were made. It also makes it easy for the operator who has missed his or her projections in a particular 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	Oct	Nov	Dec	Annual
Projected Rounds	3,300	2,800	2,250	28,550
Green Fees per Round	21.40	20.15	18.75	22.20
Cart Fees per Round	12.75	12.35	12.00	12.90
Merchandise Sales per Round	1.75	1.85	3.05	2.50
Practice Range Income per Round	1.35	1.05	1.50	1.45
Income				
Green Fees	\$70,620	\$56,420	\$42,188	\$633,810
Cart Fees	\$42,075	\$34,580	\$27,000	\$368,295
Merchandise Sales	\$5,775	\$5,180	\$6,863	\$71,375
Practice Range Income	\$4,455	\$2,940	\$3,375	\$41,398
Projected Revenues using Rounds and Revenue per Rounds 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 fiscal year.

My own experience with benchmarking for over 30 years has proven not only the practicality of benchmarking to better understand one's operation, but also as **the most effective tool for easy and accurate budgeting**. To say they go hand in glove might be an understatement.



Invoice Coding Standards

Coding standards are established to ensure that all purchasing managers correctly code their invoices and that all coded invoices turned in to the accounting office are coded correctly and accurately. Correct and accurate coding of invoices by all purchasing managers would greatly reduce the workload of controllers, thereby permitting them to focus on other pressing issues and assisting department heads and the general manager with accounting outreach programs.

Coding standards for all invoices include:

1. Using a coding stamp. This stamp should be ordered by your controller and distributed to all managers who will be coding invoices. See the sample to the side.
2. Entering the month to which the expenses will be charged.
3. Entering the general ledger account code from the club's chart of accounts.
4. Entering the corresponding total dollar amount to charge to each account code.
5. A detail notation indicating what the charge(s) are for.
6. The coding manager's signature or initials.
7. The date the coding takes place.

Oak Hill Country Club	
Month:	<u>August/08</u>
GL Code:	<u>490-214</u> Total: <u>2,156.54</u>
GL Code:	<u>490-222</u> Total: <u>86.78</u>
GL Code:	<u>490-538</u> Total: <u>43.40</u>
Detail:	<u>Fertilizer/Oil/Seed</u>
Approval:	<u>J.M. Smith</u> Date: <u>8/24/08</u>
Approval:	_____ Date: _____

The simple act of establishing a standard for a routine action can ensure consistency in the organization and make the job of everyone involved in accounting for purchases far easier. Such standards can be prepared for a host of specific events in club operations – vastly improving the overall efficiency of the club.



How Many Silos Does Your Club Have?

Teamwork pays off. We've all seen examples in the sports world of one team playing well together beating a team with superior individual talent. Legendary University of North Carolina basketball coach Dean Smith made a name for himself by fielding balanced teams known for their teamwork as opposed to teams with individual high scoring stars. Some wag once said, "Dean Smith was the only coach who could keep Michael Jordan to less than 20 points a game" because of his insistence on selflessness and teamwork.

Teamwork is also important in business where complex organizations depend upon the strengths of different departments working together. The term "silo" has come to represent individual managers and departments focused solely on their own agendas, functions, and tasks. The image of a silo, standing tall with sheer walls separating its contents from other silos, is an apt analogy for business departments who work alone with minimal contact with adjacent departments regardless of degree of interdependence and common purpose.

Silos are quite prevalent in the club business where individual departments perform certain well-defined functions in the overall club scheme. While some usually have good communications and working relationships, such as golf operations and golf course maintenance, less often is this the case between clubhouse functions, such as food and beverage, membership, and administration, and outside functions. In many cases some department heads only encounter each other at the general manager's staff meetings.

The danger in having silos in your club is that some managers have little understanding beyond a broad conception of what other managers or their departments do. Without a keener appreciation of all elements of the club's operations, how can department heads work together as a team to understand and exceed members' expectations?

This is particularly important in those club departments that provide a supporting function to other operations, such as accounting, human resources, administration, and facilities management. Unless these department heads get out and meet frequently with their operational counterparts, they are unable to get important feedback or conceive of better ways to serve their internal customers.

So how does a general manager go about breaking down the silos of a club? Here are some suggestions:

1. Hold a regularly scheduled weekly meeting with all department heads. These meetings allow each attendee to update others on what they are working on. Obviously, this keeps everyone better informed and gives each a better understanding of what others do.
2. Use the annual club planning process as a team building exercise. Many minds are better than one and often an outside view on problems can bring a fresh approach.
3. Once a month have one department head lead a brainstorming session to improve his operation. See the article *Continual Process Improvement* to see how it works.
4. Take department heads to lunch at a nice restaurant once a quarter for socializing. Follow the lunch with a brief presentation and Q&A session by a community or business leader. Often these individuals can come from the club's membership and would be happy, maybe even honored, to speak to their club's leadership.



5. Hold “Wow Factor” brainstorming sessions with all department heads. Read the article [*Wow Factors – What Have You Done for Me Lately?*](#) for information about such sessions.

The Bottom Line: The more your department heads interact with one another in formal and informal settings, the better they will understand the common challenges they face in running a high quality, member-focused club. When this happens, they will naturally begin functioning as a team committed to the common purpose regardless of individual function.



A Discipline of Planning

Managing a club without a plan is like driving through a foreign country without a road map. Given the size, complexity, and money invested in making a club successful, why would anyone consider operating it by the seat of one's pants? Yet, this is exactly what managers do when they fail to establish a discipline of formal planning. And make no mistake about it, **it is a discipline** – requiring managers and supervisors at all levels to conceive and document their plans for upcoming periods and specific events. It also requires that the general manager review all planning documents, as well as review progress toward completing those plans on an ongoing basis.

Every enterprise demands a plan. Without a formal, written plan to focus attention and action upon the completion of specified goals within a specified time period, the club will lack clear direction and purpose. By putting plans in writing, the responsible manager formally commits to its accomplishment. Further, there is a common understanding on the part of both the subordinate manager and the general manager of what will happen and when. Often, the planning and execution of one department will impact other departments or the club as a whole. Written plans ensure that all managers and department heads are fully informed about where the club is going and when things are supposed to happen. Taking all this into account, planning is not a luxury, but a necessity for efficient operations.

Types of Plans. Planning is necessary on many levels and in many settings. Formally, the club should have the following:

- A Club Annual Plan covering a period of 12 months, coinciding with the budgeting cycle. This plan lays out the specific goals to be accomplished during the year as part of the club's efforts toward continual improvement.
- A General Manager's Work Plan for the 12 months covered by the Club Annual Plan. This plan lays out measurable accountabilities for the general manager and is the basis the GM's performance appraisal.
- Departmental Plans for the 12 months covered by the Club Annual Plan. These plans lay out the goals and objectives of each operating department.
- A Work Plan for each department head for the same 12 months. These plans do the same for the club's department heads.
- Plans for major project and events. These are plans developed for specific major tasks or activities such as purchasing new golf carts, renovating a facility, or preparing for the Member-Guest Tournament.

Having gone through the planning process many times, I offer the following advice to all general managers:

- **Start early.** Procrastination results in poor, disjointed planning.
- **Involve your staff.** Departmental plans for the coming year usually impact the overall Club Annual Plan and budget. Also, since no department works in isolation, one department's plan may affect others – either materially or in the timing of events and accomplishments.
- **Challenge staff.** General managers should explain the big picture of club direction and progress and then challenge department heads to work on specific initiatives within their departments, for example,



implementing Benchmarking, setting up *Tools to Beat Budget*, reviewing departmental training material and plans, Continual Process Improvement.

- **Planning is a process.** No plan is completed after one pass. Back and forth discussion between the general manager and department heads and among the different departments will further refine plans insuring a well-integrated club plan.
- **Use planning as a team-building exercise.** Given the preceding tips, I encourage general managers to use the annual planning process as a team-building process. Call an early planning meeting with all department heads to lay out the purpose, process, and planning timeline. Then establish a series of planning meetings at which each department head presents his or her plans to the rest of the staff for input and feedback. One department head's idea may spur others to similar accomplishment. Encourage critical review of plans and challenge groups of department heads to work together to work on larger club or departmental initiatives.

Lastly, plans must not be a one-time task not to be looked at again. To be truly useful Departmental and Club Annual Plans should be reviewed often. I recommend a brief review of plans and accomplishments during the Monthly Review of Operating Statements. This ongoing review and discussion of planning will ensure timely completion of tasks and keep the club on target to meet all its annual goals.

Summary. The importance of disciplined planning cannot be overstated. Haphazard planning results in haphazard operations and equally haphazard performance.



Continual Process Improvement

We do not live in a static world and our ability to continually evolve our business, products, and services to exceed the expectations of our members and guests is critical to our success.

Introduction. Given the many details associated with managing a quality club, it is imperative that management commit to and promote a process of continual improvement in all areas of the operation. This requires a positive emphasis on problem discovery, a discipline of constant review, and an understanding that in quality service operations the devil is in the details. As more and more areas of the club's operations become systematized and routine, management at all levels, with the commitment and assistance of their empowered employees, must continually "peel the onion" to deeper and deeper layers of detail. Further, no detail must be too trivial to warrant management's attention and the establishment of standards and procedures to ensure it is properly attended to by the staff.

Definition. Continual Process Improvement is the discipline and methodology of constant review of all aspects of operations to include work processes, standards, policies, procedures, organizational systems, programming, training, and administration to ensure they attain a new level of performance that is superior to any previous level.

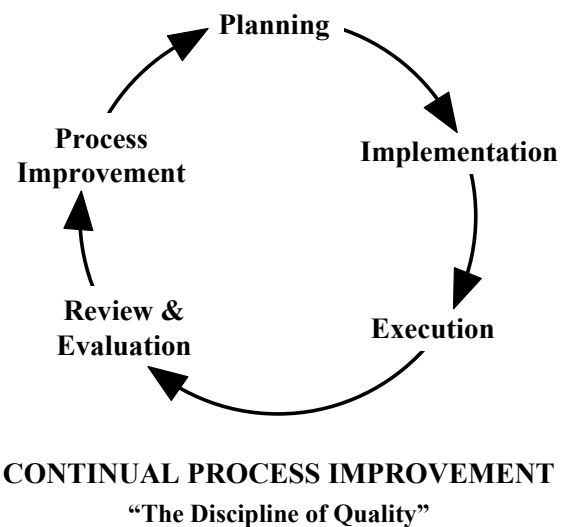
Purpose. The purpose of Continual Process Improvement is to constantly seek better ways of doing things – that is to improve the efficiency, effectiveness, and financial performance of the club while providing a quality of service and level of satisfaction that encourages greater use and enjoyment by members.

The Discipline. The discipline of Continual Process Improvement requires that all managers and supervisors are focused on and committed to improving the performance of their club, department, or section at all times. It means that no manager or supervisor should be satisfied with the status quo but should constantly be looking for ways to improve.

In order to ensure the development of such a discipline in the club, the general manager must constantly remind subordinate managers of the need to improve and make improving existing operations a key component of subordinates' annual work plans. Further, the general manager should continually enquire, "What are you doing today to improve your department?" When this level of interest is demonstrated by the GM, subordinate managers and supervisors will understand the importance of Continual Process Improvement.

Steps to Continual Process Improvement. Continual Process Improvement does not happen by accident. There are a number of mutually reinforcing and integrated steps necessary for Continual Process Improvement:

- The leader's **will to make it happen.**
- A **continual emphasis on improvement** – the "Focus."





- The **habitual methodologies** to examine existing processes – the “Discipline.”
- **Well-defined current processes**, standards, policies, and procedures.
- **Benchmarks to measure performance.**
- The **willingness to formally review** existing operations and formulate improvements.
- The **follow through** to make changes.

Examples of Continual Process Improvement:

- Review of revenue generation or payroll cost during monthly budget review. Formulation of initiatives to increase revenue such as promotions, specialty dining nights, additional golf programming, tennis clinics, etc. Establishing a formal business forecasting system to improve staff scheduling.
- Post-costing buffets to determine profitability and member food preferences. By determining how much food was consumed on a buffet, the chef can compare food cost with revenues to ensure her pricing is appropriate. Also, by reviewing what quantities of various food items were consumed, she can improve the offerings at future buffets.
- Review of retail benchmarks by the head golf professional can help him improve his future retail buys. By knowing what sold and what didn’t sell, and what percentage of overall sales were soft goods versus hard goods he can make informed determinations about purchasing and merchandising.
- The HR manager can review employee turnover rates and exit interviews by department to determine which department heads need further training in Disciplined Hiring or counseling on better engagement with employees.
- All involved department heads conducting a postmortem or after-action review of the Member-Guest Tournament to determine what went well and what could be improved in future years.
- Annual review of club standards, policies, and procedures by department to see what worked and what didn’t. Brainstorming modifications of same to improve operations.
- Monthly review of major costs by department heads to see if there is a better or cheaper alternative to current expenditures. The controller can do the same for administrative and general expenses.
- Review of forecasted business levels and actual staffing by day of week and meal period to improve future F&B staff scheduling.
- Review of training material with new hires after their introductory period. Determine how well initial skills training met the actual needs of new employees.
- Examine and propose modifications to equipment placement or workflow in kitchen or food pantry areas to increase the efficiency of staff.

Methodologies for Continual Process Improvement include:

- Preparing in-depth subordinate managers’ work plans and performance reviews. The time spent continually improving the work performance of your subordinates will allow you to focus on more strategic issues, delegate more day-to-day tasks to subordinates, and plot and follow the improvement of your club – department by department.



- Reviewing major events, activities, and programs. Formal meetings after the Member-Guest Tournament, Mothers' Day Brunch, 4th of July Festivities, Summer Camp, Swim Team season, etc., will allow all department heads to review execution and performance from their individual perspectives. The best time to do this is the week following the event when all is fresh in everyone's mind. Have the administrative assistant sit in and take notes which are then distributed to all interested parties. Next year, as planning starts, pull out the notes from the previous year and adjust as necessary.
- Selecting one department per month and conducting an in-depth review. In the course of a year all departments would be reviewed. Take a half day for the review and include other department heads in the process. Start by having the selected department head give an overview briefing regarding the department's operation. The overview should be an honest "State of the Union" about where the department is and where it is going. Cover goals, both short and long-term, challenges and obstacles, key member interfaces, special services touches, review of training process, and review of departmental financial performance and benchmarks. Give a tour of workspaces describing issues with workflow, storage, telecommunications, etc. After the briefing and tour, ask other department heads to help brainstorm ideas for improving departmental performance. To be most effective, the subject department head should set the agenda and guide the discussion. After the session, the department head should draw up an action plan to implement ideas with a timeline and milestones for completion. The effort put into a monthly departmental review should provide multiple benefits such as continually "confronting the brutal facts" of departmental operations, fostering a sense of teamwork among department heads, and, of course, Continual Process Improvement.
- Conducting individual event reviews for each event and activity. A form for this purpose should be filled out routinely after each event by activity leaders or the activities director and filed for future use.

Continual **general manager interest** in improvement is the single most important driver of Continual Process Improvement. When the GM requires department heads to pursue continuous improvement, and their performance review depends upon it, it will happen. Without the GM's interest, it won't!

The Absolute Importance of Benchmarks in Continual Process Improvement. Without a means of measuring improvements, it is impossible to gauge the benefits of any changes to the operation. But before you can evaluate the impact of any changes, you must know what the operating standard is (i.e., the existing benchmark or "baseline" of any operation, event, or process). When you know your operating standard, you can then compare changes in the standard as a result of new initiatives or changes to the operation. For example:

The Food and Beverage Director determines that with improved product training servers will be better able to "upsell" members on wines. Because she tracks her numbers of bottles of wine sold per day, week, and month, she knows that the club typically sells 47 bottles of wine per month at an average sale of \$16.43. After several weeks of intensive wine training for her staff, she begins to see the number of bottles sold creep up, along with the average sale. After four months, her new operating standard is an average of 71 bottles of wine sold per month with an average sale of \$19.12. Further, because she benchmarked which wines were selling well and coordinated her wine purchases with the chef's new menu offerings, she was able to offer a new selection of higher margin Chilean and Australian reds.

Summary. Continual Process Improvement is a discipline found in most successful enterprises. It is done with the understanding that in a competitive marketplace what you do successfully today, may not be successful



**Private Club
Performance Management**

What I Expect from Our Club Management Team

tomorrow. In a world where rapid change and innovation have become the norm, you can only maintain your reputation for quality service by continually working to improve that service. In the words of your members, “What have you done for me lately?”



Training

All who work in the service business understand that operations are both people-intensive and detail-intensive. It takes a lot of employees to provide the requisite levels of service and every aspect of service involves many details. These two facts make detailed, ongoing training an absolute necessity for any successful operation.

Types of training. There are a wide variety of topics that must be taught to both managers and employees to fully prepare them for their jobs.

1. **Leadership development** training for managers and supervisors – designed to teach consistent, club-wide leadership skills, which are the driving force behind the club's success.
2. **Organizational systems** training such as human resource and accounting standards, policies, and procedures for managers and supervisors – designed to teach the underlying systems that permit the club to operate efficiently.
3. **Club culture** training for all employees – designed to foster a thorough understanding of the club's values and service ethic.
4. **Legal compliance** training for managers, supervisors, and employees – designed to provide all required training in matters with legal implications for the club such as Equal Employment Opportunity, Fair Labor Standards Act, Sexual Harassment, and others.
5. **Liability abatement** training for managers, supervisors, and employees – designed to limit the club's liability exposure for occupational safety and health, food sanitation, or product safety.
6. **Individual skills and service technique** training for employees – designed to give each employee the skill set necessary to perform his job and meet high standards of service.

Items 1 through 5 above should be developed by the club and provided club-wide for consistency's sake; item 6 is specific to each department and should be developed and taught by individual department heads.

Prerequisite to training. Before establishing training requirements and materials, you must determine in great depth a club's operating standards, policies, and procedures. These are, after all, the backbone of any organized system of training.

Requirements for a successful training program. Certain things are necessary for your training program to be successful:

- Leadership – the will to make it happen.
- The necessary focus and attention.
- Designated responsibilities and accountabilities.
- Established training objectives, standards, guidance, and budget.
- Administrative system or software to monitor and track training compliance.
- Training benchmarks and reports to track time and costs of training effort.
- Standardized list of teaching aids and equipment to facilitate training.



Training principles. There are a number of principles which guide the development and implementation of a club's training plan:

- Not all employees learn equally well or fast; and not all employees find the same teaching techniques conducive to learning. Therefore, you need to develop training formats that meet the needs of all learners. Such formats will include self-study manuals, checklists, handouts, quizzes, DVDs, Power Point presentations, "on-the-go" training material, scripting of key member interfaces, and ongoing discussions at staff meetings.
- Training employees is not a one-time task. New employees must receive initial training, but the amount of material that must be mastered requires that ongoing and refresher training be given in most topics and job skills.
- Some sort of Daily Huddle should be used by every department every shift to inspect staff, remind them of important service details, provide "on-the-go" training, and ensure every employee has the proper mind-set and enthusiasm to deliver high levels of service.
- Some training such as discrimination, sexual harassment, and safety training is required by law. Because of legal and liability issues, such training must be consistently taught throughout the club and such training thoroughly documented.
- All individuals tasked with training responsibilities must be trained. Completing a *Train, the Trainer* class is a prerequisite to training other employees.

Strategies for meeting training requirements. The following are suggested to help managers allocate the necessary time and resources for training:

- Incremental training – review the curriculum for each position. If there are 30 topics to be covered each year, break the training down into one lesson per week or two lessons every two weeks or five per month. By spreading the training burden over time, the amount that needs to be taught in any given week is lessened.
- Schedule in advance – plan and schedule a full year's training in advance so busy and slow periods can be noted and considered when scheduling training. Every so many weeks schedule an open training day that can be used to catch up when unforeseen levels of business force postponement of classes.
- Take advantage of traditionally slow times (identified by benchmarking revenues) to schedule the bulk of the training or instruction that takes longer to provide.
- Establish standard training days and times – this helps make training routine for both the instructor and employees.
- Use the Daily Huddle to take advantage of "on-the-go" training material to give short training sessions. On-the-go material can also be used whenever unexpected windows of time open.
- Consider charging training hours to a general & administrative account instead of to each department. Charging them to departments may prove a disincentive to train when managers' bonus calculations include controlling payroll costs.
- Benchmark all training sessions – track topics, dates, times, how many in attendance, as this will help establish a more efficient schedule for future years.



**Private Club
Performance Management**

What I Expect from Our Club Management Team

Summary. In establishing a formal discipline of training, you are undertaking an extremely challenging endeavor – one that will demand your focused and persistent attention. While it adds several time-consuming tasks to an already busy schedule, it ultimately will make your job easier as the quality and efficiency of your operation improves. You can expect that problems and obstacles will arise as you press ahead with this challenging initiative, but with your continued “will to make it happen,” success will surely follow.



On the Go Training

Clubs face a challenging training burden if they are to deliver the high levels of service expected by their members. Yet with tight budgets how can managers meet their training obligations while controlling costs since every hour of training is a payroll hour for each employee being trained? Add to this the difficulty of getting all your employees together at one time for a formal training session.

The answer to these challenges is to build your training programs around the “on the go” concept where ongoing training material is formatted in brief – no more than five to ten minute – sessions. In every shift, in every club department, there are spare moments, time when employees have finished their shift preparations, time when employees are socializing among themselves or awaiting instructions from supervisors. Since you’re already paying for this time, plan on putting it to good use.

In every department there are hundreds of operational details that employees must learn and refresh themselves with some frequency. This is just as true in golf operations, golf course maintenance, aquatics and activities as it is in food and beverage. All that is necessary is for the department head to outline training requirements in brief doses and format them so they can be pulled out at a moment’s notice for either group-led or individual instruction.

With today’s ability to find anything on the Internet with just a few keywords and keystrokes, all the information you need to teach your employees values, etiquette, service techniques, product knowledge, safety, security, sanitation, HR requirements, responsible beverage service, or how to operate or maintain any piece of equipment is readily available. You just must format it for easy use.

