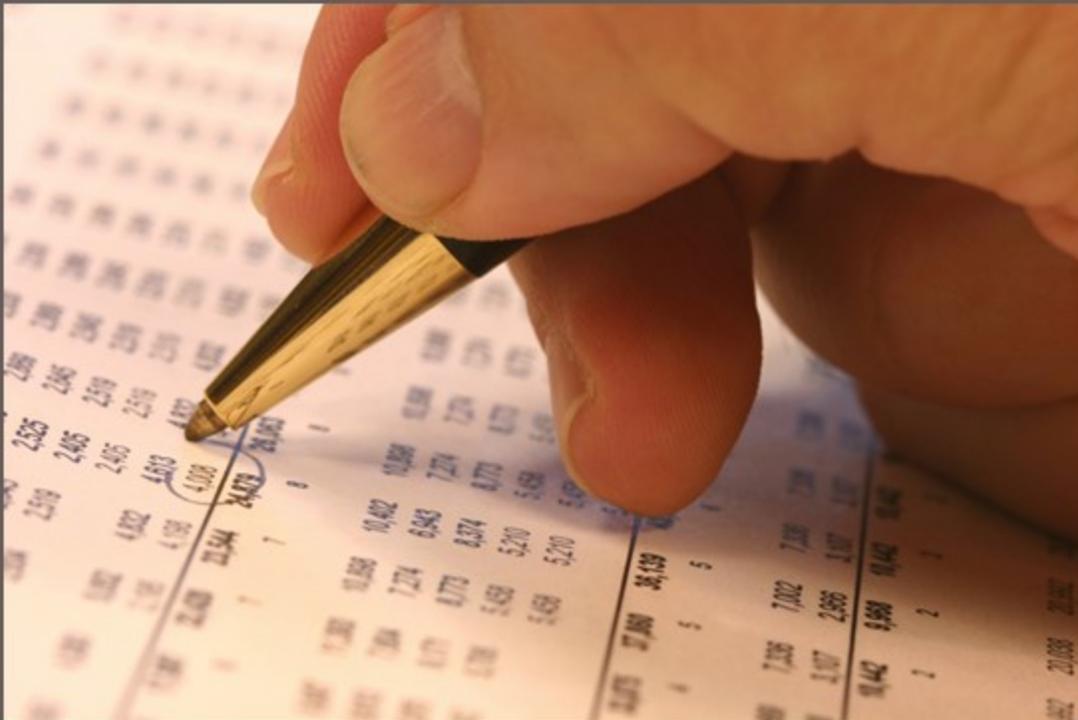


Continual Process Improvement

An Essential Discipline of Successful Clubs



Ed Rehkopf



Continual Process Improvement - An Essential Discipline of Successful Clubs

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 is critical to our success.

Given the many details associated with managing a quality private club, it is imperative that leaders 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 operation 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 seen as too trivial to warrant management’s attention and the establishment of standards, policies, and procedures to ensure it is properly attended to by the staff (see *Insights and Ideas - Beyond Oral History* for more information).

Continual Process Improvement (CPI) 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.



CONTINUAL PROCESS IMPROVEMENT

“The Discipline of Becoming Great”

The purpose of CPI 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 of CPI requires that all managers and supervisors be 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.

To ensure the development of such a discipline, the general manager (GM) must constantly remind subordinate managers of the need to improve and make improving existing operations a key component of their annual work plans. Further, the GM 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 CPI.

Steps to Continual Process Improvement

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

- The leader's will to make it happen.
- A continual emphasis on improvement.
- The habitual methodologies to examine existing processes.
- Well-defined current processes, standards, policies, and procedures.
- Benchmarks to measure performance and improvements.
- The willingness to formally review existing operations and formulate improvements.
- The follow through to make necessary 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, 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 his pricing is appropriate. Also, by reviewing what quantities of various food items were consumed, he or 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 monitor departmental employee turnover rates and conduct exit interviews to determine which department heads need further training in Disciplined Hiring or leadership development.
- All department heads conducting reviews of the important club events to determine what went well and what could be improved upon in future years.



- Annual review of operational 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 food and beverage staff scheduling.
- Review of training material with new hires after their introductory period. Determine how well initial skills training met the 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

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 subordinates will allow the GM to focus on more strategic issues, delegate more day-to-day tasks to subordinates, and monitor the improvement of the operation – department by department.
- Reviewing major events, activities, and programs. Formal review meetings after the Member-Guest Tournament, Mothers' Day Brunch, 4th of July Festivities, summer events, etc., will allow all department heads to review execution and performance. The best time to do this is the week following the event when all is fresh in everyone's mind. Have the club's 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 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 service 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.