Private Club Performance Management has developed On the Go Training programs for leadership, management disciplines, values, food and beverage, human resources, and safety. These offer a proven model of how easy it is to format material and train your employees to increase their knowledge, skills, abilities, and service techniques. For example, check out the [Training on the Go material](#) on the PCPM Marketplace store.

Then get to work developing your own On the Go Training material. Set a goal of developing two classes per week and then stick to that discipline. In a year you’ll have a hundred ready to go classes for staff training.



Personal Productivity

Club management is a demanding and time-consuming profession. Managers and supervisors at all levels too often find themselves reacting to events and constantly responding to the crisis of the moment.

What all this means is that in order to stay ahead of this never-ending press of daily operations and to attend to the many important issues of member service, organization and operating efficiencies, special events and activity programming, planning and review, staff development and training, and continual process improvement, not to mention personal sanity, a manager must be well-organized and highly productive. Below are some of the strategies and habits that can improve your personal productivity.

Annual planning. Have an annual plan and timelines for your department or section. Put it in writing to commit to its accomplishment and review it on a monthly basis.

Work planning. Your personal work plan will include what steps need to be accomplished to meet your departmental goals, but will also have personal goals, such as professional development and improving your skill set.

Use a Day-Timer to better organize yourself, your schedule, and your daily tasks. Use it to look and plan ahead as well as to keep a record of your daily and weekly goals, activities, meetings, and tasks completed.

Make lists and prioritize. Priorities change frequently – even daily – but keep a list of priorities (*1. Critical – must be accomplished as soon as possible; 2. Priority – must be accomplished; 3. Routine – may be accomplished as time and resources permit*).

Develop and use checklists. These pre-prepared lists for project work, such as organizing storage areas or deep cleaning workspaces, can be used to assign your employees recurring tasks when business is slow, but you are not yet prepared to send anyone home.

Plan ahead. The planning horizons may vary from department to department, but you should always be looking ahead at least one month (and often 2 to 3 months) for special events, seasonal activities, increasing or decreasing business levels, vacation scheduling, and any other events or activities that require advance planning.

Use a personal computer. The PC is a great productivity tool and standard business word processing, spreadsheet, and graphics software, such as MS-Office, will allow you to create professional-looking documents that can be stored for future use or modification, such as written standards, policies, and procedures; training materials; budgets and benchmarks; and room diagrams. Having these skills will not only make you more productive and help you communicate more professionally but will significantly enhance your career opportunities and progression.

Organize and save your work. As you produce written standards, policies, and procedures; training materials; various communications; specialized spreadsheets; and any other intellectual material on the computer, save them for future use. Most of what you spend time to create you'll use again as you progress through your career, but you must be able to find it.

Benchmark your operation and forecast business levels. Benchmarking will give you a deeper understanding of your business and its seasonality and will help you budget more accurately for future years. It



will also allow you to formally forecast upcoming business levels, allowing more efficient staffing. Both disciplines will help take some of the guesswork out of your business decisions.

Master and delegate routine tasks. Routine tasks such as setting schedules, ordering consumable supplies, benchmarking, formal forecasting, and others can and should be delegated to competent and conscientious employees. You must still supervise the work and check its accuracy on a regular basis, but you'll save your own time while helping develop the confidence and abilities of one or more of your employees. Be sure the selected employees are also benefiting by the arrangement through genuine learning opportunity or possibly additional compensation for the tasks.

But before you delegate any task to another, make sure you have mastered it yourself, have a complete understanding of all issues involved, and train the selected employee thoroughly – not just by showing him how, but by explaining why at the same time.

Establish daily, weekly, monthly, seasonal, and annual habits. The above disciplines will be far easier to implement if you establish regular schedules to do some of the following:

- Daily – benchmarking, forecasting, staff communication, continual ongoing reviews of your operation, monitoring payroll hours.
- Weekly – payroll verification, staff scheduling, reviewing and planning for upcoming events, Tools to Beat Budget, coding invoices, ordering supplies and inventories, ongoing staff training.
- Monthly – inventories, Tools to Beat Budget, monthly review of operating statements and work plans.
- Seasonal – event and activity programming, seasonal hiring and terminations, ordering seasonal supplies and inventories.
- Annual – annual planning, budgeting, asset inventory.

Summary. Your department or section's organization and efficiency starts and ends with you. The efficiency of your operational area and your employee work habits will reflect your personal productivity. To the extent you are disorganized, undisciplined, and work without a plan, your area of the operation will follow suit.



Attending to the Basics in an Organized and Disciplined Way

Most of us recognize that our business is not rocket science. The basics of what we do are well-known to any club professional. What makes our jobs so challenging is the sheer volume of things that must be attended to daily in a detail and people-intensive business. Unless a club operation is well-organized and its managers highly disciplined, it operates in a state of barely controlled chaos interspersed with periods of downtime. The challenge for all is to transition quickly from storm to calm back to storm while remaining focused on long term goals, ongoing projects, and continual process improvement. The solution is to organize the club so that most things happen routinely and that managers at all levels be highly disciplined in approaching their duties and efforts to improve the operation.

The great majority of private clubs suffer from similar problems rooted in the same underlying causes:

1. Standalone operations with limited resources and few economies of scale.
2. Clubs operate multiple businesses – food and beverage, golf, tennis, aquatics, retail, recreation, and the major maintenance effort involved in golf course operations. The knowledge and skill set to operate clubs efficiently is large and complex, and especially challenging for lean management teams working long hours and weeks.
3. The club business is both labor and detail-intensive requiring significant ongoing training, yet without the necessary resources to adequately provide it. As a result, most clubs operate from oral tradition and service complaints are a continuing issue.
4. Most clubs operate without a written operations plan made up of detailed standards, policies, and procedures which, as Jim Muehlhausen says in his book, *The 51 Fatal Business Errors*, requires managers to reinvent the wheel every day.
5. The hospitality industry as a whole and clubs in particular offer relatively low wage jobs, limited benefits, and challenging working conditions. As a result, high levels of staff turnover are common, particularly among line employees.
6. Older clubs with aging memberships and outdated facilities find it challenging to find the right mix of facilities and activities to attract new members.
7. In most markets, there is ample competition for the members' discretionary spending – and often from operations that offer limited, well-designed and executed products or services, whereas clubs must be all things to all members.
8. In a sense, club members are a "captive" audience and can quickly grow bored or dissatisfied with the same old events and activities. A club staff, without the ability or resources to provide frequently changing "wow" factor events, will often hear the comment, "What have you done for me lately?"
9. In some clubs ever-changing boards offer little continuity of direction.

Given these and other specific challenges that vary from club to club, it is essential that club managers organize their operations in detail. My own list of requirements includes:



1. Leadership and management training for all managers and supervisors with an aim of having consistent and disciplined, service-based leaders taking disciplined actions (the benefits of which are discussed by Jim Collins in *Good to Great, Why Some Companies Make the Leap . . . and Others Don't*).
2. Well-defined and consistently reinforced organizational values and culture of service.
3. A written operations plan made up of standards, policies, and procedures – critical for human resources and accounting while fostering organization and discipline in club departments.
4. Communicate thoroughly with members through a variety of tools and techniques, including newsletter, members-only website, management calling programs, and general manager's letters. Understand members' wants and preferences by taking the pulse of the membership with an annual online survey and monthly surveys of smaller subsets of members. Analyze member spending habits and purchases to determine individual likes and dislikes, as well as popular and unpopular club initiatives and offerings.
5. Provide ongoing, thorough training of managers and employees. This coupled with service-based leadership and a constantly reinforced culture of service will foster employee empowerment.
6. Use Tools to Beat Budget or some other means of real time accounting of revenues, payroll, and other expenses to quickly spot and intervene to correct operational under-performance.
7. Benchmarking of all areas of the operation to establish the norms of the operation. The value of benchmarks tracked over time is immense and includes establishing realistic goals for future periods, establishing measurable accountabilities for managers, and easing the preparation while improving the accuracy of future budgets.
8. Detailed planning, both strategic and tactical, at all levels of the operation and a habit of continual process improvement.
9. Thorough work planning and performance reviews coupled with a policy of strict accountability for performance. This requires developing measurable performance criteria for all managerial positions.
10. A membership marketing plan based upon the realities of the marketplace and requiring weekly call and action reports from the membership director. Recognizing that satisfied members are the best recruiters of new members, involve hand-picked members in the membership sales effort.

Each of these necessities, while challenging, will improve the organization and discipline of the club while fostering consistently higher levels of service. The resulting efficiency and service of a well-run club will make it easier to attract members, improving dues and revenues and ultimately better positions the club in the marketplace.



10 Disciplines that Will Transform Your Club

Arguably the greatest business book to appear in the last quarter century is Jim Collins' *Good to Great, Why Some Companies Make the Leap . . . and Others Don't*. In preparation for the book the author and his research team identified and examined 11 publicly traded companies that significantly outperformed their competitors for a period of 15 or more years to find out what made them so successful. The findings were sometimes surprising, often at odds with conventional wisdom, but definitive in that they were based on empirical evidence not business theory.

One of the findings is that **all Good to Great companies had a culture of discipline**. Quoting from the book:

*“Much of the answer to the question of ‘good to great’ lies in the **discipline** to do whatever it takes to become the best within carefully selected arenas and then seek **continual improvement** in these. It’s really just that simple.”*

*“A culture of discipline is not just about action. It is about getting **disciplined people** who engage in **disciplined thought** and who then take **disciplined action**.”*

Here are ten disciplines for the club industry that, when conscientiously and consistently applied, will revolutionize your operation.

1. **Service-Based Leadership.** Don't assume that your management team has the necessary leadership skills. Consistent, club-wide leadership is necessary to ensure that the general manager's vision is consistently communicated and thoroughly implemented. To avoid dilution of core values, managers must be trained to a common understanding and application of leadership. Service-based leadership provides the example of service to all employees and creates the environment for employee empowerment.
2. **Organizational Values and Culture of Service.** Every employee must be immersed in a consistently reinforced culture of service based on well-defined values. Unless you establish the desired culture of service, one will arise on its own and invariably will be at odds with your vision.
3. **Benchmarking.** You can't improve what you don't measure. All club departments must be benchmarked in detail. These benchmarks will tell you far more about your operation than just whether you made a profit. They will help you identify emerging issues, troubling trends, and inform your decision-making and solutions.
4. **Tools to Beat Budget.** The discipline of tracking your revenues and expenses in real time will focus the entire management team on meeting or exceeding budgets. It will also make budgeting for future periods far easier and more accurate.
5. **Continual Process Improvement.** Never rest on your laurels. Yesterday's accomplishments may have been good enough for yesterday, but being the best requires never-ending effort. Create a culture of continual process improvement to relentlessly pursue excellence. Your mantra, like that of your members, must be “what have you done for me lately?”
6. **Disciplined Hiring and Screening for Success.** Turnover is prohibitively expensive in the people- and detail-intensive arena of club operations. The discipline of hiring well and getting the right people in the right positions will lower your employee turnover rate. Benchmark your turnover rate by department to continually analyze and improve performance in this critical area.



7. **Work Planning and Performance Review with Measurable Accountabilities.** To keep organizational development and progress coordinated and on track, every department head must have a work plan with specific tasks, timelines, and accomplishments. These coupled with detailed departmental benchmarks will permit performance reviews to be based on measurable accountabilities instead of gut feel. When the entire management team is held individually accountable, performance naturally improves.
8. **On the Go Training.** Training is a necessity in an industry immersed in detail. There is much for employees to know and master, but with tight budgets and a pressing schedule of operations it is often neglected. One way to overcome this is to format essential training in small on-the-go sessions that can be taught in spare moments or pre-shift meetings. When material is prepared this way, it becomes a matter of daily discipline to pull out and review essential material. The final discipline of training is to keep track of all training sessions so that over time nothing is overlooked.
9. **Member Relationship Management.** Members are the life blood of your club. How you and your staff interact with them is more important than anything else you do. Your relationship with your members cannot be left to chance. It must be managed as carefully as your budget and requires a formal plan and thorough training of employees. In the final analysis, member relationship management will determine whether you meet your budget and your mission of exceeding member expectations.
10. **Employee Empowerment.** Empowered employees are viewed as full-fledged partners in your quest for high levels of quality and service. They are encouraged to think, act, and make decisions on their own based on guidelines you define, but they must fully sense the club's commitment to such empowerment. Simply saying that employees are empowered does not make it so.

Excellence in the service industry is neither easy to achieve nor commonly found. It takes commitment and "the will to make it happen." Jim Collins says being great requires disciplined people engaged in disciplined thought taking disciplined action day in and day out in the face of any adversity. But for those who choose to meet the challenge, the rewards are as great as the effort involved.



Private Club
Performance Management

**What I Expect from Our
Club Management Team**

SERVICE STANDARDS

The articles in this section define the standards that are
at the heart of what you do for members

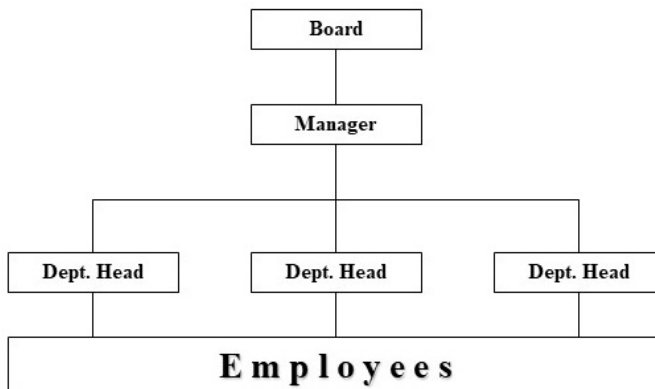


The Hierarchy of Service

While service-based leadership stresses that the leader must serve the needs of his or her constituencies, not all constituent needs have equal weight or importance.

The club **Board** is usually the smallest constituent group in numbers, but their needs are paramount. Why? They represent the will of the members in operating the club as a successful “going concern.” If the club is not generating sufficient revenues, it may not be able to meet its cash needs for payroll or to pay vendors, it may not be able to gain credit based on operating potential, and it may not be able to attract additional members. Should it fail, the needs of all other constituencies will become irrelevant.

Return on the members’ investment and continuing support is essential for the club’s success. While their other reasons to invest in a marginal enterprise – such as prestige; a sense of obligation to other members, the community, or employees; or the expectation of improved future performance – over the long-haul members will not be willing to invest in a poor-performing club.



The basis for the traditional hierarchical organizational model is the military concept of “chain of command.” In this model, management is represented as the sequence of authority in executing the will of the board and members – and certainly management plays that essential role. But in addition to not representing the importance of members, it also places the employees at the bottom of the chain – thereby visually relegating them to the position of least consequence.

Next in order of importance are the needs of **members**. Without sufficient members utilizing the club, it will not be viable. If not viable, it will not last long – and all constituencies lose. Ultimately, members are attracted by price and the quality of products and services. Taken together, quality and price create a sense of value – the value perceived by members. If enough of them perceive value, they will frequent the club to spend their money and will make it successful. If not, the club will ultimately fail.



The service-based organizational model depicts the importance of satisfying members, as well as the important role of employees. The club’s operational leaders are placed at the bottom, clearly emphasizing their role in serving the needs of all constituencies.



**Private Club
Performance Management**

What I Expect from Our Club Management Team

This statement brings us to our third constituency – **the employees**. They are the ones who execute the board’s vision for quality of product and service. They are the ones whose daily interaction with members creates value. Properly led, valued, and supported, employees will enthusiastically commit to serving the members thereby fostering levels of patronage that enable the club to thrive.



Romancing Your Members – Member Relationship Management

I recently read a book called *Romancing the Customer, Maximizing Brand Value through Powerful Relationship Management* written by Paul Tenporal and Martin Trott. While its message was targeted to large businesses, often in the retail and service sectors, it contained the seeds of important ideas for private club management.

First, the book makes the point that “Brands are Relationships; people don’t buy products; they buy brands.” They go on to say that:

“Brands are:

- **Experiences.** A good experience with anything fuels the desire for more, while a poor experience kills the appetite.
- **Very personal.** They give exclusivity of feeling and association (*as private clubs are supposed to do*).
- **Evoke emotions.** Emotion is at the very heart of power brand strategies, aiming to capture both the rational and emotional aspects of the target customer.
- **Live and evolve.** Brands are very much like people. Many have their own distinctive personalities, and these personalities evolve over time, just as ours do.
- **Communicate.** Like people, brands listen, receive feedback, and send messages. They talk to different people in different ways, just as we do. Brands that are successful tend to be those that create a dialogue with consumers.
- **Create equity and loyalty.** It is the way in which brands interact, and the friendship they give that engenders loyalty and a long-lasting relationship.”

Above all, they add friendship and romance. The greater the emotional involvement on the part of the consumer, the greater the friendship and loyalty that results.”

The authors state categorically that Customer Relationship Management (CRM) is the quickest way to establish a brand.

“What is CRM? It’s all about collaborating with each customer, adding value to each customer’s life. In return, you get their loyalty. Further, it’s about dealing with each customer individually, because all customers are not equal and should not be treated equally. A small percentage of your customers contribute far more to your revenues and to your profit. But as compelling as the economics of focusing on your best customers, a good CRM program should not ignore the others. In fact, good CRM programs encourage less profitable customers to become better customers. There is no doubt that by turning your organization into one that is centered around the customer, every single customer will ultimately benefit.

“Effective CRM is about using the knowledge you have about your customer, and applying it in such a way that, every time they interact with you, you do something different, better, or more relevant to that person.”

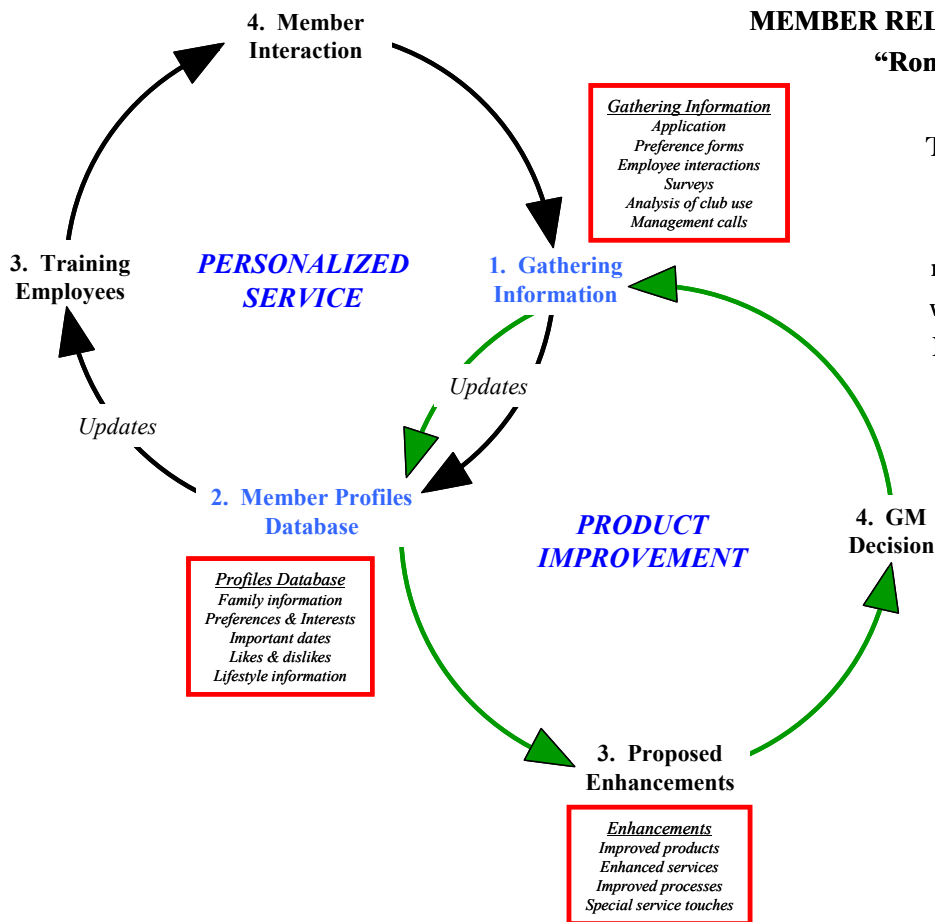
“But the focus must be on capturing ‘share of heart,’ not ‘share of wallet.’ While money-grubbing will certainly build short-term sales, it will not ensure that you build an enduring relationship.”



Traditional marketing theory says that it's all a numbers game. The more you market, the more people you contact, the greater your sales. The authors point out that what makes marketing a numbers game "is the lack of specific information about individual customers." Today, though, with the rapid growth in computing power and data capture, it is possible to know each of your customers far better, and that information provides the power to romance your customers. "Instead of focusing your efforts on your product, focus on your customers. By building up that body of information on each customer over time, you can increase the degree of tailoring of your product or service and, in the process, strengthen the emotional bond between the customer, your brand, and your company."

Ultimately, "Customer Relationship Management builds strong brand by creating the right blend of **organization, systems, and processes** that allow your people to understand your customers as individuals, and potentially tailor every interaction with a customer to their specific needs."

What does this mean for us as private club managers? Simply put, the more we know our members, the more we understand their needs, the better able we will be to provide the individualized service that people join clubs to receive.



The purpose of Member Relationship Management is to build and institutionalize a system that will replicate the personalized service that was the hallmark of the best "Mom & Pop" operations of old. Such service was based upon the trust and accumulated knowledge of years of day to day contact and personalized service.

"Given that all club revenues come from members, shouldn't as much effort be placed on encouraging their use of the club as any other discipline of club management?"



Are Your Internal Customers Also Being Served?

“If you’re not serving the customer, you’d better be serving someone who is.”

– Karl Albrecht, founder of discount supermarket chain Aldi

While every club focuses on serving its customers – the club’s members and guests – how good of a job does it do serving its internal customers? If you look closely at the organization of your club, you’ll see that you have two different types of departments in your organization – operating departments that directly serve the members, such as golf, food and beverage, activities, tennis, aquatics, fitness, spa and locker rooms, and support departments that serve the membership indirectly by serving the operating departments. Included in this group are accounting, personnel, housekeeping, maintenance, and administration.

So how well does the latter group serve their internal customers – the operating departments? My guess is not as well as they could or should!

Here are some suggestions to get them to focus on their internal customers:

- Call a meeting of the support department heads and explain the concept of internal customers and how their support of the operating departments enhances the overall club performance.
- Require the support department heads to draw up a list of things they can do to better support the operators. My main requirement would be informal weekly visits and meetings with operating department heads to determine their needs and issues with a strong emphasis on “how can we help you and your department.”
- Have support department heads draw up a list of their frustrations with operating departments, such as slow response to accounting and personnel requirements, sloppy or missing paperwork, poorly coded invoices, late inventories, lack of timely hiring documentation, constant emergency or last-minute repair requests, etc. Then have them design outreach programs such as training and periodic assistance visits to improve the operator’s responsiveness to administrative requirements. The benefit to this is twofold – it improves cooperation and teamwork at the same time it eliminates the ongoing frustrations of support department heads.
- Conduct an annual survey of operating department heads to measure their satisfaction with the support and assistance they receive from support departments. Make the results part of the support department heads’ performance reviews.
- Conduct periodic meetings/brainstorming sessions with support department heads to gauge the success of their efforts to improve communications, training, and support to operating departments. Identify bottlenecks and problems and work with both operating and support department heads to resolve issues as necessary.

Bottom line: For the club to function efficiently all department heads must understand not only their jobs, but how their actions and performance impact other parts of the club operation. Recognizing and addressing the needs of club internal customers is just as important as caring for the club’s members.



What is Your Club's Mental Environment?

In my recent reading I came across the term “mental environment” to describe the feeling one gets, almost subconsciously, in different physical spaces. For instance, consider how you feel amid a quiet meadow and compare that to how you'd feel in Grand Central Station during rush hour. The point is that every space we inhabit has a different mental environment made up of the attitudes, moods, activities, and pace of the people occupying that place. Contrast the difference between an NFL stadium during Sunday's game with that of an empty cathedral, or a doctor's waiting room as compared to an airport with anxious travelers rushing for their departures.

While every space has its own signature feel, that feeling can be dramatically altered by human events and emotions. Compare the mental environment of a happy well-adjusted home and one in the midst of marital strife. Even the same place can have a different feel at different times. Consider the camaraderie and good spirits in a busy bar on Friday night versus the same bar that morning when it had one patron.

The natural environment is not only a reflection of current occupants and activity, but it also affects everyone who enters. Walk into that same bar on Friday night and you'll soon join in the good time. We have all heard of the “mob mentality.” It's a perfect illustration of how the mental environment of a large, unruly crowd can move people to do things they would never do otherwise. Clearly, the “mental environment” is a very real phenomenon.

In some dining establishments I've visited the prevailing mental environment there is a compelling sense that the restaurant is there for the amusement and pleasure of the employees. Certainly, it's not a mental environment of service and caring for the customer.

What is the mental environment of your club as it pertains to your staff? Is it one of service? Is there a sense among all employees of dedication to helping and assisting not only your members and guests, but also each other? If not, you've got some work to do.

As with any other skill you wish your employees to exhibit, you must take charge and define your standards and instruct your employees. The better job you do of training and reinforcing basic behaviors, the more control you'll have over your club's mental environment.

- **Values** – your employees must understand the importance of your organizational values and service ethic and demonstrate it in all they do.
- **Attitude and mood** – it is up to you as the leader to insist upon basic requirements of positive attitude and good mood. Tell employees, “Be of good cheer, or don't be here.”
- **Standards of decorum and demeanor** – as a fundamental requirement teach basic club etiquette and appropriate behavior to your employees. Working quietly, efficiently, and with purpose sends a powerful message to all who witness it.
- **Organization and efficiency** – a sense of order and efficiency says a lot about your operation. Your staff needs to know what to do and when and how to do it.
- **Controlled pace** – while hustle is an important quality in an employee, having a well-organized and efficient operation results in fewer chaotic moments with staff rushing wildly about – which doesn't inspire confidence in anyone.



**Private Club
Performance Management**

What I Expect from Our Club Management Team

- **Helpfulness and good cheer** – your people create this by their absolute dedication to members and each other, but you must require it by direction and reinforcement.

Your club and all aspects of its operation reflect your vision and leadership. Take control of your mental environment just as you would any other important part of your operation. You'll see the results in member satisfaction and your bottom line.



Rules of Engagement – Just How Friendly Should Your Employees Be?

Club managers are always on the lookout for those rare individuals with engaging personalities – those people who are naturally outgoing and friendly and who can connect effortlessly with members and guests. And while we all would agree that such employees make service and service delivery a snap, it is also important to recognize that some employees need coaching on boundaries and the appropriateness of overly friendly service.

While many members appreciate and enjoy their interactions with service staff, even engaging in playful banter, chit-chat, and teasing with their favorite employees, there are also those members who expect a more formal and detached level of service. It is also often the case that the member who likes to “play” with employees when in the bar after a round of golf, does not want the same level of engagement at Sunday brunch when family and friends are present.

The challenge then for any employee is to assess each service situation and gauge the member’s mood and interest in engagement. Here are some of the factors involved:

Time of day and day of week: The time of day can have a great deal to do with a member’s interest in engagement. Some members are not morning people and don’t appreciate noise, exuberance, or conversation early in the morning. If a member has his nose in the paper, he probably doesn’t want any more than polite and efficient service. On the other hand, Friday and Saturday night cocktail hour is a time of conviviality and sociability and an employee could expect a more playful interaction.

Occasion: Dr. and Mrs. Jones celebrating their anniversary will probably appreciate discreet service with as few interruptions as possible. Service should still be prompt and attentive, but servers should take their cue from the intensity and privacy of the couple’s conversation. Conversely, a group of ladies coming in for lunch after a morning of tennis are probably keyed up and looking forward to a fun time together. The same group while entertaining their gardening club with several guests would expect a more distant and detached approach. The businesswoman entertaining clients may want formal, correct, and efficient service with as few interruptions as possible so she can conduct her business in a manner that reflects well on herself and her club.

Members in the party: The makeup of a member’s party will have a lot to do with the level of engagement. A group of members and guests just off the golf course are probably more ebullient, particularly if someone shot his low round, had an eagle, or sank a forty-foot putt to win the match. On the other hand, a member hosting his aged parents for Mother’s Day Brunch is not there to “play” with employees. It is also possible that a member who comes in alone for a drink may interact with staff very differently than when he is with his family.

Experience: There is no better predictor of the future than experience. If a member has always been reserved and formal, with little or no personal engagement with staff, employees can expect that he will continue to be so. John, the single junior member, is casual, relaxed and always enjoys playful repartee with the bar staff. No doubt he will be that way when he stops in after work for a few drinks. However, should John arrive with a date, he may not want the same level of engagement from the bartender.

As can be deduced from these examples, there is no hard and fast way of knowing how a member will act, react, or interact with the friendly engagement of employees. Therefore, it’s up to the employee to assess the mood and manner of the member. Most people have a good sense of when someone wants to interact with them. Employees should always hold back until a member makes it clear by initiating a greater degree of contact. When in doubt, an employee should go no further than being courteous, polite, and friendly.



**Private Club
Performance Management**

What I Expect from Our Club Management Team

Ultimately, though, it's up to managers to train their employees that, "No matter how friendly members may be with you on any or all occasions, they are not your friends; they are your employer." Keeping this firmly in mind will help everybody from transgressing the Rules of Engagement.



Thoughts on Offense and Defense

Offense and defense are words of opposite meaning, yet often linked together. Their obvious meaning is demonstrated on the football field. One team attacks an area defended by another, trying to reach the goal. The purpose of the defense is to stop the attack, to defend their territory, to protect the goal. Though these terms have most often been applied to armies at war, they can also be used to describe less-physical competitions such as a game of chess. What characterizes each of these examples is a conflict or competition.

Two words derived from these terms are the adjectives offensive and defensive. The dictionary defines offensive as:

- Unpleasant or disagreeable to the senses; obnoxious, disgusting.
- Causing anger, resentment, giving offense; insulting.

Defensive means:

- Intended or suitable for protection.
- Carried on for the purpose of defending against attack or danger.
- Having an attitude of defense.

Everyone has heard the phrase “a good offense is the best defense.” This idea is especially useful on battlefields, football fields, and even chessboards. By keeping your opponent so off balance by relentless attacks, he has no time or resources to plan attacks against your positions. In this way your offense becomes your defense.

People have natural tendencies. Whether inborn or created by longstanding habit, they are part of your makeup, and you express them without thinking. One such habit is the tendency to personally associate yourself with that which you do. Just as the farmer has a proprietary interest in the fields, he labors so hard to till and harvest, you identify with your company, organization, or place of work. A corollary to this sense of association is the natural inclination to protect that which you consider your own or with which you are associated.

So, it is natural for you to feel pride in our work and place of employment. When someone attacks it with criticism, disparaging remarks, or complaints, the natural tendency is to defend it, to assume a defensive attitude. This is all well and good unless you depend upon that someone’s goodwill for your livelihood. When you work in the service industry, you literally cannot afford to become defensive.

When you become defensive, many things happen physiologically and psychologically. Adrenaline starts flowing; you tense up, ready to repel any further attack; your heartbeat and respiration quicken. Likewise, your mind races ahead to your next move or response so you don’t hear what is being said and you don’t focus on the moment. Knowing that a good offense is the best defense you become antagonistic; you raise your voice; you develop an attitude; you become abrupt and huffy with the other person. At this point, without even knowing it, you have become offensive; that is by definition, “causing anger, resentment, giving offense; insulting.”

So how can you avoid this natural tendency to become defensive? The first step is to become aware that you become defensive when criticized or listening to a member complaint. Notice the dead giveaways. Do you get tense and nervous? Do your hands shake or your voice quaver? Do you have trouble breathing or feel tightness in your chest? Do you raise your voice? Any of these symptoms reveal your defensiveness.



Realizing this, what can you do about it? First, understand two important things:

- Complaints are not usually directed at you, so don't take it personally. Allow some distance between yourself and the complaint. Not too much, though; you must show a sincere concern to resolve the problem.
- When a member complains, there is, in his mind, a problem. Whether you think there is a problem or not is immaterial. Furthermore, because of the nature of the service profession, the problem is yours. When considered in this light, the member is doing you a favor by making you aware of the problem. You should be appreciative and thankful instead of defensive.

In addition, there are some things you can do when confronted with a complaint.

- Where there is no conflict, there is no need for offense and defense. Don't allow a conflict to arise. Disarm the situation by cheerfully accepting your problem. Listen carefully to what the member is saying. Apologize sincerely for any shortcomings. If you can solve the problem, cheerfully and quickly do so. If you can't, get a manager who can.
- If you find yourself becoming nervous or defensive, take a deep breath. The inflow of oxygen will help quiet your system and the moment you take to breathe has a calming effect on your nerves.
- If you find yourself losing control, try to leave the room on some pretext. If you are a server, tactfully excuse yourself "to check with the kitchen." Once there, take a deep breath and get control of yourself. Try to put the member's anger into perspective. It's not the end of the world. Resolve to overcome that anger. Take another deep breath and go back to the member.
- Go on the offensive in a positive way. Take control of the situation. Ask pertinent questions about the problem. Take notes as necessary. This taking ownership of the problem demonstrates a proprietary concern and a desire to correct the problem.
- While apologies must always be given, remember that easy apologies and facile excuses do not impress. Your actions speak louder than your words.
- Be sincere. You should have a sincere desire to help any member with a need or concern. If you don't, you're in the wrong business.

Two things you must never do:

- Pass the buck or evade responsibility. You may not have created the problem, but now that it's been brought to your attention, you need to resolve it.
- Don't become defensive. It is not you against the members. You're on their team!

Responding to member complaints is one of the most difficult things you face in the service profession, but by avoiding defensiveness, you often can create a turnaround situation where the problem is solved, and the member satisfied. There is no more satisfying situation in service.



Service Recovery – The Seven Step Process

Despite the best efforts to efficiently organize your club and train employees, situations will inevitably arise when members are dissatisfied or unhappy with service and/or products offered. Whether you feel the problem is legitimate or unwarranted is of no consequence. The member is not satisfied, and your only concern is changing the outcome by making a speedy and gracious recovery to the member's complete satisfaction.

To better aid employees in making a gracious recovery, we have developed the following Seven Step Process, which can be divided into two distinct phases. Steps 1 through 4 constitute The On-the-Spot Fix, while steps 5 through 7 make up The Long-Term Repair aimed at correcting the underlying cause of the service failure.

Therefore, when a member approaches you with a complaint or concern, here's what you do:

The On-the-Spot Fix

1. **Focus** – stop what you're doing and focus entirely on the member and what he is saying.
2. **Listen** – carefully to fully understand the nature of the problem. Recognize that the underlying problem is not always the one that is being brought to your attention; for example, the complaint may be about the food, but the real issue is slow service. Sometimes you must read between the lines or recognize the issue is larger or maybe different than the one being complained about.
3. **Apologize** – a sincere apology is necessary. The club and you personally are sorry for any service failure, so you should never be shy about or slow to fully apologize. After apologizing, tell the member what you are going to do to correct the problem. If the member still seems dissatisfied, enquire what you might do to make it right.
4. **Make It Right** – quickly, efficiently, and discreetly (to avoid any possible embarrassment to the member).

The Long-Term Repair

5. **Assurance** – after the situation has been made right, at a convenient moment approach the member and let him know that the matter will be addressed formally by management.
6. **Notification** – if the failure is serious enough or the member does not seem fully satisfied, notify your supervisor, department head, or manager on duty so she can also approach the member to discuss the situation and apologize.
7. **Report** – When you have time, but no later than the end of your shift, fill out a Service Issue Resolution, PCPM Form 180, describing the problem, your assessment of the underlying cause, your efforts to recover, and the member's mood after recovery. This form is used to more formally address the problem and gives the general manager an opportunity to call the member after the fact to apologize again and discuss the issue further.

Unfortunately, the club business, there will always be mistakes and failures, but what has gone wrong is done and is not nearly as important as what you do next. Managers should discuss recovery techniques with staff frequently and share stories of both successful and unsuccessful recoveries so that everyone can learn from experience.



Touch Point Tactics

In war the generals plan the strategy, unit commanders establish plans to shape the battle, and front-line leaders set and direct the tactics to wage the fight. In our business the board and general manager set the direction and standards of the club, but it's the department heads and front-line supervisors who figure out how best to engage with members and guests.

The term "touch point" refers to those critical moments and events that shape and define a customer's impression of service and service delivery. Also called "moments of truth," touch points are defined as "a critical event on which much depends; a crucial moment." But no matter what they are called, if a club is to be a service leader, it must consistently get the touch points right and it's up to the club's junior leaders to plan, train, and direct front line employees to flawlessly execute each of these service opportunities.

Most club departments have a limited number of touch points, probably less than ten. The food and beverage department has considerably more due to the intensive interaction with members during food service. Regardless of number, it's up to department heads to identify and establish standards for each touch point – even to go so far as scripting and rehearsing employees' touch point roles.

So, what are the steps in planning touch point tactics? Here's a basic list for department heads:

- Identify members' needs and expectations from the club.
- Carefully review departmental interfaces with members and identify all touch points.
- Prioritize touch points based on service impact and impression.
- Spell out in detail the optimum manner for employees to execute each touch point.
- Script, train, and rehearse employees to consistently execute touch points.
- Revise and refine touch point execution based on feedback from employees.

Points of caution:

- Train employees to avoid robot-like, lockstep execution. Employees must be comfortable enough in their roles to improvise according to the dictates of the moment and situation. Everything they do must be comfortable and personal – that's why it's so important to empower your staff.
- Managers must encourage and act upon feedback from employees. The people who have direct service contact with members are in the best position to determine what works and what doesn't.

Bottom Line: As with managing any other critical aspect of the operation, touch point tactics must be well-developed and executed to achieve the desired effects.



Treat Them like Rock Stars

Several years ago, I was working as project manager for a start-up private club in a high-end planned community. In order to impress our commitment to service upon the newly hired staff, we wanted to create a short, easy-to-remember saying that would embody our service ethic. Here's what we came up with:

Our members and guests:

- **Know them like family.**
- **Greet them like long, lost friends.**
- **Treat them like Rock Stars.**

If you remember these three simple statements, you'll always have the right Service Ethic in mind.

What do we mean when we say, "Know them like family?"

- *First, you must learn their names and always use them. This takes some effort but is an effort you must make.*
- *Next, you want to learn their habits and preferences, so you can anticipate their needs and desires. If Mr. Jones always wants his Scotch neat, then you should have it ready for him when he sits down.*
- *Lastly, you need to always read the situation. How you interact with an exuberant group of golfers just off the course will be entirely different from Dr. and Mrs. Smith coming in to celebrate their anniversary. Read the situation and assess your level of engagement accordingly.*

How do you ensure you "Greet them like long, lost friends?"

- *Your greetings must always be warm and sincere.*
- *You should be genuinely happy that members are coming in to support the club. Make sure you convey that happiness.*
- *First impressions will often determine everything that follows. Get everything started on the right foot by the quality of your greeting.*
- *Remember that there is a fine line between warm, friendly service and familiarity. Members are not your buddies, and you must keep a professional distance.*
- *Always send members off with a sincere farewell and a "thank you" for coming in.*
- *The last impression you make will be the one they remember till their next visit.*

What does it mean to treat "Treat them like Rock Stars?"

- *The club continually looks for ways to provide "over the top" programming and service touches, but you also can do the same in the service you provide every day. We will go into this in much greater detail during our empowerment training.*
- *Be alert for opportunities to do the unexpected, to wow members.*
- *Be creative and create memories they won't soon forget.*



**Private Club
Performance Management**

What I Expect from Our Club Management Team

Given the challenge and complexities of getting all employees on the same page when it comes to service and service delivery, the use of this brief, yet memorable statement of our service ethic helped everyone understand what we were attempting to do.



Wow Factors – What Have You Done for Me Lately?

How often have we in private clubs heard that from our members? Only a few creatures of inviolable habit like the “same ol’, same ol’,” yet that’s what many clubs serve up month after month, year in and year out. Why not try a different approach that will “wow” your members? Make “wow factors” a part of your club’s traditions.

What is a “wow factor”? It’s anything, usually unexpected, that causes your members to say or think, “Wow, that’s really neat!” or “Wow, I didn’t expect that!” or “Wow, that’s impressive!”

Wow factors are characterized by their unexpectedness and as such any wow factor cannot become part of your club routine. They are executed for one-time or short-term effect. They are also characterized by being unusual – either cutting edge or just out-of-the-ordinary. They can be extravagant and expensive, but these should be few and far between. Most wow factors should be small scale, inexpensive, and momentary, that is, of short duration as in one day, one evening, or one event.

The key to making wow factors is to challenge your club’s department heads to come up with a specified number of wow factor ideas for their areas of the operation – say 10 new ideas for the coming busy season. Each idea should be briefly described on paper – what it is, how it will be done, what items need to be purchased, any talent that needs to be contracted, any associated labor cost, and an overall estimated cost. Then all department heads should meet with the general manager in a brainstorming session to discuss, settle on, and schedule the roll out of each wow factor.

Here are a handful of ideas to give you a sense of the program:

- Complimentary mini-trio sampler of desserts or appetizers for all diners on a given night – this is also an excellent way to preview or market a new menu.
- Free soft-serve ice cream or smoothies for the kids (of all ages) at the pool on a hot summer day. An alternative would be to arrange for the local ice cream truck to pull up in front of your pool with his music playing. Everyone gets their specialty ice cream treat and you pay the bill.
- Flowers for all the ladies dining on some non-special night just for the surprise effect. Google search “special days” for calendars of unusual celebrations and holidays.
- Have the general manager act as the club “doorman” on a random evening to greet each member and guest as they arrive.
- A giveaway of a sleeve of golf balls to each golfer on a busy Saturday morning. Handed out by the head golf professional on the first tee for maximum effect.
- Free mini pizzas in the lounge on an unexpected evening.
- A themed ice carving for a ladies’ luncheon.
- Complimentary and unusual hors d’oeuvres for the weekly card game in the men’s lounge.
- Face painting or a clown or a balloon artist at your next children’s event.

Again, the key to the wow factor is its unusual nature and unexpectedness. Several tips:



- Execute your wow factors where they will have the most effect – food and beverage areas, golf areas, locker rooms, special events, activities, aquatics, tennis.
- Plan, budget, and schedule. Formalize your program enough so that the wow factors are spread out and spread around. Always have a budget. Say you budget \$500 per month for club-wide wow factors. The cost to the club is \$6,000 per year – not an inconsequential amount but think of the benefit to member pleasure and even employee morale.
- Wow factor ideas are everywhere. Borrow from other establishments or something you saw on vacation. The Internet is a treasure trove of ideas. Google search words or phrases such as “Fun,” “Fun Ideas,” “Fun Activities,” “Fun Recreational Activities,” and “Inexpensive Activity Ideas” and you’ll get a sense for how many resources are out there.
- To keep your costs down, get together with vendors for freebies. Many would be thrilled to get some exposure to your members for their products and services. Just make sure you prominently give them credit for their donations.
- Once you’ve used a wow factor, save the concept for some future time. Avoiding routine doesn’t mean never doing it again, just doing it again when unexpected. Over time, you’ll develop an extensive list of wow factors that can be deployed for maximum effect at some future moment.
- Keep your wow factor strategy, plans, and schedule under tight wrap. Don’t ruin the surprise with “loose lips.”
- Let your members do the talking about the wow factor, not you or your staff. Act like nothing special is going on, while the members “buzz” about the unusual and unexpected. Certainly, you may acknowledge a wow factor when asked about it, but act like it’s no big deal, just some little thing that happened “spontaneously.”

There are hundreds of websites offering unusual and fun ideas. Get your department heads and staff excited by searching out the most unusual activities, events, or ideas. Your members will still ask, “What have you done for me lately?” but they’ll be delighted by the unexpected moments and your staff will be energized by the fun of “giving” these special gifts to your membership.



Standards of Service

Our club has been envisioned and designed to set a standard of excellence. To meet that standard, we must have an absolute commitment to quality. Our members expect nothing less and we can derive great satisfaction from our individual and collective pursuit of that standard.

The philosophy by which we conduct our business is the foundation upon which we build our success. It is important that each of us understands and works within that philosophy.

Service. The nature of our business is SERVICE. As members of a club's staff, our efforts are directed toward providing the highest possible level of service to our members and their guests. Therefore, we must anticipate their needs and desires, set standards of excellence that challenge us daily, train constantly, and continually examine and improve the details of our operation to enhance our members' experience.

The success of our efforts and excellence of our operation is ultimately measured **only by their satisfaction.**

The answer is YES! Member satisfaction comes from meeting the desires and needs of those we serve. The emphasis of our orientation and training is on learning how to say YES to our members. This motto, if kept foremost in mind, should serve us well when dealing with any unusual request or difficult situation.

Equally important, this motto should characterize our work relationship with our fellow employees. Everyone who works here is a member of a team trying to accomplish the same mission. Our cheerful and complete cooperation with one another will make our jobs easier and our work more meaningful and fun.

What does "the answer is YES!" mean in reality? It means that if we get a special request – something out of the ordinary – our first thought should be, "how can I make this happen?" not, "am I allowed to do this?" or, "is this something I'm supposed to do?"

Whatever the request, go the extra mile, even if it requires extraordinary effort. If we do this every day in all the little ways, we will send an unequivocal signal to our members that we understand why we are here.

Principles of Service. The following principles govern the quality of the service we wish to offer:

1. SERVICE is our only product. We aim to provide the highest possible level of service to our members and their guests.
2. Attitude and a sense of enthusiasm are important ingredients in providing high quality SERVICE.
3. The first step in providing SERVICE is to anticipate the needs and desires of our members and their guests. To do this we must examine every area of our operation in detail to determine how we can give more and better service and value.
4. To provide high quality SERVICE, we must know what our members want and expect. Therefore, we should constantly seek their comments, criticisms, and opinions about our operation.
5. If a member perceives a problem, there is a problem. It makes absolutely no difference whether we think there is a problem or not. Furthermore, the problem is ours, not the members. The burden rests entirely with us to change the member's perception.



6. We should never be defensive when a member comes to us with a problem. He or she is doing us an immense favor by bringing the problem to our attention. We must listen carefully to make sure we understand the nature of the problem and take action to correct it.
7. Every problem has a solution. Placing blame for problems is not our concern. Solving problems and analyzing them to ensure they don't happen again is our only concern.
8. The SERVICE profession is a demanding one, but one that offers many rewards. There is nothing more demanding or more satisfying than accepting the challenge of turning someone's anger and dissatisfaction into a smile.
9. A true SERVICE attitude involves sincerely caring for our fellow man. The good feeling we get from helping others is proof positive that when we give to others, we give to ourselves.
10. A sincere smile is the smallest yet most important element of SERVICE. Though smiles are formed with the mouth, when sincerely given, they come from within. Smiles are more than just lip service.

Our Members and Their Guests. All of us who work at the club from general manager to supervisors to cart attendants to servers are here to provide service to our members. They are our ultimate bosses. Treat them accordingly. Our willing deference to them is a sign of respect.

Our members are the reason we are here. Without them there would be no club. Their use of club facilities and services makes our paychecks possible. Members should:

- Be greeted cordially by us wherever encountered.
- Be listened to politely when they have a comment, complaint, request, or suggestion. Please pass their remarks on to your supervisor.
- Be given our undivided attention. We must immediately interrupt our personal conversations at their approach. By giving them our absolute attention, we demonstrate our respect for them and our dedication to their comfort and welfare.
- Be helped in any way possible. We will not be naysayers to our members. There is always an alternative way to meet their requests. Be creative, be bold, but most of all, be helpful.
- Have doors opened and carts moved aside for them. When passing a member in hallways or on stairs, yield to them while greeting them cheerfully. Even if there is enough room to pass, make a point of moving aside to show deference.
- Never see us eating, drinking, or smoking. These personal habits interfere with our immediate and absolute focus on our members. Even if these habits don't interfere, they may give a negative impression – and impressions are what service is all about. We do not chew gum, candies, mints, toothpicks – it's unprofessional.
- Never see us “breaking a sweat.” Service is a form of theater. We are putting on a show for our members and guests. The tempo of service should be measured, paced, and member-focused – never hurried or harried.
- Be able to enjoy their round of golf with as little interference and disruption as possible. Equipment operators, beverage cart staff, and course marshals should stop equipment when golfers are hitting or putting, and we should keep our conversations low so as not to disturb play.



- Not have to listen to our personal conversations anywhere around the property. Talk quietly when members are present. The club is not our place to play and horse around. We should strive to maintain a dignified, quiet atmosphere.
- Hardly be aware of our presence. Be out of sight and out of mind. Good service is unobtrusive. Public areas of the club are for our members. Therefore, we should not be in the public areas unless working or quietly transiting from one work area to another.
- Never hear us complaining about the club or its policies and procedures. Such complaints should be brought directly to a supervisor.

As service staff, we must assume a deferential role in all our dealings with our members. The following thoughts will help guide us in that role:

- When greeting a member, let them know our names and that we are here to help them in any way.
- Be formal when interacting with members. To assume familiarity with them is to presume equality. In the service profession, we willingly assume a subordinate position and should not presume anything in our dealings with our members. This does not mean that we should not respond to their friendliness and familiarity. It does mean that we should take our cue from them and not assume familiarity.
- Speak slowly and deliberately, using standard English usage when talking to our members. Avoid slang expressions or trade jargon. Never refer to members as “you guys.”
- Do not lean against walls, sit on furniture in public areas of the club, stand with hands on hips or in our pockets, or fold our arms across our chests. All of these convey an attitude that this place is ours. These may seem like nitpicking details, but they send powerful messages about our attitudes.
- Be knowledgeable about our jobs and what is expected of us. We must take it upon ourselves to learn everything we can about all aspects of our business. While we strive to do a thorough job of training, our continuing commitment to learning has a great bearing upon our success.
- Make every effort to appreciate the member’s perspective. Each problem members perceive is a real and immediate problem for them. To solve it, we must focus and listen carefully to what is being said. We cannot assume that we know what they are going to say.
- Make everything about our operation as plain, simple, and clear as possible for our members and their guests. Though they may come here every day, it is our job to make things as easy as possible for them. Therefore, changes in our policies and operation must be communicated well and thoroughly.

Satisfying our members is not an easy matter. They expect high quality food, recreation, and service in a clean, friendly, well-maintained and operated environment. They also expect value for price. To meet their expectations, we must have a keen commitment to our standards of service and the right attitude to make it happen.

The Right Attitude. The right attitude is the most important requirement for success in any endeavor. How we approach our work has a direct bearing upon the quality of our work and, more importantly from everyone’s standpoint, the enjoyment and the sense of satisfaction we derive from working here. If we dwell on the negative, our work and every aspect of our lives will be negative. We must choose instead to see our work in a positive way and take pride in our contributions to the larger effort.



We feel strongly about maintaining a positive attitude. One sour, negative attitude can ruin the workplace for the rest of us. Our members don't need it and we don't need it. So, we say with deep conviction,

"BE OF GOOD CHEER OR DON'T BE HERE."

Because of the importance of a right attitude and good cheer to our business and collective effort, we state categorically that an employee may be discharged for a chronic bad attitude.

Teamwork. Like any other business, the club relies on all its employees to work together. If one person isn't doing his or her job, it affects the whole operation. It is vitally important, then, for everyone on the team to know their responsibilities and give one hundred percent to the collective effort. This may often include performing duties not listed in specific job descriptions.

Attitude toward Members. We must prepare ourselves mentally each time we come to work. Be ready to serve our members. Our attitudes, appearance, and work performance are the bases upon which our members judge us. Treat every member, their families, and guests with the respect they deserve as the people who employ us.

It is in our best interest to present ourselves in a manner that reflects pride in our work and loyalty to the club. Dissatisfaction with our place of employment or a supervisor must be taken up with him or her, not with members.

Attitude toward Co-Workers. Consideration and helpfulness toward our fellow workers are essential to efficient team effort and to the morale of each department and the club. Be understanding and cooperative with other employees – it will make everyone's job easier and more enjoyable.

Praise and compliments make people feel good about themselves and the job they do. Each of us do many things right each day, so don't hesitate to compliment a fellow worker. His or her appreciation will be its own reward.

Courtesy. The basis of all courtesy is nothing more than the golden rule – treating others with the same respect and consideration with which we wish to be treated.

A helpful technique to providing this respect is to focus on each person – whether member or co-worker while interacting with them. Consciously or unconsciously, they will appreciate the attention and have a better feeling about themselves, their fellow workers, and the club.

Courtesy is infectious. One person's courtesy and good cheer will positively affect others who may be struggling with their day.

Our Workplace. It is up to each of us to make our club an enjoyable and satisfying place to work. Life is too short to give a significant portion of it to something we don't enjoy or don't feel is worthwhile.

While every organization has its problems, life and our work are what we make them. Every employee is encouraged to make the most of his or her time here. If we do this, our common purpose and collective experience will add much to our lives.



PERFORMANCE EXPECTATIONS

The articles in this section describe the expectations that I, as a General Manager, have for the management team that reports to me



Supervisory Responsibilities

The work of all club employees is assigned, directed, supervised, and reviewed by a department head or supervisor. Each employee will ordinarily have only one supervisor.

Effective supervision depends upon the ability of supervisors to get employees to do what is necessary with professionalism and enthusiasm.

Supervisory responsibilities include:

- Directing employees' work.
- Hiring, counseling, and disciplining employees as necessary. Recommending discharges to general manager.
- In conjunction with Annual Club Goals, establishing goals for their department or section.
- Establishing and maintaining high standards of service, quality, and job performance for employees. Providing a strong emphasis on service to members by use of the club's Standards of Service.
- Resolving member service issues in a prompt, courteous way. Seeking constant feedback from members concerning quality of operation. Ensuring that all employees have a complete dedication to the needs and desires of members and their guests.
- Establishing systems, standards, policies, and procedures for the efficient operation of their department or section and are the basis for the [Club Operations Plan](#) (see Appendix B of this document). Paying close attention to the details of the operation that distinguish an outstanding operation from a merely good one.
- Supervising employees, ensuring that all systems, standards, policies, and procedures are followed. Supervising the work of employees [with emphasis on high levels of quality and service](#), making on-the-spot corrections as necessary. Constantly reinforcing ideals of quality and service to employees.
- Identifying and developing the appropriate execution of service touch points. Provide detailed narratives of each touch point as part of the club's Member Relationship Management Plan (see Appendix C of this document).
- Developing [comprehensive training programs](#) and providing ongoing individual skills and service technique training for employees to meet quality and service expectations of members.
- Scheduling employees in the most cost-effective way to accomplish necessary work. Verifying hours worked.
- Monitoring and controlling departmental costs, especially payroll. Ensuring that all employees have work to do throughout the workday and workweek. Sending employees home when necessary to avoid overtime and control costs. Advising management on changes in staffing structure to accomplish the work in the most cost-effective way. Preventing sick leave abuse.
- Establishing and meeting annual and monthly budgets for department. Using [Real Time Accounting and Tools to Beat Budget](#) to help monitor and control expenses.
- Ordering supplies as necessary. Conducting accurate inventories as necessary in a timely and thorough



manner. Ensuring the security of inventories.

- Ensuring the safe operation of all equipment. Reporting equipment defects and malfunctions to maintenance for repair.
- Maintaining equipment and machinery in good working condition. Monitoring cleanliness of areas of responsibility. Cleaning as necessary and coordinating with housekeeping for special cleaning or areas needing attention.
- Ensuring that club policies, including appearance and grooming standards for department, are followed by all employees.
- Instilling an awareness of energy conservation in staff.
- Benchmarking departmental performance with operating statistics tracked over time and analyzed continuously.
- Establishing and maintaining effective communication with departmental staff, other departments, and senior management.
- Establishing and maintaining a high degree of motivation and morale within department.
- Ensuring a safe workplace. Training employees concerning safety issues.
- Ensuring a secure workplace. Developing and maintaining a security consciousness among staff.
- Working together with other department heads and supervisors to develop a team-like approach to operating the club where the emphasis is placed on problem discovery and solution.



Managers' Financial Responsibilities

Managers are responsible for the financial performance of their clubs/departments. There are several specific elements associated with this responsibility, which we have broken down into the following broad categories:

Budgeting. Budgeting is the process of establishing a financial operating and capital plan for a future fiscal year. Budgets are formulated using history, benchmarks, knowledge of upcoming events or trends, and one's best professional judgment.

Comparing actual performance to budget. Once approved, budgets are the fiscal plan for the year. Managers are responsible for comparing actual performance to budgets on a monthly basis and intervening as necessary to achieve budget goals.

Achieving revenues. Achieving revenue projections is one of the two primary means of meeting budgets (the other being controlling expenses). Managers are responsible for monitoring revenues and aggressively intervening when revenues fall short.

Controlling cost of goods sold. Departments with retail operations (golf, food, beverage, and tennis) also must control the cost of goods sold and investigate high cost of goods sold by using Cost of Goods Sold Analysis, PCPM Form 244. Managers can do this by ensuring accurate monthly resale inventories, carefully tracking departmental transfers and adjustments, and using an Annual Retail Buying Plan.

Controlling payroll costs. Payroll is the single largest expense in club operations. Payroll costs are the most significant expense that managers must control. The Pay Period Summary Report, PCPM Form 229, and the Departmental Payroll Summary Analysis, PCPM Form 230, are effective tools to compare actual to budgeted payroll costs.

In order to control payroll costs, it is essential that managers have timely and accurate data regarding their departmental payroll cost. Essential to getting this data is correctly following timekeeping procedures, setting schedules to meet forecasted levels of business, and the dogged determination to track payroll expenses closely to ensure that budgets are not exceeded.

Controlling other expenses. Other Expenses comprise all the other departmental operating expenses. Managers can control these expenses by carefully reviewing expenditures on a monthly basis, using Tools to Beat Budget to monitor expenses by expense category, and by periodic in-depth reviews of significant expense accounts.

Benchmarking. Benchmarking is the act of measuring operating performance. Each department head is required to track detailed benchmarks for his or her area of the operation

Pricing. The starting point for meeting revenue projections is proper pricing of products and services to ensure enough markup to cover associated expenses. Pricing should be reviewed on a periodic basis to ensure that budgeted margins are being maintained.

Purchasing. Managers are responsible for purchasing materials, supplies, and inventories for their departments. Managers must be familiar with all purchasing policies (Accounting Policies – 4000 Series) to properly fulfill these responsibilities.



Expense coding. Managers are responsible for ensuring that invoices for all purchased items are coded to appropriate expense accounts in a timely, accurate, and consistent manner.

Inventory management and security. Given that high inventory levels tie up capital that might be put to better use, managers must use common sense and good business judgment to maintain inventories at levels that balance business demands, lower pricing for bulk purchases, perishability of stock, and available warehousing space.

Inventories must be kept secured with access limited to as few individuals as possible. Storerooms must be kept neat, clean, and organized to facilitate physical inventory counts and minimize damage and spoilage.

Merchandise inventories should be purchased using an Annual Retail Buying Plan, and by constant monitoring of inventory levels and product mix while minimizing markdowns. All special sales of merchandise during the year should be noted and marked down items analyzed in comparison with the Annual Retail Buying Plan to ensure that lessons are learned from buying mistakes.

Asset management. Managers are responsible for protecting the assets assigned to their departments and in their care.

Inventories. Periodic inventories are required for various assets. See inventory policies (Accounting Policies – 4500 Series) for more information.

Internal control. Managers are responsible for ensuring the efficiency of their operations and the security of all assets in their care. Further, they must ensure they follow all requirements of the club's internal controls (Accounting Policies – 9000 Series).

Point-of-sale transactions. The initial entry for all revenue data is through point-of-sale systems. Managers are responsible for training their employees to correctly use the POS system and to retrain as necessary when a pattern of errors is evident in their departments.

Accounting standards, policies, and procedures (SPPs). Managers should be familiar with all aspects of the club's accounting SPPs. Managers are expected to follow SPPs and recommend changes as necessary.



Legal Compliance and Liability Issues

As with any small business, a private club must deal with a number of legal compliance and liability issues. Some that are directly related to employment and staff (such as the Fair Labor Standards Act, Hiring/Firing, Workers' Compensation, Sexual Harassment, and Youth Employment) are made more challenging by the sheer number of employees, the youthful nature of the workforce, and the typical levels of turnover in the industry. A brief discussion of each follow:

State alcohol laws. Individual states establish and enforce laws pertaining to the licensing and sale of alcoholic beverages. In addition to adhering to these laws that govern on and off premise sales, hours alcohol may be served, age of servers, purchasing, and in some cases the disposal of empty bottles, there are strict requirements and penalties for over-serving patrons and serving underage persons.

In recent years there have been several highly publicized cases involving liability for the deaths of individuals killed by drunk drivers. The courts have held that the serving establishment and the server may be held liable when they over-served an individual who then got behind the wheel and killed someone.

Youth employment. State and federal governments have passed laws regarding youth employment. These laws specify industries and professions in which youth employment is banned or restricted. Further, some states still require youths to obtain a work permit before beginning work and all states specify the hours that youths of certain ages may work, as well as banning youths from working with various types of dangerous equipment. A recent high-profile lawsuit against Walmart resulted in a large fine for allowing underage persons to work with cardboard baling equipment.

Sexual harassment. Sexual harassment is a significant concern in the hospitality industry because of the youthful, mixed gender work force and the late working hours involved.

Hostile work environment. Ensuring that the workplace does not become a hostile environment for any employee requires continual vigilance on the part of club management. Often, but not always, a hostile work environment is related to sexual harassment and/or discrimination issues.

EEOC/discrimination. The Civil Rights Act of 1964, common referred to as Equal Employment Opportunity, requires employers to provide equal employment opportunities and bans discrimination based on race, color, religion, age, gender, national origin, disability, or veteran status. This law covers all aspects of the employment relationship, including hiring, training, promotion, job assignments, compensation, discipline, termination and application of all the club's policies, procedures and benefits.

Americans with Disabilities Act (ADA). The Americans with Disabilities Act provides civil rights protections to individuals with disabilities like those provided to individuals based on race, color, gender, national origin and religion. It guarantees equal opportunity for individuals with disabilities in public accommodations, employment, transportation, State and local government services, and telecommunications. While private clubs are exempt from certain provisions of the ADA, local building codes require incorporation of ADA-compliant facilities in all new construction or facility renovations.

Occupational Safety and Health Act (OSHA). The Occupational Safety and Health Act of 1970 establishes standards and enforcement mechanisms for ensuring safe workplaces. This legislation and the federal and state agencies established to implement and enforce it have created a comprehensive array of requirements affecting the small business. At the core of a business' responsibilities are ensuring a safe workplace, reporting and



investigating all accidents and incidents, training of staff in safe work practices, and recordkeeping to protect against claims of negligence.

Uniformed Services Employment and Reemployment Rights Act (USERRA). Certain requirements are placed upon employers whose employees are members of the Armed Forces Reserves or National Guard called to active duty or meeting their annual service requirements.

Fair Labor Standards Act (FLSA). The Fair Labor Standards Act addresses various compliance issues associated with payroll recordkeeping, overtime, exempt versus non-exempt status, and various other compensation-related requirements.

Family Medical Leave Act (FMLA). The Family and Medical Leave Act (FMLA) provides certain employees with up to 12 workweeks of unpaid, job-protected leave a year, and requires employers to maintain group health benefits at employee expense (if elected by the employee) during the leave. The details of this act require careful administration.

Hiring/firing/wrongful termination. Hiring, counseling, dealing with misconduct and work performance, and terminations are fraught with legal issues and can become a major headache for the club that does not take reasonable and appropriate steps to train its management staff.

Workers' Compensation. Employees injured on the job are entitled to Workers' Compensation. This state-administered program is specific in accident reporting procedures and level and length of benefits. Employers with high incidence of Workers' Comp claims can expect to pay higher insurance premiums.

Unemployment. This federally mandated, state administered protection for employees who become unemployed through no fault of their own, can become an expensive program for employers who are lax in documenting employee discharges or who do not consistently challenge unmerited claims. The higher an employer's unemployment experience, the higher the tax rate.

Hazardous material handling & storage. Clubs utilize a wide number of hazardous materials such as pesticides, herbicides, and fertilizers in turfgrass management; chemicals to test, treat, and balance the water in swimming pools; and various cleaning compounds used in housekeeping, maintenance, and kitchen ware washing. In addition to training employees in the correct handling, cleanup, and storage of these chemicals, each club is required to maintain up-to-date Material Safety Data Sheets (MSDS) on each hazardous material.

Food sanitation. Food sanitation is sometimes taken for granted by diners but ensuring food safety requires careful training of staff and constant vigilance on the part of food service managers. Not only can food-borne illness open the club to liability issues, but an outbreak can also be damaging to the club's reputation and bottom line.

Public health – aquatics. There are significant safety, public health, hazardous material, and liability issues associated with operating aquatics facilities. Without formal operating standards, policies, and procedures, as well as a thoroughly trained staff and carefully documented testing and treatment of water quality throughout each day, clubs are exposing themselves to water-borne contaminants, injuries due to toxic chemicals, and death by drowning.

Summary. The legal compliance and liability issues involved in club management are significant, requiring a general manager who is alert to all the ramifications and trains subordinate managers thoroughly and consistently. Even with enough initial training, there is always the need for ongoing refresher training to ensure that all concerned are up-to-date and fully aware of their responsibilities.



Principles of Employee Relations

It is the intention of the club to create and sustain a work environment that promotes happy and satisfied employees, thereby ensuring positive member and guest experiences. Therefore:

- All employees will be treated with dignity and respect. We will not tolerate discrimination or harassment in any form, or any conduct that is unseemly, unprofessional, or reflects poorly on the club.
- Rules, regulations, and policies will be applied uniformly and fairly to all employees. We will not play favorites. We pledge to conduct our employee relations in an honest and straightforward way. Any necessary criticism or counseling will be conducted in private in a constructive manner with the intention of instructing and correcting rather than blaming.
- Every employee contributes to the overall success of our operation. The only difference among employees is their level of responsibility and authority. Every employee is important.
- The great majority of people want to do their jobs well and take pride in their work. When an employee fails, it is often a failure of management to properly train or communicate performance expectations. In other words, we can't expect employees to do something properly unless we have properly shown them how to do it.
- Employees have no idea what goals management has for them unless those goals are communicated. They have a need and the right to know how their performance is contributing to the achievement of those goals. Continuous feedback is essential.
- Management must make every practical effort to keep employees informed on matters concerning policy, procedures, long range plans, projects, work conditions, and compensation and benefits. An informed employee is a better employee. Supervisors should be available at reasonable times to answer questions and hear employee concerns.
- Recognition is important to all of us. If we have the authority to correct, we also have the responsibility to praise. We cannot have one without the other.
- Every one of us has a responsibility to help our fellow employees. We do not work alone. Rather we work together for a common purpose. We owe it to ourselves and everyone we work with to be personally pleasant and mutually supportive. One unpleasant personality or negative, non-cooperative attitude can ruin the workplace for all of us.
- We must strive to make our workplace interesting, challenging, and rewarding. We can do this only by involving employees in the decision-making process. The ideas and energy of our employees are truly the driving force behind any success we may achieve as an organization.
- Our workplace must also be pleasant, enjoyable, and even fun. Too much of our lives are given to work for it to be viewed as a necessary drudgery. Each employee is challenged to do everything possible within good taste and reason to make the club a more enjoyable place for us all.



Holding Our Team to the Highest Standards – A Manager’s Code of Ethics

In an ideal world we could trust everyone to do the right things, but such a world does not exist. The unfortunate fact is that if we don’t train our management team to a common standard of professional behavior, some will transgress. And this is of primary importance because if we as managers and leaders don’t set an unimpeachable example, we can expect our employees to cut ethical corners as well.

Here is a list of professional expectations for managers and supervisors at all levels of club operations:

- As a representative of the club for whom I work, I understand that my actions and behavior, both at and away from work, reflect on the organization that provides my employment. I will, therefore, do everything in my power to represent them faithfully and professionally in all my dealings with members, guests, employees, vendors, and the community at large.
- I will organize the work areas for which I am responsible and thoroughly train the employees I supervise to ensure the most efficient operation with the highest levels of service possible.
- I will not use or remove club property for personal use and will protect the assets and resources of the club as if they were my own. My vigilance and example will ensure the employees I supervise do likewise.
- I understand that my leadership and example set the standard for my employees. I understand that a manager who shirks responsibilities, cuts corner, fails to give an honest time commitment, pilfers food and supplies, fails to secure inventories, or is not personally productive in time or commitment, can expect his or her employees to do the same.
- I will not exchange club goods or services for personal favors or services from members, non-members, or vendors. Further, I will not accept personal favors, gifts, or rebates from vendors in any form. Such items benefit me at my employer’s expense and are appropriately considered kickbacks. My only interest is to get the best price for my place of business, and I will make every effort to do so by seeking competitive pricing from multiple vendors.
- While I may direct employees’ work, their productive efforts and well-being serve the interests of the club who employs them. Therefore, I must work hard to ensure their maximum contribution to the mission and goals of the club. I can only do this if I value each employee as an individual whose contribution to the collective effort is directly dependent upon my leadership, as well as the tools, training, resources, and support I provide them.
- I will never use my position or authority to request or require personal services or favors, sexual or otherwise, from employees.
- I will never enter into personal or intimate relations with any employee who works under my direction or is directly or indirectly supervised by me. Such an inappropriate relationship damages the organization by implications of favoritism and clouded judgment. Ultimately, it irretrievably harms both my ability to lead and my personal and professional reputation.
- While maintaining a positive interest in and influence over the efforts of my employees, I recognize the importance of maintaining a professional distance from them. I will not socialize or party with those I supervise, except while attending club-sponsored social events or in the furtherance of club business.



- Finally, I recognize that my integrity is at the core of my personal and professional standing. It is the most important ingredient of my leadership and is the foundation for any success I will achieve in my career and life. I will never be tempted to squander this most precious possession for the sake of expediency or inappropriate gain.

These basic standards should be used to indoctrinate all new members of our management staff. I personally like to have each manager sign and date a copy that is placed in their personnel file. I also like to review the Code of Ethics at least annually with all managers.



Management Professionalism

Certain actions on the part of managers and supervisors will cause problems for the club. The following basic guidelines will help you avoid problems and set the proper example for those you lead.

Consistency in all personnel actions. In today's litigious society it is essential that all personnel actions from screening interviews, to hiring, to providing opportunities for training and promotion, to counseling, disciplining, and terminating be consistent, fair, and professional.

No retaliation. Employees have a right to come forward with their problems and concerns. While you may expect that they will come to you first, they may feel that you are part of the problem. Should employees go over your head or file complaints against you, do not retaliate against them. The best way to avoid this is to have open communications with employees and be approachable for their problems and concerns.

No sexual harassment. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment,
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual, or
- Such conduct has the purpose or the effect of interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment is against the law, and it is the policy the club that any incident of alleged sexual harassment be reported to management immediately. Allegations must be quickly and thoroughly investigated.

No discriminatory practices. Biases, prejudice, disparaging remarks or jokes based on race, creed, religion, gender, national origin, ethnic group, age, handicap, or sexual orientation cannot be tolerated. There is no place for bigotry or personal and cultural insensitivity in the workplace. While each person has his or her own biases and prejudices, do not let them interfere with your conduct and decisions as a leader. This behavior demeans people. It demeans those who do it and those who are subjected to it. Since your club is the sum of its parts, words or actions that attack the self-esteem of any employee damage our efforts as a whole.

No favoritism. Scrupulously avoid any appearance of favoritism. The fact or perception of favoritism creates serious problems among employees. Many complaints stem from perceptions of unfairness on the part of leaders. Time, money, and energy are spent responding to these complaints, which take away from the club's focus on member service, improving operations, and planning. In addition to the problems created for the organization, the perception of unfairness creates dissension and poor morale and destroys motivation within your work team.

No fraternization with employees. As a leader you must not, under any circumstances, enter into personal, intimate relations with employees under your direction. Should you feel drawn to such a relationship, you must take steps to ensure that one or the other party in the relationship resigns his or her position. Just as nepotism creates problems in an organization, personal relationships can interfere with the performance of your official duties.



No fraternization with members. Leaders should avoid fraternization with members beyond the bounds of their jobs. It is always necessary to have some professional distance from any person or group to whom you have work-related obligations. While you should always treat members with friendliness and courtesy, avoid socializing with them. Such personal relationships may create subtle obligations on your part and will certainly create the appearance of favoritism and/or compromised judgment among other members. These will ultimately lead to resentments and antagonisms, further complicating your already challenging position.

Except for club-sponsored events, activities, trips, or the normal socializing as part of the job, invitations from members to private dinners, cocktail parties, card games, and other social activities should be courteously declined. Managers must always remember that they are not members of their clubs, nor do they have equal social standing with their members within the context of the club.

No waste, fraud, or abuse. Abide by the highest ethical standards. If you cut corners and bend the rules when it comes to safeguarding the assets of the club, you can expect your employees will do likewise. This is particularly important regarding your personal productivity. Don't expect your employees to work hard if you don't set the example. Abuse any privilege associated with your position and risk the loss of your employees' respect.

Ethical standards are at the very heart of what you do – your personal and professional integrity. Often the appearance of wrongdoing can be as damaging as the reality. Follow the spirit as well as the letter of ethical requirements and set an unassailable example of conduct for those you lead and serve.

No disclosing confidential information. Never share confidential personnel or disciplinary information. What happens at the workplace should stay there. While it is impossible to control the rumors and gossip circulating among staff, you can maintain confidentiality and not engage in this activity yourself.

Information about the club, such as financial statements, operating statistics, and internal problems should not be disclosed to persons or organizations external to the business.

No complaining to employees. Leaders shoulder the burden of many responsibilities. When things are not going well, it is all too easy to seek out someone with whom to share the burden. This someone should never be one of your employees. A major requirement of leaders is to possess the maturity to understand the potential negative consequences of confiding anxieties, doubts, and grievances to subordinates.

No favors from vendors. Frequently, managers will be offered favors and gifts by vendors. These may be in the form of seemingly small personal items, free products for personal use, gifts at holidays or on birthdays, tickets to concerts or sporting events, or invitations to parties to thank you for your patronage. While these may be genuine expressions of appreciation, they create problems for the leader.

Even in subtle ways they cloud your judgment, making it difficult to be truly objective in your purchasing decisions. Accepting even small favors starts you down a slippery path. At what point do you say no, when you have repeatedly said yes?



Report This!

Some years ago, while I was discussing the benefits of benchmarking with a club general manager, he surprised me by saying that he “didn’t like reports.” I was so stunned by this admission that I never did discover his objection – whether he didn’t like preparing them for his superiors or didn’t like getting and reading them from subordinates. Either way it seemed to me that he was unnecessarily limiting the flow of information and blinding himself to the details of his operation.

Let me digress for a moment to imagine a pilot of a commercial airliner in the cockpit of her plane. At any moment of the flight from pre-flight preparation, take off, cruising to destination, to approach and landing, she has a host of dials, gauges, and indicators that keep her informed of the status of all operating systems and external factors affecting the plane – information such as altitude readings, fuel levels, engine oil pressure, status of hydraulic systems, radar signals, navigation beacons, and so on. The pilot, by monitoring this array of displays, assures herself that all parameters of the plane’s performance are within desired standards. If something is amiss, alarms will immediately notify her of problems needing her attention, thereby assisting her in taking the appropriate action to assure the safety of plane and passengers.

It may be said that club operations are just as complex with thousands of details that must be attended to daily (though without the serious safety implications). Yet the person with overall responsibility for operations – the general manager – has limited mechanisms to report on the health and vitality of the enterprise in anything approaching real time. In some operations the only indicator of developing problems is the monthly financial statement that becomes available weeks later. Even then, the summary information in the operating statement provides only a limited assessment of performance at best.

Modern point-of-sale and club management software systems have come a long way in providing the underlying detail of the operations with “drill-down” capabilities and custom reporting, yet how many general managers avail themselves of this trove of information or make a formal effort to analyze the detail in the long-term context of goals and budgets?

This brings me back again to reports. A discipline of formal reporting can and does provide a means of monitoring specific information on a regular basis. As such, reports are an important mechanism for the general manager, as well as department heads, to monitor performance in a timely and efficient way. For the department head tasked with preparing the report, it is a disciplined means of focusing on the important details of departmental operations while creating a record of ongoing initiatives, progress toward goals, and departmental performance. Once established, the discipline of routine periodic reports is the best way for a subordinate manager to influence the boss’s perceptions about his or her performance.

For the general manager, regular reporting of key information from department heads is the best way to monitor departmental performance with the least investment of time. Instead of personally digging into the details of the operation, the general manager can review periodic reports and benchmarks and focus time and attention on out-of-line parameters. Also, by putting the responsibility on the department heads to monitor and report key data, they are in the position of primary discovery, allowing them to formulate solutions or initiatives to correct operational deficiencies, as opposed to putting that burden on the general manager. Lastly, by establishing such a reporting discipline, the general manager is providing a critical lesson to subordinate managers – that they are responsible for the performance of their departments, that they must pay close attention to the details of their operation, and that they are responsible for managing the boss’s perceptions of their performance by providing timely and accurate data, analyzing information, and drawing conclusions regarding operational trends.



So, what kind of reports do I like to see? Here are my requirements:

Informal daily P&Ls from the operation's most important revenue generators – food and beverage and golf operations. These “dailies” show key revenues by category, estimated cost of goods sold based on historical percentages, actual labor cost, and estimated other operating expenses based on historical levels. The importance of the daily report is that it pinpoints the absolute importance of revenue generation and the impact of labor on the department's bottom line. Paying close attention of the daily contribution to the monthly performance focuses the department head on ways to augment sales while controlling labor cost.

Weekly Revenue Report prepared by the controller. This report shows key revenues, as well as the key underlying volume and average sale benchmarks, by day of week and summarized for the week and compares them to a year-to-date budget target. Such a report provides a clear week-by-week record of the flow of revenues and details revenue surpluses or shortfalls by department.

Pay Period Summary Report prepared by the controller that details payroll hours by category (regular, overtime, holiday, vacation, and sick time) and cost by department and for the operation as a whole. This report also includes the key benchmarks of average hourly wage by department which is helpful in establishing payroll budgets for future periods.

Monthly Benchmarking Reports by department. Key benchmarks provide important detail about departmental operations. Prepared by department heads, they not only provide the general manager with underlying detail, but they assure that the department heads are paying attention to these numbers as well.

Monthly Executive Metrics Report summarizing key benchmarks prepared by the controller and provided to all recipients of the club's financial statements. An excellent way to keep leaders and decision makers informed of key data underlying the operation's performance.

Monthly Personnel Report prepared by the HR Manager providing employee counts by department by employment category (full time, part time, and seasonal), summarizing key personnel actions (hiring, terminations, and discharges for cause) and the employee turnover rate by department and for the enterprise as a whole. This report will quickly pinpoint departments with possible leadership and morale issues as evidenced by high levels of turnover.

Monthly Utility Benchmarks prepared by the facilities manager tracking utility usage and cost by type (electricity, gas, water). Utility consumption to generate heating and air conditioning should be compared to degree days to adjust for the volatility of weather.

Monthly Departmental Summary reports prepared by department heads covering basic monthly performance, problems and issues, projects and initiatives, and progress toward annual department goals and the department head's work plan. This short summary report (usually no more than one page) is brought to the Monthly Review of Operating Statements meeting along with the Tools to Beat Budget binder and presented to the general manager.

Weekly and Monthly Membership Reports prepared by the membership director and presenting all membership sales activity, to include prospect contacts, membership sales by category, and progress on the requirements of the Membership Marketing and Member Relationship Management plans.

Weekly and Monthly Catering Activity and Sales Reports prepared by the catering director and presenting all sales activity, to include prospect contacts, types of bookings by category (F&B, conference and meeting fees, etc.), and progress on the requirements of the Catering Marketing plan.

While the above list may seem like a lot of paperwork, once the discipline of preparing and submitting these reports is established, department heads will discover that they are just part of operational routine. On the other



**Private Club
Performance Management**

What I Expect from Our Club Management Team

hand, the benefit of everyone paying attention to key performance indicators is well worth the effort. Ultimately, it makes the general manager's challenging job easier and serves to make the operations more efficient.



What I Expect from Department Heads

There are many things I expect from all the club's department heads regardless of their specific areas of expertise and function.

- **Leadership.** I expect a consistent [Service-Based Leadership](#) style for all departments. Service-based leadership naturally promotes employee empowerment which is essential to delivering remarkable service levels.
- **Organizational values.** Strict adherence to and promotion of the club's [Organizational Values and Culture of Service](#) is necessary to ensure that all employees understand the values that underpin our business. The consistent example of managers at all levels is a must.
- **Annual departmental goals.** Each department head must develop departmental goals based upon the club's annual goals. These goals have an impact on department budgets.
- **Standards, policies and procedures.** These are necessary for all areas of the operation to promote standardization and efficiency. They are the basic building blocks of the [Club Operations Plan](#) (see Appendix B). They are also the basis for developing pertinent training material for each department.
- **Real Time Accounting and Tools to Beat Budget.** The discipline of tracking revenues and expenses in real time makes department heads more knowledgeable about their enterprise and enables them to take timely action to correct deficiencies. It's also an incredibly effective tool for improving the ease, as well as the accuracy, of developing departmental budgets.
- **Benchmarking.** Every department head must benchmark their payroll expenses in detail. As the single largest expense in most departments, it is essential that they track and monitor this expense. In addition, they need to benchmark other aspects of their operations to ensure they have a better understanding of their business.
- **Accounting submissions.** There are accounting requirements for all department heads, and they are expected to meet these in a timely and accurate manner.
- **Human resource requirements.** Each department head is expected to have a thorough knowledge of all HR requirements and strictly adhere to these. There are too many legal and liability issues to do otherwise.
- **Monthly review of operating statements and work plans.** Every month after the financial statement is distributed each department head will meet with general manager and club controller to review financial performance and progress on work plan accomplishment. Department heads must be prepared for this meeting by ensuring their Tools to Beat Budget binders and benchmarks are up to date, can explain any variances, and offer plans to remedy material revenue shortfalls and expense overages.
- **Departmental training.** Department heads are responsible for determining their department's individual skills and service technique training needs and developing training programs to meet those needs.
- **Disciplined hiring.** It is a requirement that department heads develop the skills and disciplines to hire well. The quality of club staff is too important to leave to chance.



- **Organization, cleanliness, and maintenance.** All club departments must be well-organized, clean, and well-maintained. Department heads are responsible for their areas of the operation and must coordinate with the facility manager to ensure cleaning standards are established and met, as well as ensuring all facilities, furniture, fixtures, and equipment are properly maintained.
- **Safety and security.** Each department head must determine work hazards and security issues for their areas and develop the standards, policies, and procedures, as well as training, to address these.
- **Developing detailed guidance and training for department's member touch points.** Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C) and helps establish a consistent personalized service to members in keeping with the club's Organizational Values and Culture of Service.
- **Team players.** Each department head must realize that they are part of a team dedicated to the common purpose of providing a superior private club experience for members. To meet the challenges of such an operation, they must be mutually supportive and work together as a team.

While there may be other things that I want to stress to my subordinate managers from time to time, these are my basic expectations. Other general managers may have differing expectations, but in any case, it's good to provide your subordinates with a list of those requirements. It becomes the basis for their efforts to develop themselves as managers and leaders.

On the following pages I outline specific expectations for key department heads. You will notice some redundancy from the basic requirements above. I do this to reinforce the importance of key requirements.



What I Expect from the Club Controller

The club controller fills an important role in the club's management hierarchy. In addition to performing financial accounting, management, and reporting functions, he or she is the subject matter expert for the board and general manager on all matters relating to sound financial policy. As such the position of controller has specific responsibilities and requirements relating to every area of the operation and provides key information to club decision-makers. Here is a summary of my requirements for the position:

1. Provide written **accounting standards, policies, and procedures** (SPPs). Not only is this important for consistency's sake, but also to make all managers and supervisors aware of their responsibilities.
2. Develop a written **internal control plan** that stipulates key financial practices, identifies areas of potential problems, and specifies necessary separation of duties.
3. Coordinate and supervise the annual **budgeting process**. This requires establishing the necessary timeline and deliverables in the budgeting sequence.
4. As part of **Performance Management** disciplines, implements **Zero-Based Budgeting** throughout the club.
5. Implement the **Tools to Beat Budget** program so that all department heads record and monitor their revenues and expenses in real time.
6. Assist department heads in implementing departmental **benchmarking**. Prepare the **Executive Metrics Report** and include it with the monthly financial statement.
7. Coordinate and attend the **monthly review of operating statements** with each department head and the general manager.
8. Conduct a **review and analysis of one major cost category** each month with the aim of constantly reviewing the club's cost structure and taking steps to reduce costs when opportunities present themselves. Report findings to general manager.
9. Routinely prepare the following reports:
 - **Weekly Revenue Report** for the general manager and heads of profit centers. For an example see PCPM Form 203.
 - **Pay Period Summary Report**, PCPM Form 229, for the general manager and all department heads each pay period.
 - **Monthly Aged Accounts Receivable Report** for the general manager.
 - Monthly updated **cash flow projection** for the general manager.
10. **Training of managers and supervisors** in all financial responsibilities and requirements, including:
 - **Basic Accounting and Financial Management**
 - **Tools to Beat Budget**
 - **Club Benchmarking Resources**



11. Establish an [outreach program](#) whereby the club controller visits each club department head on a monthly basis to discuss needs and issues. Club controllers by virtue of their education and financial training are in an excellent position to help other club department heads organize and run their departments according to sound business practices. It is precisely this reason that I want to have an A-player fill this important position.
12. **Serve as the club's representative on the club's finance committees**, attending meetings, providing information as requested, making professional recommendations regarding financial issues, and keeping the general manager fully informed on all significant matters addressed by the committee.
13. **Develop detailed guidance and training for department's member touch points**. Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C) and helps establish a consistent personalized service to members in keeping with the club's Organizational Values and Culture of Service.

A smooth accounting function requires that all members of the management team understand and meet their responsibilities in a timely and accurate manner. It is essential therefore that the club controller engage with the full management team to ensure this happens. The benefits to the club include greater real time knowledge of the club's financial performance, more timely information to support decision-making, and the full confidence of the board that their significant capital investment is in good hands.



What I Expect from the Human Resource Manager

There is probably no area of club management that is more fraught with legal and liability issues than human resources due to extensive and detailed government regulation and the potential for problems from poorly trained managers violating employee rights.

While it's important to spell out the general manager's requirements for all department heads, having clear expectations for the human resource manager should be among the highest priority. Here are my requirements:

1. Written **job descriptions** for all club positions. These have important implications during the hiring process to ensure the right person with the right skill set is hired for each position, as well as providing the basis for employees to understand the club's expectations of them.
2. Written **personnel standards, policies, and procedures** (SPPs) for all aspects of the human resource function. Not only is this important for consistency's sake, but also as a tool to train managers and supervisors on the legal requirements and consequences of failing to follow them.
3. Written **employee disciplinary procedures** and associated documentation to ensure all managers and supervisors have a thorough understanding of issues, processes, and paperwork.
4. Written discharge processes and documentation for the same reasons.
5. An **onboarding plan** for both managers and employees covering all necessary steps to properly welcome, indoctrinate, provide basic information about employment and benefits, and begin training new hires, to include:
 - **Employee Handbook** that is fully integrated with HR SPPs.
 - **Managers Handbook** that spells out key requirements for management staff.
 - Employee orientations – a general club orientation to spell out requirements for new hires and specific departmental orientations that dovetail with the club presentation while spelling out departmental details and requirements.
6. Design and administration of the club's **Work Planning and Performance Review Program** to include:
 - Meaningful work plans and performance reviews for non-supervisory employees.
 - Annual schedule and timelines for meeting performance review requirements.
 - Assist the general manager in devising work plans and performance reviews with measurable accountabilities for managers and supervisors.
7. **Benchmarking of departmental staffing, personnel actions, and turnover.** These statistics provide summary information of departmental personnel actions and may point to problems with leadership, motivation, and morale requiring the general manager's intervention.
8. **Human resource training:**
 - Disciplined hiring; disciplinary actions, and discharge requirements; HR documentation; legal and liability issues; unemployment compensation program; and **Human Resources on the Go** for managers.



- Sexual harassment training for managers and supervisors, as well as guidance for employees regarding what constitutes sexual harassment and how to report concerns.
9. An **outreach program** whereby the human resource manager visits each club department head monthly to discuss needs and issues.
 10. **Develop detailed guidance and training for department's member touch points.** Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C) and helps establish a consistent personalized service to members in keeping with the club's Organizational Values and Culture of Service.

Without a well-defined, organized, and highly disciplined human resource function, clubs are inviting trouble in the form of time-consuming, costly, and potentially devastating legal action. The first step in protecting the club is to implement the above requirements, but beyond that the general manager must ensure that managers and supervisors are thoroughly trained in all HR requirements and scrupulously follow them. This is certainly not an area to leave to chance or hope for the best – the risk and cost of failure is too great!



What I Expect from Food and Beverage Managers

As I have often said before, success in the club business is dependent upon the discipline of executing the basics consistently. It's also important that department heads and other members of the club's management team have a clear understanding of what's expected of them.

Here are my expectations for the club's food and beverage managers:

1. **Menu Design.** Experience tells me that while club members want a kitchen capable of fine dining, on a day in, day out basis they prefer traditional club fare, well-prepared with fresh, made-from-scratch ingredients. While menu design is a creative and complex task of infinite possibilities and permutations, it must be balanced by cost consciousness, kitchen capabilities, production and volume considerations, ingredient availability, and adequacy of storage, there are some basic requirements that transcend any menu:
 - Need to limit master ingredient list. A well-designed menu will be engineered to meet all recipe requirements with a reasonably limited ingredient list.
 - Daily specials to provide variety to the standard menus.
 - Menu rotation. I like to see a quarterly change of 35-50% of menu items to match the season and take advantage of seasonal fresh product.
2. **Cost monitoring.** Given the price volatility in meat, seafood, produce, and dairy products, I expect the chef to re-cost key menu items on a monthly basis (and maybe more often in times of extraordinary volatility). This time-consuming task can be made easier by designing an Excel spreadsheet with menu item costing sheets linked to a master ingredient pricing sheet. By updating the ingredient pricing on the master list, all menu item costs will automatically re-calculate, thereby allowing the chef to easily re-price menu items to maintain appropriate margins

While such a spreadsheet is complex and time consuming to design it will become a valuable tool in understanding and managing food costs.

3. **Accurate and timely inventories** ensure more accurate computation of cost of goods sold. Too often poorly conducted inventories result in wide fluctuations in food and beverage cost of goods from month to month. The following five disciplines will greatly aid in improving inventory counts and the cost of goods calculations:
 1. Written inventory procedures and thorough training of anyone who conducts inventories to ensure consistent and accurate counts.
 2. Checklists of all stock storage from bulk locations to close-at-hand pantries and refrigerators for all food prep areas.
 3. Well-organized food and beverage storage areas to facilitate inventories.
 4. Weekly inventories of high-cost items such as meat, seafood, and alcoholic beverages. The cost and ease of pilfering makes these items too attractive to rely on monthly inventories. By monitoring them on a weekly basis, comparisons can be made to sales to quickly spot potential problems.
 5. Prompt analysis and investigation of out-of-line food and beverage costs using a cost of goods analysis checklist, PCPM Form 244-1 and -2.



4. **Benchmarking** of key data to include:

- Food and beverage sales. Average check and counts of entrees sold, as well as appetizers, deserts, specialty dinner drinks, wines by the glass, bottles of wine, espressos and cappuccinos, and any other items that represent “upsells” to the basic meal. I want this information to serve as a baseline and incentive for training staff to upsell. It also permits tracking progress in any efforts to improve the average check. Tracking cover counts by meal period and day of the week helps in forecasting business levels, which in turn has a direct impact on staffing and payroll cost. Finally, tracking sales throughout the year will make revenue projections during the annual budgeting process easier and far more accurate.
- Labor hours and cost. As the single largest expense in food service operations, it must bear the closest scrutiny. Disciplined action on this information will reduce pay costs and help in forecasting costs in future periods.
- Monthly menu sales mix analysis helps you better understand member menu preferences, assists in designing new menus, and helps you better understand the impact of member selections on food costs, for instance how a high volume of low margin sales can increase your cost of goods sold.
- Inventory numbers and cost of goods should be compared month to month in a spreadsheet and benchmarked to help you spot adverse trends or problems.

5. **Consistent food production.** Members expect offerings to taste the same whenever they come in regardless of who in the kitchen has the night off, and profitability depends on consistent production techniques. There are three basic disciplines to ensure this happens:

- Standardized Recipes. Not only must there be standardized recipes, but all staff – sous chefs, line cooks, prep staff – must be thoroughly trained to follow those recipes. Further, the chef must repeatedly check to ensure that the recipes are being followed. What gets checked gets done!
- Portion Control. A correct measure of portions is the key cost control requirement. Unmeasured portions, particularly of costly food items such as meats and seafood, can quickly erase the margins of any menu item. Again, training and vigilance are key requirements to ensure correct portion control.
- Consistent Plate Presentation. Without training and ongoing supervision of how items are plated, cooks “freelance” as they go. Given that quality food service is a visual treat as well as sensations of taste and aroma, pleasing plate presentations are an important part of the overall dining experience. As an added reminder and visual cue, the chef can use a digital camera to photograph and color print each menu item’s presentation. Prominently posted on the walls of the kitchen, they serve as a constant reminder of how each item should look.

6. **Conduct monthly analysis of sales mix**, identifying sales of high/low volume and high/low margin menu items to better understand and formulate menu mix and pricing decisions.

7. **Professionalism** – both front and back of house. Slipshod operations are fully evident to all when there are no standards. Without standards no one is held accountable, and details are not attended to. A food service operation without professionalism is a free-for-all. Here are basic requirements:

- Proper staff attire and hygiene.
- Focus on organization, cleanliness, and sanitation.



- Clean, presentable menus always.
 - Pre-shift meetings with front of house staff and kitchen representative every shift.
8. **Develop detailed guidance and training for department's member touch points.** Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C) and helps establish a consistent personalized service to members in keeping with the club's Organizational Values and Culture of Service.
9. **Thorough staff training.** There are just too many details to leave any aspect of food service to chance or oral history so training is a must. These are my requirements:
- Food production techniques for kitchen staff.
 - Sanitation and safety training for both front and back of house staffs.
 - Training for front of house staff:
 - Responsible alcoholic beverage service.
 - Etiquette.
 - Food and beverage knowledge and service techniques.
 - Menu, wine, beer, liqueur, and liquor call brand familiarization. You can't sell what you don't know!
 - Point-of-sale system.
10. **Engagement with members.** Probably the most important of all requirements:
- Key service touch points, challenging situations, and service recovery for front of house staff.
 - Chef or sous chef visit to dining room during meal hours.
11. **Coordinate food and beverage activities and events schedule** with the activities director who is responsible for the club's master event and activities schedule.
12. **Use a food and beverage analyst.** Depending on size of the operation and volume of business, considering establishing a full time or part time food and beverage analyst to monitor key operating data (see following article).

An operation that takes the time and makes the effort to establish these disciplines will find that once implemented everything runs smoother, margins are protected, decisions are more self-evident, staff are more engaged, and members are thrilled to have a food service operation that is professional, well-run, high quality, and profitable.

I have summarized all expectations and food service disciplines in my book, [Food Service in Private Clubs – A Holistic Overview of Management Best Practices](#).



The Case for a Food and Beverage Analyst

Food service is an enterprise awash in variables, yet the end product – quality food and service – is the result of consistency of ingredients, preparation, and service, as well as the consistent application of a wide variety of operational disciplines that result in meeting or exceeding expected performance.

In manufacturing operations every effort is made to reduce the variability of materials and manufacturing processes to ensure the uniform quality of the finished product.

Food service is a manufacturing process with the added complexity of the all-important member service component. Making it even more challenging is the fact that the manufacturing process (food production) is laden with almost limitless variables such as many perishable ingredients with a number of quality variables such as taste, texture, smell, color, and freshness; a complex mix and measure of ingredients in each menu and beverage item; differences in cooking techniques and time of preparation; and the skills and training of the production staff.

Add to this the many issues in food delivery, service, and member interface – timing and temperature; the experience, skills, training, confidence, and personalities of the service staff; the scheduling of necessary staffing levels; the hourly, daily, weekly, and seasonal ebbs and flows of dining traffic; the impact of weather and other dining and entertainment options for members; and other external variables.

Since all of this variety and uncertainty is an inherent part of the food service landscape, managers must possess a deep understanding of the most significant variables and make informed judgments regarding their impact on daily operations. Only by doing this conscientiously on an ongoing basis can managers have any hope of meeting expectations of quality, service, and performance, not to mention their personal sanity.

What makes this especially challenging is the sheer volume of moving parts that must be monitored and managed in a people- and detail-intensive business. In the ongoing rush of operational requirements what often gets short-changed by busy managers is the ongoing tracking and analysis of the variables that underlie and impact operational performance.

A solution to this all-too common problem is to employ a food and beverage analyst who is tasked with monitoring and reporting a number of key measures and processes to ensure the efficiency of operations.

Tasks

So, what exactly can an F&B analyst do to help the busy F&B director? Here's a short list of things that can help any operation:

- Prepare daily and per meal period benchmarks of items sold and revenues for each sales category (entrees, salads, appetizers, desserts, specialty drinks, wine by the glass, bottles of wine, cordials, beers, and spirits); compute the average sale by category; summarize these by day of week, weekly, monthly, year-to-date, and annually.

The benefit of providing and analyzing this detail is that it informs decision-making not only for the ordering of stock, but for menu engineering, increasing average checks by suggestive selling, monitoring margins, keeping everyone on track to meet budget by quickly identifying causes of revenue shortfalls, and providing the raw data for improved budgeting – both traffic volume (# of transactions) and average transaction sale.



- Benchmark hours worked and payroll cost by category (regular hours, overtime, holiday, vacation, and sick/emergency, etc.) and position (a la carte server, catering server, bartender, cocktail wait, etc.). Summarize these by pay period, monthly, year-to-date, and annually.

The benefit of this is that it helps managers understand their payroll cost and take effective action to stay on budget, while providing the raw data for improved budgeting of this largest operational expense – volume (number of non-exempt payroll hours) and average hourly wage.

- Prepare weekly forecasts of business levels by day of week and meal period. Provide these to F&B managers. These forecasts are based on past history of traffic by day of week and weekly throughout the year and information of upcoming internal and external factors that influence patronage. This information should be provided several weeks in advance, allowing managers time to schedule most efficiently to meet expected dining demand.
- Conduct monthly analysis of sales mix, identifying sales of high/low volume and high/low margin menu items to better understand and formulate menu mix and pricing decisions. Provide this analysis to F&B managers.
- Conduct weekly inventories of key F&B stocks (alcoholic beverages, meats, seafood, poultry, dairy, produce, and other high cost and/or perishable items). As much as possible compare stocks consumed with sales. Such attention to the flow of stocks through your enterprise will identify inventory discrepancies in a timely manner, help pinpoint causes, and reduce incidence of pilferage. Provide inventories with sales/usage analysis to F&B director and chef.
- Assist in conducting end of month inventories of all F&B stocks and any necessary investigation of discrepancies.
- Benchmark food, beverage, and pay cost percentages monthly, year-to-date, and annually. Provide monthly report to F&B director and chef. This clear presentation of cost data in a single report allows “at-a-glance” recognition of out of line expenses.

While some general managers might feel that the F&B analyst position should be part of the club controller or CFO’s staff, I believe that best results will be obtained if this position reports directly to the F&B director. This assignment clearly establishes the role of the F&B controller as support staff for F&B management to help the department operate more intelligently and efficiently. All concerned should also understand that this assignment in the F&B department does not in any way preclude a close liaison and working relationship with the controller’s office.

Benefits

- This arrangement provides for consistent monitoring of key underlying variables in the revenue and cost structure of the F&B operation. All too often this key data is left un-mined and unexamined by busy departmental managers.
- Departmental managers, freed from the time-consuming detail of data tracking, can spend more time on far more productive and important matters – member relationship management, devising creative and exciting menus and events, leading and motivating staff, training, planning and execution, meeting or exceeding budgets, and continual process improvement.
- Benchmarking revenues and costs will make it far easier to produce more accurate budgets for future periods.
- Reduce food cost through more frequent and closer monitoring of inventories and stock consumption.



Costs

- Increased labor and benefit costs of adding a new position. Depending on the size of the operation, this may or may not be a full-time position. A candidate to fill the position does not need to be an accountant, just dependable, showing initiative, knowing his or her way around a spreadsheet, and be a “numbers person.”
- Administrative cost of supporting the position, including workspace, phone, computer, calculator, etc.

Your Call

If retired club CFO Steve Argo’s results reported in his article *Lower Food Cost with Weekly Inventories* are anywhere near the norm, you can add this new position and still improve your net income. Even if food cost savings only covered the cost of the F&B analyst, the other benefits listed above would make the position well-advised.

Bottom Line

A properly designed food cost control plan with a dedicated F&B analyst can yield significant bottom-line results by providing a better understanding of the underlying variables impacting the operation, while allowing busy F&B managers a greater focus on other issues and opportunities to better organize and improve departmental performance.



What I Expect from the Catering Director

As every club manager knows, catering is the most lucrative part of a club's food and beverage service since it adds revenue volume, economies of scale, and certainty to a very uncertain and volatile business. Lucky is the club that has the appropriate facilities and venues, as well as a board that recognizes the contribution and necessity of a robust catering business to the club's bottom line. But having the facilities and strong backing of the board is only the first step in a successful catering operation.

Having a disciplined and detail-oriented catering director to oversee the operation is the single most important contributor to success in catering. Not only must the club find and hire such a professional, but the general manager must clearly spell out his or her expectations for the catering director. Here are my requirements:

1. **Conduct a market analysis** of the club membership and the areas around the club to determine potential demand for catering and meeting services. This analysis should consider any rules or restrictions the club has on accepting outside business, as well as identify and analyze in depth any competition the club will have for these services. This analysis should be reviewed and updated annually.
2. **Prepare an Annual Catering Sales Marketing Plan** and budget. This plan should identify potential internal (and external, if permitted) target markets and how to best reach them, specific programs or campaigns to market club catering and meeting services, monthly sales goals, and measures and reports to track efforts to meet the plan.
3. **Prepare appropriate collateral** materials to support the catering marketing effort. These should include a proper presentation folder and brochure with lots of professional photographs of your club and venues; sample menus and price lists, room diagrams, planning checklist, planning worksheet, sample room set-ups, sample contract, and all club policies relating to catering. These materials tend to be quite expensive, but they are important selling tools in your catering business.
4. **Organize the planning and execution of the catering department** to include the one-time development of the following:
 - **Room diagrams for all venues** to include dimensions, capacities with various set-ups, and occupancy limits; location of electrical outlets, lighting and sound controls, telephone jacks, HVAC controls; availability of wi-fi; availability of window shades and lighting controls to darken rooms; and a list of available audio/visual and computer equipment. Diagrams should be prepared for each venue with various set-ups to show prospective clients and as a guide to help club staff set up rooms for specific events.
 - **Menus and pricing for different meals and types of events**, including sit-down banquets; receptions with buffets, serving or carving stations, or passed trays; continental breakfasts; and meeting breaks. Experience has shown that a limited number of "packages" aid in the selling process and reduce the time investment in custom menu planning. This is not to say that the club won't do custom planning, but anything that limits the up-front investment of planning time makes the operation more efficient.
 - **Menus and pricing for different alcoholic beverage arrangements** such as open bars, cash bars, beer and wine service, cordial service, champagne service.
 - **All catering policies** to include hosting policy, deposits, minimums, guarantee counts, cancellations and postponements, service charges, client decorations, entertainment, corkage and plating fees, client supplied food, donations, rentals, methods and timing of payments, fire safety, etc. must be determined, formalized, and printed up to provide to prospective clients.



- **A catering contract** that includes all the policies and notes who, if anyone, is allowed to modify the contract at the event. This is useful protection for the club when, in the flush of a great celebration, the client's daughter tells the staff that she wants to keep the open bar going for another hour.
 - **Written policies and procedures** for all the various meal, alcoholic beverages, and meeting set-ups. This is used to train the banquet staff to a common standard for set-ups, preparation, execution, breakdown, and cleanup for events. This is a major one-time effort, but it will save the club hours in efficiency of operations, while providing consistent quality service to all clients.
 - **Training material for catering staff** covering all aspect of catering preparation, set-up, and service.
 - **Agreements with rental and special services firms** for tents, limousines, valet parking, audio-visual, telecommunications, computers, party favors, and decorations.
5. **Access membership demographics** for celebratory dates such as anniversaries and birthdays to be used to "sell" private functions and parties to club members. It is also important to "mine" the data of members' business ownership as these companies will be prime target markets for business meetings and events.
 6. **Benchmark usage** of all venues to determine utilization rates with the aim of establishing policies and pricing strategies to maximize use and revenues of key dates and times for prime function space.
 7. **Benchmark activities by type** such as banquets (plated and seated), receptions (buffets, serving stations, passed trays), and coffee breaks. Track number of events, number of attendees, revenues, average revenue per event by type of event. This information can be used to budget, establish future period goals, and help establish policies and pricing to maximize revenues by type of event.
 8. **Prepare a Weekly Catering Sales Report** for the general manager to include catering event and revenues for the week, key benchmarks, prospecting efforts, call reports, and 60-day rolling forecast of upcoming events.
 9. **Conduct after-event calls and surveys** of catering clients to determine level of satisfaction with event and service. The focus of such surveys is to capture future business while improving any areas of dissatisfaction.
 10. **Develop detailed guidance and training for department's member touch points.** Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C) and helps establish a consistent personalized service to members in keeping with the club's Organizational Values and Culture of Service.

Like any other product or service, the club's catering function must stand head and shoulders above its competition and continually strive to improve its quality, service, and standing in the community. Such dedication to quality and continual process improvement will ensure the club the success of its catering operation.



What I Expect from the Facility Manager

Clubs of any size, particularly those with a wide array of amenities and multiple facilities, usually have a facility manager or maintenance chief who is responsible for the maintenance, housekeeping, safety, and security functions. Depending upon the size and age of the facilities, the responsibilities of this position can be large and complex. As the general manager, here are my expectations for this key department head:

1. **Documented building systems.** All building systems to include electrical; water and sewer; heating, ventilating, and air conditioning (HVAC); fire safety pull box and extinguisher locations; utility meters; labeled electrical panels; kitchen fire suppression systems; water and gas shut-offs; security systems; phone, data, and point-of-sale systems; and public address and music systems must be detailed in an easy-to-access, written form, compiled in three-ringed binders for each department head. This information is critical in any sort of emergency and must be available to the manager-on-duty, as well as all department heads. The facility manager will use this compiled information to familiarize department heads on the locations and functions of various building systems in their areas of the operation.
2. **Building, systems, and equipment reference material.** For maintenance and repair purposes the facility manager must have an organized, easy-to-access library of material to include:
 - Architectural and as-built drawings of all buildings that include floor plans, building mechanical, electrical, plumbing, and safety systems.
 - Operation and maintenance (O&M) manuals for all systems and major pieces of equipment.
 - Paint schedules for all buildings.
 - Maintenance contracts for all contracted services such as elevator and HVAC servicing, waste removal, cleaning of kitchen exhaust filters and ducts, cleaning of grease traps, and maintenance of kitchen fire suppression systems.
3. **Written standards, policies, and procedures (SPPs)** for maintenance and housekeeping responsibilities. These will serve as the basis for consistent training and execution of all requirements. This is particularly important for housekeeping. Don't expect that each housekeeper will have an appropriate or consistent methods of cleaning or know what standards are required. In addition to providing cleaning standards for all areas of the club, the SPPs will specify cleaning equipment, tools, and products to be used.
4. A **prioritized work order system** to allow necessary maintenance, repair, and new work to be reported and tracked.
5. A detailed **preventive maintenance program** and schedule based on the requirements of systems and equipment O&M guidance.
6. An **outreach program** whereby the facility manager visits each club department head on a monthly basis to discuss needs and issues.
7. Monthly and annual **benchmarks** for departmental labor, work orders, preventive maintenance program, and utilities (electrical, gas, water). Heating and cooling utility consumption must be compared to degree days to eliminate the variability of temperature.



8. **Formal inspections.** Monthly for all departmental areas to identify maintenance and housekeeping needs. Annually for structures, building systems, and grounds. These should be documented with standardized inspection forms or checklists to ensure everything is covered.
9. **Monthly maintenance/housekeeping meeting** with the general manager to review work plan and goals, budget, benchmarks, inspections, problems areas, and the overall maintenance and housekeeping efforts.
10. **Administration of club and departmental assets.** This includes setting up and maintaining the master asset list and assisting department heads in performing the annual asset inventory. Reporting inventory results to the general manager.
11. Establish a **formal security plan** for the club detailing exterior entrances; security systems and alarms; opening and closing procedures and responsibilities; key control plan and procedures; methods to inspect and test security systems and procedures on a monthly basis; and a plan to inspect all exterior lighting on a weekly basis.
12. Establish and maintain a **master Material Safety Data Sheet (MSDS) binder** for all hazardous chemicals in use in the various areas of the club. Assist each department head in setting up and maintaining a departmental binder of Material Safety Data Sheets.
13. **Serve as the club's Safety Officer**, ensuring the development of a comprehensive club safety plan and that all requirements and functions of the plan are met.
14. **Develop emergency plans and procedures** for the club to include fire safety, fire emergency drills, emergency evacuation plan (specific for weekday, weekend and day and night emergencies), and fire and emergency training for employees.
15. **Develop detailed guidance and training for department's member touch points.** Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C) and helps establish a consistent personalized service to members in keeping with the club's Organizational Values and Culture of Service.

While this list of expectations lays out a comprehensive summary of responsibilities, given the cost of the club's physical plant and the need to keep it well-maintained and clean, it is extremely important that the facility manager has a complete understanding of the requirements of the position. Once these disciplines are firmly established, the maintenance, cleanliness, safety, and security of club's facilities will become routine. The result of this is a higher state of maintenance and housekeeping, lower costs, fewer breakdowns and emergency repairs, and improved safety and security practices.



What I Expect from the Membership Director

Given the absolute importance of a strong membership base to the success of a club, the membership director is a key member of the club's management team. Over the years I have heard many times that the role of "selling" memberships is so critical that membership directors cannot be burdened with extraneous duties – they must focus solely on the challenge and disciplines of selling. While recognizing the importance of the sales effort, I would argue for a broader interpretation of successful selling.

In any community there is no greater or more effective sales pitch than the recommendation of satisfied club members. After all, they move freely and interact frequently with just the demographic any club seeks – the successful and affluent members of the community. Despite a club's comprehensive marketing plan and the focused execution of that plan by a competent membership director, the reputation and word of mouth endorsement of your club will sway far more prospects than any number of repeated sales contacts.

Recognizing the paramount importance of the club experience in attracting new members, I expect my membership director to be just as involved in the club's efforts to provide value and service as the rest of the management team. In addition to working with the membership committee, contacting prospects, and signing up new members, I expect the membership director to create and implement a robust member relationship management program.

With this as a background, here are my expectations for a membership director:

1. **Conduct a market analysis** of the area around the club. Though this will be different for every club, it should encompass a geographical area in a 20 to 25-mile radius of the club, or if a vacation or second home club, the recognized feeder markets for the club. The analysis should include population; income distribution; key industries, businesses, and professional base; and an economic projection. This analysis should be reviewed and updated every few years.
2. **Prepare an analysis of competing clubs** in the geographical area. This will include description of amenities, membership base, initiation fees and dues, pricing of key services such as guest fees and catering prices, and an honest assessment of the pros and cons of each competitor. This analysis should be reviewed and updated annually and will influence both strategic and tactical decisions to position the club in the marketplace.
3. **Prepare an Annual Membership Marketing Plan** and budget. This plan should include identification of target markets; strategies and methods to reach those markets; a schedule of all promotional activities and events; social media strategies and programs; a robust membership committee program to enlist key club members in promoting the club to family, friends, and business associates; monthly sales goals by membership category; and a listing of measures and reports to track progress in meeting the plan. The membership director should also ensure the design and purchase of effective collateral materials to support the membership marketing effort.
4. **Prepare and consistently execute a New Member Onboarding Plan** to ensure that new members are warmly welcomed to the club and given an orientation on all the club's amenities, programs, and services. Prepare new member welcome letters for the general manager's signature.



5. **Develop detailed guidance and training for department's member touch points.** Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C for infographic) and helps establish a consistent personalized service to members in keeping with the club's Organizational Values and Culture of Service.
6. **Prepare and execute an Annual Member Relationship Management Plan** to detail specific programs to engage the club's members, offer personalized service, and provide "[wow factors](#)." Provide an annual briefing for the club management team on the Membership Marketing Plan and the Member Relationship Management Plan. Ensure department heads understand the plan and their specific roles in fostering both plans. Conduct membership liaison meetings with each club department head on an annual basis to discuss and brainstorm ways to better serve members. Incorporate new ideas and programs into the ever-evolving Member Relationship Management Plan.
7. **Compile detailed demographics of current membership.** In addition to the basic demographics of age, gender, number of children and grandchildren, birthdays and anniversaries, capture and database as much "intelligence" on the club's current membership as possible to include names of children and grandchildren; food and beverage preferences; clothing sizes and preferred brands; interests and hobbies; and club spending habits. The more the club knows about its members and what they like and dislike, the better able it is to meet members' needs and desires, as well as to market specific events and programs to interested members.
8. **Share member preferences information with operating departments** and vice versa. Design, format, and deliver member preference information to club operating departments on an ongoing basis. For employees in all areas of the club to deliver personalized service, they must know the membership "like family." This sharing of "intelligence" must be a two-way street. A system must be in place to allow line employees to share what they learn about members' habits with the club's database of member habits.
9. **Develop written standards, policies, and procedures (SPPs)** for all aspects of the membership function to promote standardization, consistency, and continuity. These will include club documents, well-defined privileges and benefits of different membership categories and programs, processes for enrolling new members, documentation and handling of initiation fees, membership upgrades and downgrades, resignations, wait lists, guest policies and procedures, implementation of club rules and regulations, member disciplinary procedures, and committee structures and election procedures. Most of these topics are covered in the club's bylaws and other documents, but the details of implementing these must be thought through thoroughly and spelled out in detail to ensure efficacy and consistency.
10. **Benchmark membership numbers weekly** to include total memberships, new members, resignations, and upgrades/downgrades by category. The tracking of membership numbers week-by-week and year-to-year permits early identification of trends and monitoring progress toward goals.
11. **Prepare a Weekly Membership Report** for the general manager to include recent and upcoming membership activities, key benchmarks, prospecting efforts, and call reports. The continual interest of the general manager in the membership marketing effort is necessary to ensure success.
12. **Establish and execute a structured calling program** for infrequent users of the club and, conversely, a **rewards program** for frequent users. The club should always try to discover the reasons for low usage by members – as they are most at risk of leaving the club. At the same time, the club should find ways of saying "thanks" to those who regularly support the club. Keep the general manager informed of efforts and continuing "at risk" members.
13. **Conduct membership surveys.** An annual club-wide survey will assess members' satisfaction with all areas of the club. It is easiest to do this using an online survey service. Results must be benchmarked from



year to year to spot adverse trends. In addition, it is useful to conduct smaller surveys of subsets of members on a more frequent basis, say quarterly, to gather additional information to assist in club decisions regarding products and services.

14. **Coordinate membership activities and events schedule** with the activities director who is responsible for the club's master event and activities schedule.

As can be seen from this list, these expectations are a significant addition to the typical duties of a club membership director, yet someone on the management team must be focused on member engagement and satisfaction. My own belief is that current member satisfaction is the most important driver of new membership sales. Many of the above listed expectations require a great deal of effort and time to initially set up, but thereafter only require ongoing review, updating, and maintenance. The heavy up-front workload will certainly require major input and assistance from the general manager and possibly clerical assistance for research, formatting, and documentation.

Each club should determine their own list of priorities for the membership director. I consider my list to be optimum and may require adjustment of the membership director's compensation package to provide a higher base salary for the additional duties in addition to temporary or ongoing additional staffing to complete the tasks. In any case, whatever a club's membership strategies and priorities, clear expectations must be provided to the membership director, otherwise there is no accountability for this critical function.



What I Expect from the Head Golf Professional

A club's golf course is the most significant amenity and the reason most members join the club. As a result, the head golf professional is a highly visible and respected member of the club's management team. But as several authors have pointed out, there is a critical distinction between the game of golf and the business of golf. To be successful the head golf professional must be a master of both.

While the Professional Golfers' Association does a great job of preparing the golf professional for golf operations management, related business principles and practices, and how to interact with members and golf committees, there are a number of business disciplines that I expect the head golf professional to carry out to meet my expectations:

1. **Establish, interpret, and enforce all club policies, rules, and regulations relating to the golf operations.** These include the pro shop, practice facilities, golf course, cart storage facility, lessons and golf programming, guest policies, club storage and repair, locker rooms, and other areas and issues relating to the game.
2. Establish and maintain a **robust schedule of golf programming** and events to meet the needs and desires of golfing members.
3. Create written **standards, policies, and procedures (SPPs)** for all aspects of the golf operation. These foster organization, consistency, and continuity. They also form the basis for the department's training material.
4. **Benchmark** rounds, revenues, and payroll. This information provides the data to support decisions, demonstrates knowledge and competency to all (particularly to members and the golf committees), allows analysis and better organized efforts, and supports requests for resources.
5. Institute the discipline of **Tools to Beat Budget**. It makes the head golf professional far more knowledgeable about the operation, ensures budgets are met, and makes future year budgeting far easier and more accurate.
6. **Ensure close coordination with the golf course superintendent** regarding marking the golf course, daily set up, seasonal playing conditions, schedule of annual cultural practices, and preparation for major golf events. The better the cooperation and working relationship between the head golf professional and the superintendent, the better the golfing experience for members.
7. **Chairs the Golf Operations Committee** made up of the superintendent, head golf professional, and the general manager. The purpose of this committee is to give formal structure to monthly meetings and decisions impacting the club's golfing experience and ensures that the operational stakeholders are fully aware of golf plans and issues in a timely manner.
8. **Serve as the club's representative on the members' golf committees**, attending meetings, providing information as requested, making professional recommendations regarding the golf operations and golf programming, and keeping the general manager fully informed on all significant matters addressed by the committee.
9. **Establish and execute a structured calling program** for infrequent golfers and, conversely, a **rewards program** for those who play frequently. The golf professional should always try to discover the reasons for



low usage by golf members – as they may be at risk of leaving the club or downgrading their membership. At the same time, the club should find ways of saying “thanks” to those who play regularly. Coordinate results of both programs with the membership director.

10. Prepare and keep current a **golf cart storage facility handbook** detailing the standards of storing and maintaining golf carts and properly cleaning and maintaining the cart storage facility. Standards should include listing all supplies to stock the carts, daily cart operation procedures and checks, and all cleaning equipment and supplies to properly maintain the golf carts. Ensure the organization, order, cleanliness, repair, and security of the golf cart storage facility.
11. **Play golf with members** on a regular basis. The professional golf staff must play golf with a wide variety of members, from core golfers to newly joined members and those who are new to the game. There is no greater way to encourage golf participation among the membership. The professional staff should avoid playing regularly with a small group of favored members as this may cause resentment among others.
12. **Develop detailed guidance and training for department’s member touch points.** Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C) and helps establish a consistent personalized service to members in keeping with the club’s Organizational Values and Culture of Service.
13. Develop a detailed **departmental training plan** with major emphasis on the club’s service culture, member service, and golf etiquette; course management and tee time reservations; golf programming and event preparation; pro shop policies and procedures; retail merchandising and sales; point-of-sale procedures; practice facility set up; golf cart cleaning, set-up, and storage; and personal and equipment safety.
14. Establish procedures for a **daily tee sheet reconciliation** as an audit to verify the capture of all green fees, guest fees, and cart fees. Given the club’s immense investment in its golf course, accurately accounting for all rounds and revenues is a required discipline.
15. Develop, implement, and enforce a **ready-play program** to ensure appropriate speed of play on the golf course. Slow play is one of the most frequent complaints relating to golf. Being pro-active by identifying and working with slow-playing golfers will go a long way in relieving complaints and maximizing course utilization.
16. Establish and maintain a **robust schedule of free clinics, demonstrations, and practice facility activities** to promote the game, encourage lessons, and interact with members.
17. If responsible for the golf pro shop operation, meet all the requirements spelled out in *What I Expect from Retail Managers* on page 134 of this book.
18. **Coordinate golf activities and events schedule** with the activities director who is responsible for the club’s master event and activities schedule.

It is recognized that the Head Golf Professional may need some support and assistance in developing organizational materials and establishing certain disciplines such as benchmarking and Tools to Beat Budget, but experience has shown that these disciplines help better organize and operate the golf department. As with other club departments, these requirements for the golf operations take time and effort to set up, but once the heavy lifting is done, the overall functioning of the department is smoother and easier.



What I Expect from the Golf Course Superintendent

While there is very little, I can tell a golf course superintendent about the science and disciplines of turf grass management or golf course maintenance, there is much I can require relating to running a business, the organization of his department, and the leadership necessary to get the most out of his people. Here are my expectations:

1. **Create written standards, policies, and procedures (SPPs)** for all aspects of the operation. These foster organization, consistency, and continuity. They also form the basis for the department's training material.
2. **Benchmark** payroll, golf course maintenance tasks by hour, equipment use by hour, and water usage. This information provides the data to support decisions, demonstrates knowledge and competency to all (particularly to members and the greens committee), allows analysis and better organized efforts, and reinforces requests for resources and equipment.
3. Institute the discipline of **Tools to Beat Budget**. It makes one far more knowledgeable about the operation, ensures budgets are met, and makes future year budgeting far easier and more accurate.
4. **Ensure close coordination with the head golf professional** regarding marking the golf course, daily set up, seasonal playing conditions, scheduling of annual cultural practices, preparing for major golf events, and major repair and reconstruction work. The better the cooperation and working relationship between the superintendent and head golf professional, the better the golfing experience for members.
5. **Participates in the Golf Operations Committee** made up of the superintendent, head golf professional, and the general manager. The purpose of this committee is to give formal structure to monthly meetings and decisions impacting the club's golfing experience and ensures that the operational stakeholders are fully aware of golf plans and issues in a timely manner.
6. In conjunction with the mechanic, develop and implement a **formal equipment maintenance program** with emphasis on daily operator equipment checks, preventive maintenance, and regularly scheduled equipment maintenance. Ensure all equipment preventive maintenance, repairs, and scheduled maintenance are documented on equipment repair and maintenance records.
7. **Serve as the club's representative on the club's greens committee**, attending meetings, providing information as requested, making professional recommendations on the maintenance of the golf course, and keeping the general manager fully informed on all significant matters addressed by the committee.
8. Prepare and keep current a [Golf Course Maintenance Operations Handbook](#) detailing the standards of maintaining and preparing the golf course for play as well as departmental standards, policies, and procedures.
9. **Develop a Hazardous Material Handling Plan** for the department and ensure that all employees are familiar with the details of the plan.
10. **Develop detailed guidance and training for department's member touch points**. Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C) and helps establish a consistent personalized service to members in keeping with the club's Organizational Values and Culture of Service.



11. **Develop a detailed departmental training plan** with major emphasis on member service and touch points, equipment operation, preventive maintenance practices, personal and equipment safety, and hazardous material handling.
12. **Work closely with the HR manager** to develop and execute the annual plan to efficiently hire seasonal staff in a timely manner.
13. **Ensure the organization, order, cleanliness, repair, and security of the golf course maintenance facility, equipment, and bulk agronomic materials.** The often-remote location of the maintenance compound and the equipment and materials stored there require ongoing vigilance and care to protect these valuable assets. All golf course maintenance employees should be imbued with a regard for the value of the equipment, the care they demonstrate in its use, and the safety and security of all assets.

It is recognized that the golf course superintendent may need some support and assistance in developing organizational materials and establishing certain disciplines such as benchmarking and Tools to Beat Budget, but experience has shown that superintendents appreciate the efforts made to help them better organize and operate their departments. As with other club departments, the general manager's requirements for the superintendent take some time and effort to set up, but once major initiatives are established, the overall functioning of the department is smoother and easier.



What I Expect from Retail Managers

Most clubs have some sort of non-F&B retail operation such as golf and tennis pro shops, while some in more remote areas may have a general store. Often the pro shops are operated by the professionals – both golf and tennis; in other cases, the club has a retail manager to oversee these operations. But no matter who is responsible for the retail bottom line, there are certain things that I, as a general manager, expect. Here's my list:

1. Create written **standards, policies, and procedures** for all aspects of the retail operation to promote organization, consistency, and continuity. These also form the basis for training of retail clerks.
2. Create and use an **Annual Retail Buying Plan**. What, when, and how much inventory is purchased each year should be carefully planned. The plan should be in writing and be revisited at the end of the year to see how well the club did in buying and selling various categories of merchandise. Revisiting the plan at year's end will help improve next year's buy. Good buying decisions are the most important thing a retailer can do to be successful.
3. **Benchmark** the operation. Retail operations must be benchmarked in detail to learn as much as possible about what sells and doesn't sell. The more a retailer knows about the customer's buying habits, the better future buys will be. It's also important to analyze the results of buying and markdown decisions. What and how many items are marked down represent the buying missteps. A retailer should always learn from those mistakes to avoid repeating them. I also want them to track, monitor, and analyze monthly and year-to-date sales by product category, brand, and item to better understand what sells and what doesn't.
4. Create and use a **Merchandiser's Book**. Proper management of retail inventories and good business practice require that retail managers maintain close scrutiny of their buying decision, retail benchmarks, inventory purchase orders, and a log of their major merchandising decisions such as markdowns, sales, inventory discrepancies, write-offs, and any member feedback about the retail operation. By maintaining this information in a single binder, retail managers have a convenient method of continually analyzing their buying and merchandising decisions with an eye toward continual improvement.
5. Know the members and their buying habits by using a **Membership Retail Book**. Each retail interaction with a member reveals something about his or her buying habits and preferences. A Membership Retail Book is simply a place to organize and record the information learned about each member. It is as simple as recording member information in an alphabetized ledger book under each member's name or utilizing the member preference feature of your retail software. Once information has been entered for a member, it is easy to add more information each time that member shops. In time the Membership Retail Book will accumulate a wealth of information about members buying habits and preferences. This information can be used to improve buys, better serve members, increase retail sales, and improve margins.
6. Have an **established discount policy**. Inevitably some merchandise will not move quickly and will sit on shelves or racks for some time. Such slow-moving merchandise should be made more attractive to members by reducing the price through a series of pre-defined discounts. Tracking such discounts in the Merchandiser's Book may help the retailer understand what didn't sell at full price and this understanding will help improve future buying decisions.
7. Use a **sales and promotion calendar**. An annual sales and promotion calendar should be developed to help the retailer market promotional and discounted sales. The more members that know in advance about



promotions and sales, the more traffic there will be in the shop. It can also be used as an opportunity to learn more about member's buying habits. **Coordinate sales and promotion calendar** with the activities director who is responsible for the club's master event and activities schedule.

8. **Rotate stock and change displays.** Move merchandise around frequently to keep the shop interesting and fresh. Use props and displays to showcase merchandise. Seasonal themes and decorations offer many opportunities to make the shop attractive and inviting.
9. **Ensure shop clerks are familiar with all products** in the shop. Staff must be familiar with their inventories and knowledgeable about products carried in inventory. Provide product selling sheets that summarize the features of various products.
10. Conduct **timely and accurate inventories** to ensure that cost of goods sold is computed correctly. Conduct a formal analysis of cost of goods sold (using PCPM Form 244) when the monthly number is out of line. Benchmark the cost of goods from month to month to spot any negative trends.
11. **Develop detailed guidance and training for department's member touch points.** Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C) and helps establish a consistent personalized service to members in keeping with the club's Organizational Values and Culture of Service.
12. **Train staff.** In addition to teaching shop clerk's member service, merchandising, and sales techniques, they must know as much as possible about the products they sell. The retail manager must work with vendors to provide detailed information about their products.

None of the above steps are rocket science. They are the organizational habits of a professional retailer. Implement any or all these practices and watch the business and annual margins grow.



What I Expect from the Activities Director

A number of clubs in recent years, particularly those in planned communities, have embraced lifestyle programming to add value to their real estate offerings. So, in addition to the typical club amenities these clubs offer fitness and spa facilities and a robust schedule of activities for members of all ages and interests.

Heading up the activity programs in these clubs is a dedicated recreational professional – the activities director. Following are my expectations for this position:

1. Create written **standards, policies, and procedures** for all aspects of the activities operation to promote organization, consistency, and continuity. These also form the basis for training of activity leaders.
2. Create a **robust and continuously fresh schedule of activity programming** for all age groups and interests. These programs must be well-planned, marketed to the membership, and well-executed. Completed activities and events will be reviewed for effectiveness, attendance, cost, staff critique, and member feedback with the intent to continually improve future programming.
3. **Benchmark** activity programming in detail to include activity category, age group, cost, and attendance. The benchmarks will help in the evaluation of programming and in future year budgeting and scheduling.
4. Create and use a **marketing plan** to effectively market activity programs to the club's membership. Review and improve the plan each year based on the previous year's experience.
5. Institute the discipline of **Tools to Beat Budget**. It makes the activities director far more knowledgeable about the operation, ensures budgets are met, and makes future year budgeting far easier and more accurate.
6. **Assume responsibility for the club's master event and activity calendar**. The calendar ensures a robust level of activities and events in all club operating departments throughout the year. Set the schedule for monthly major club events and ensure that various departments' major activity and event programming do not conflict.
7. **Serve as the club's lead manager for developing, collecting, and preparing written content** for the club's monthly member newsletter, calendar of events, and members' only website.
8. Investigate and purchase budgeted **inventories of equipment and supplies to support activity programming**. Ensure the proper storage of equipment and supplies to protect the club's investment in these items.
9. Establish necessary standards, policies, and procedures to **ensure the safety of members and staff** involved in activity programming, particularly aquatics programming and any away-from-club activities and events.
10. **Develop detailed guidance and training for department's member touch points**. Such guidance is an integral part of the [Member Relationship Management Plan](#) (see Appendix C) and helps establish a consistent personalized service to members in keeping with the club's Organizational Values and Culture of Service.
11. **Train staff**. Identify training needs for the department and train staff thoroughly with the emphasis on member service, event and activity planning, execution, follow-up, and safety.

Establishing an efficient and effective activity program requires all the disciplines and best practices of running any successful business. When well-done, activity programming adds many options to your members' choice of leisure time activities and brings a level of interest and excitement not often seen in clubs of an earlier day.



The Proper Role of the General Manager

The general manager of a private club wears a lot of hats and tends to be involved in many ongoing day-to-day operational activities and issues. This involvement seems to flow from various organizational issues:

- Some department heads need a lot of guidance to properly run their departments. The GM must get involved because of problems in club departments. This is usually a direct result of poorly conceived, or a complete lack of, expectations communicated to subordinate managers, as well as weak training and leadership development.
- The organization of work at clubs is inadequate or inefficient, requiring frequent GM interventions. This is a result of a lack of or inadequately implemented operating systems and training of subordinate managers.
- The GM gets involved in responding to complaints about poor member service. This is usually a result of inadequate staff training for which the department heads are responsible.
- The GM does not have sufficient reporting mechanisms to monitor the performance of the club departments. This masks problems that arise and grow undetected, eventually blowing up, and ultimately requiring time-consuming GM intervention and involvement. If the GM is only using the monthly operating statement to monitor performance, he or she is flying blind to the details of his operation and does not have real-time information upon which to base decisions and act. A properly implemented system of departmental benchmarks and reports would help with this problem.
- The difficulty of holding department heads accountable for the performance of their departments, which leads to toleration of weak department heads (C-players) and poorly performing departments. Without work plans with measurable accountabilities and benchmarks any attempt to hold subordinates accountable is dependent upon weak and subjective evaluations.

The miring of general managers in day-to-day operational problems prevents them from engaging their key strategic responsibilities.

The following is a list of the strategic requirements of a club general manager:

1. In conjunction with the club board of directors, establishing the club organizational values and culture of service, mission, vision, guiding principles and operating standards of the club.
2. Establishing a strategic plan to guide the club's development and direction. Providing ongoing strategic thinking, planning, and decision making.
3. Providing the board with timely and accurate information and routine reports to help them fulfill their function of overseeing the operation.
4. Managing member perceptions by maintaining a visible presence in the operation and communicating frequently and thoroughly with the membership.
5. Maximizing membership sales by ensuring that a "stretch" marketing plan is developed and that the membership director provides ongoing reports detailing efforts to generate leads, qualify prospects, and close membership sales.
6. Establishing and ensuring compliance with club operating standards, policies, and procedures (the Club Operations Plan).



7. Implementing and maintaining a discipline of thorough planning and continual process improvement.
8. Establishing annual operating and capital budgets to guide the financial performance of the club.
9. Establishing and ensuring implementation or execution of club culture, club annual plan, annual operating and capital budgets, and department head work plans.
10. Establishing monthly review of departmental operating performance, ongoing departmental benchmarks, Tools to Beat Budget, and other indicators of operating performance.
11. Establishing disciplines of [Performance Management](#) and accountability for operating performance of all departments.
12. Establishing consistent club-wide leadership and professional development of department heads and supervisors to include:
 - Training (leadership development, club culture, legal compliance and liability issues, and club organizational issues).
 - Work planning by developing meaningful goals, work plans, and objective measures of performance.
 - Mentoring of key subordinates to take on some of the GM's duties.
 - Monitoring performance using Tools to Beat Budget and monthly benchmarks and reports from subordinates.
 - Conducting meaningful reviews tied to work plan accomplishment and operational performance.
 - Establishing accountability based upon meeting work plans and performance goals.
13. Establishing and ensuring consistent staff development to include:
 - Initial and ongoing training in club culture, liability abatement issues, and individual skills training.
 - Employee empowerment.
14. Establishing and maintaining the means to continually communicate with constituencies.
15. Ensuring department heads top-grade talent by using Disciplined Hiring and Screen for Success when recruiting, screening, and hiring.
16. Ensuring appropriate internal controls.
17. Ensuring the cleanliness, upkeep, and maintenance of all club facilities, grounds, furniture, fixtures, and equipment.
18. Ensuring a safe operation for employees and members.
19. Ensuring the security of the entire club operations and its members and staff.
20. Ensuring the club's legal compliance with all aspects of federal, state, and local laws such as FLSA, FMLA, ADA, EEOC, youth employment, alcohol laws, food sanitation, etc.
21. Establishing and maintaining a continually fresh and robust schedule of activity programming for members of all ages and interests.
22. Ongoing professional self-development per self-developed work plan presented to and approved by the club board of directors.



Private Club Performance Management

What I Expect from Our Club Management Team

As can be seen from the foregoing list of strategic requirements, a club general manager has much to do – primarily in guiding the direction, quality, and performance of the club. Given the scope of these large responsibilities, GMs cannot afford to become overly involved in the day-to-day details of the operation – this detail is the job of individual department heads.

Though it is often a challenging and time-consuming process to organize the operation, communicate detailed expectations to department heads, train subordinate managers to fulfill their responsibilities, and maintain the high standards to which all clubs aspire, ultimately the time spent developing managers and establishing the disciplines of a well-run club are worth the effort. No general manager can do it all and must depend upon subordinate managers to meet all expectations, thereby allowing greater focus on strategic issues.



What is Your Contribution? Competency or Legacy?

Years ago, a hospitality consultant told me his job was the easiest in the world. When the owners of a troubled property came to him for help, he said all he had to do was to find a competent general manager to turn the operation around. And certainly, we all recognize the impact that competent management can make – better leadership, strong focus and initiative, improved service levels, and enhanced performance. Yet, as a hospitality manager, if your contribution to your board and members is merely competency, you are only doing part of the job.

A common failing in independent club operations is what I call the “cult of competency,” though Jim Collins might term it, “good is the enemy of great.” The board and members are so thrilled to have competent management, especially if they’ve had a revolving door of weak managers, that they don’t expect or get a manager focused on “legacy” achievements – that is, an operation organized around well-defined and documented systems instead of force of personality and will.

Let me be clear. When an operation’s success is founded on individual competency, its success is built upon what should be considered “unacceptable risks.” What happens when the competent manager moves on to a more prestigious establishment, moves by geographical preference, retires, goes back to school, decides on a career change, becomes ill, or, heaven forbid, passes away?

When an operation without deeply ingrained organizational systems or “disciplines of success” at all levels of the operation loses its competent manager, it risks quite literally falling apart until a new competent general manager is found – and often this is not easily or quickly done.

The alternative to this all-too-familiar scenario of competency loss is to hire a general manager who is focused on long-term, legacy solutions. But what do we mean by legacy solutions? They are the deeply entrenched systems and management disciplines that result in consistently efficient and high-performing operations, whose longevity and success is not based on the individual, rather on organizational habit. Such habit includes:

- A **Club Operations Plan** made up of well-defined **Standards, Policies, and Procedures** for human resources, accounting, **AND** all operating departments.
- Implementation of consistent **Service-Based Leadership** throughout the organization.
- Coaching and professional development of subordinate managers.
- Establishment and use of measurable accountabilities for all management positions.
- A discipline of planning and review.
- Thorough **Benchmarking** of club operations.
- **Continual Process Improvement.**
- A well-defined and executed **Member Relationship Management Plan.**
- Financial disciplines consistently applied.
- Disciplined hiring.



- Well-defined and continually reinforced [Organizational Values and Culture of Service](#).
- [Comprehensive Training Programs](#) for managers and all line positions.

What then is the difference between a competent and legacy manager? A general manager's strong commitment to leave the operation poised for continued success when he or she departs.

Owners, club boards and executive search consultants put tremendous time and effort into finding competent managers for organizations and clients. I would argue that they go beyond competency and find those rare GMs who recognize the higher calling of providing legacy leadership.

One final point: Jim Collins, in his ground-breaking book *Good to Great*, found that every good to great company in his study had Level 5 Leaders. One of the key points about Level 5 Leaders was that they "set up their successors for even greater success in the next generation." The leaders of the comparison companies (the ones that did not achieve and maintain greatness) set up their successors for failure. While comparison leaders achieved some measure of success by virtue of competency and force of will, the companies they led were incapable of sustaining success long term. On the other hand, the Level 5 Leaders provided more than just competency; they were legacy leaders – and left a legacy of greatness!



In Closing

Jim Collins and his research team discovered that all Good to Great companies had disciplined people engaged in disciplined thought taking disciplined action.

A club management team aspiring to quality and greatness must also take a disciplined approach to organizing and operating their club. This is particularly difficult for standalone operations with few resources and no economies of scale where poorly defined organization and expectations condemn managers to forever reacting to events. To remedy this, the material in this book lays out the necessary leadership, management disciplines, service values, and expectations for the entire management team.

While implementation of these requirements is a major undertaking, Private Club Performance Management has begun the process by developing a great deal of the necessary organizational material and resources. By accessing and customizing this material for the specific requirements of your operation, you and your management team can set the goal of putting your club firmly on the path to sustainable quality and greatness.

In describing the path to greatness, Collins postulated the flywheel effect,

“Sustainable transformations follow a predictable pattern of buildup and breakthrough. Like pushing on a giant, heavy flywheel, it takes a lot of effort to get the thing moving at all, but with persistent pushing in a consistent direction over a long period of time, the flywheel builds momentum, eventually hitting a point of breakthrough.”

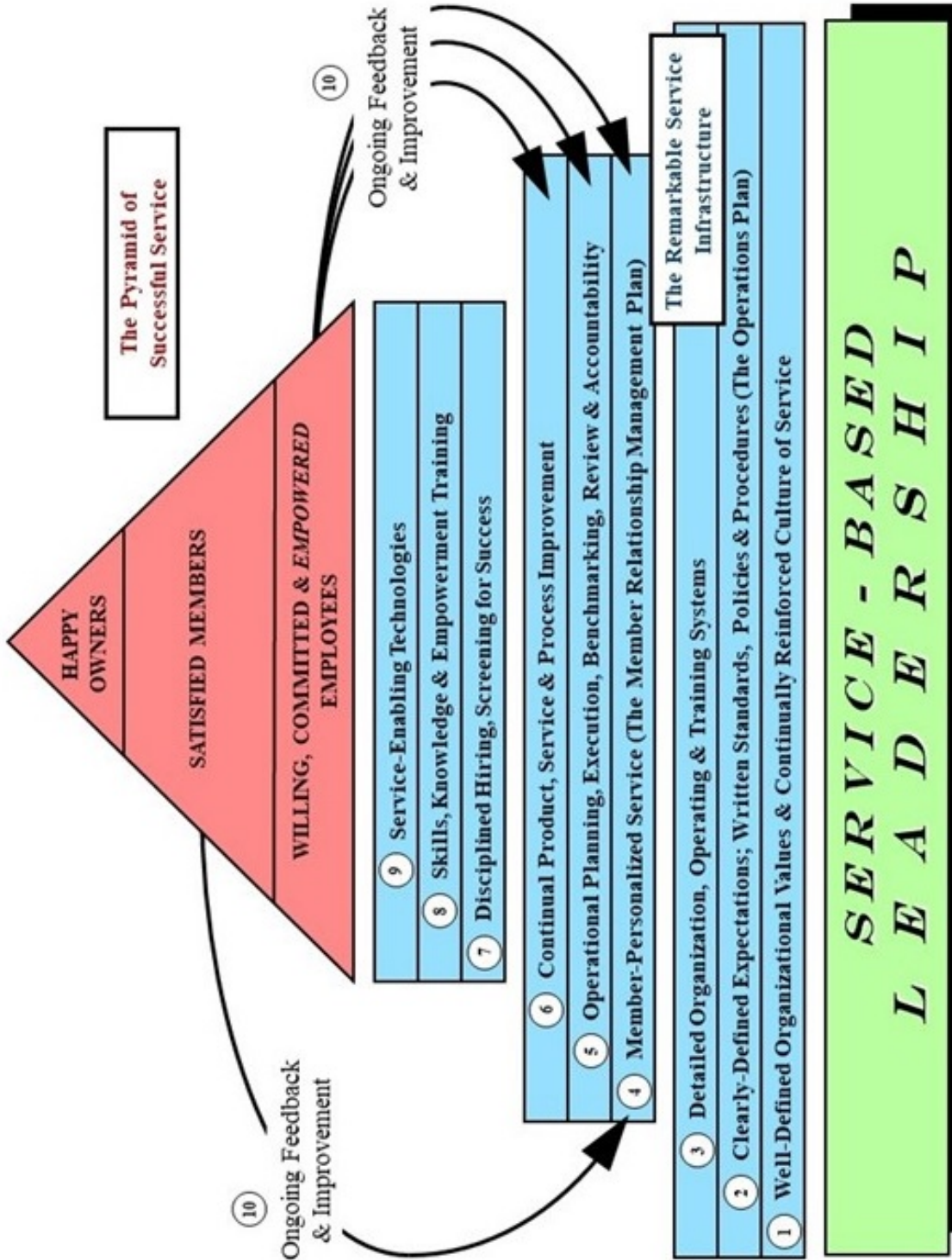
Legendary Dallas Cowboys coach Tom Landry said, “Setting a goal is not the main thing. It is deciding how you will go about achieving it and staying with that plan.”

If you have set the goal, the [Remarkable Service Infrastructure - An Overarching Plan for Club Excellence](#) (see Appendix A for infographic) for a proven structure around which to develop your plan. It’s now up to you and your team to begin the process and stay the course to successful completion.

Good luck to all who embark on this challenging yet rewarding journey!



Appendix A – Remarkable Service Infrastructure Infographic



© 2011 – Ed Rehkopf

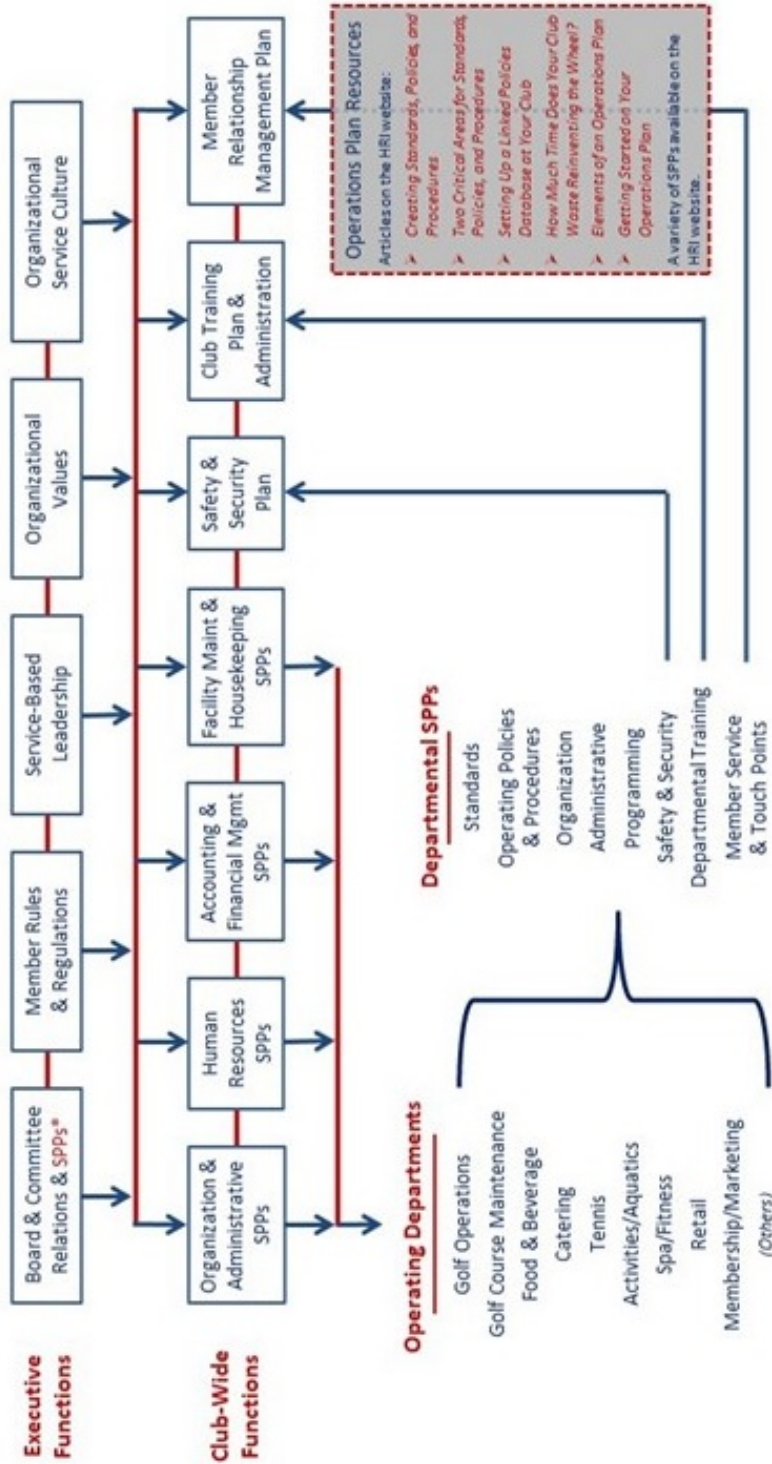
The Quest for Remarkable Service



Appendix B – Club Operations Plan Infographic

Elements of a Club Operations Plan

A club operations plan is the fully-integrated and detailed description of the organizational structure, systems, and processes that enable the multiple operating departments of the club to deliver a seamless, consistent, and high quality private club experience to its members.



Preparing a club operations plan is the most important thing you can do to ensure consistency in your operations while establishing the specific training materials that will bring your club to a high state of quality and service. But an operations plan is no easy thing to create as you can see from the complexity and detail of the included materials in the diagram above. Yet this diagram can also serve as the roadmap to help you design your plan, particularly when you realize that you don't have to develop everything at once and the basic building blocks of an operations plan are the individual "Standards, Policies, and Procedures (SPPs)."

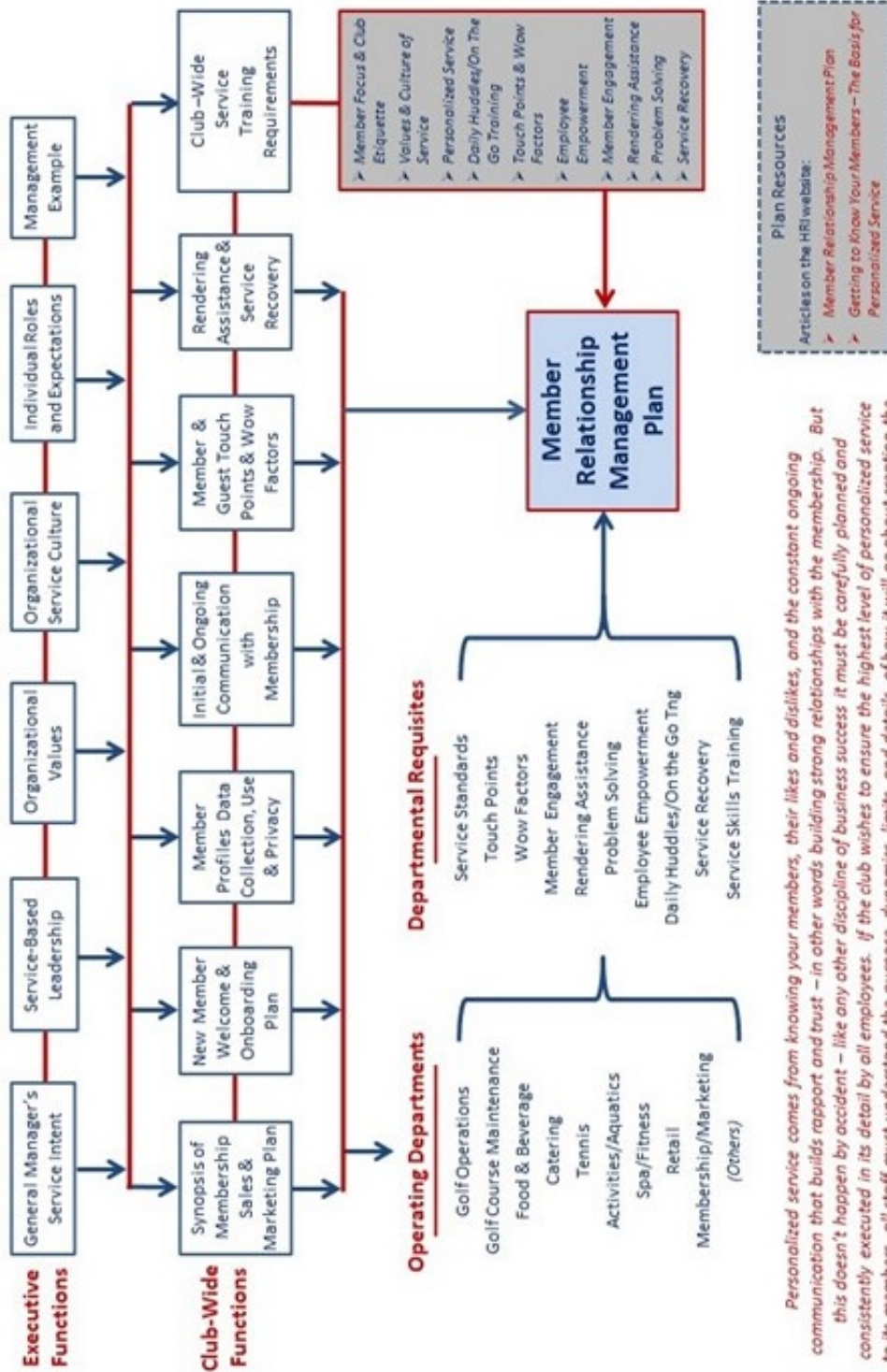
© 2015 - Ed Rehkopf



Appendix C – Member Relationship Management Plan Infographic

Member Relationship Management Plan

A Member Relationship Management Plan describes all elements of a club's effort to build stronger relationships with its members and their guests. As such it is a living document that will change with the evolving nature of those relationships and the innovations and ideas of club management and employees to continually improve the program and render higher and better personalized service to its members.



Personalized service comes from knowing your members, their likes and dislikes, and the constant ongoing communication that builds rapport and trust – in other words building strong relationships with the membership. But this doesn't happen by accident – like any other discipline of business success it must be carefully planned and consistently executed in its detail by all employees. If the club wishes to ensure the highest level of personalized service to its members, all staff must understand the purpose, dynamics, limits, and details, of how it will go about creating the necessary relationships with its members.

© 2015 - Ed Rehkopf

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, university-owned 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.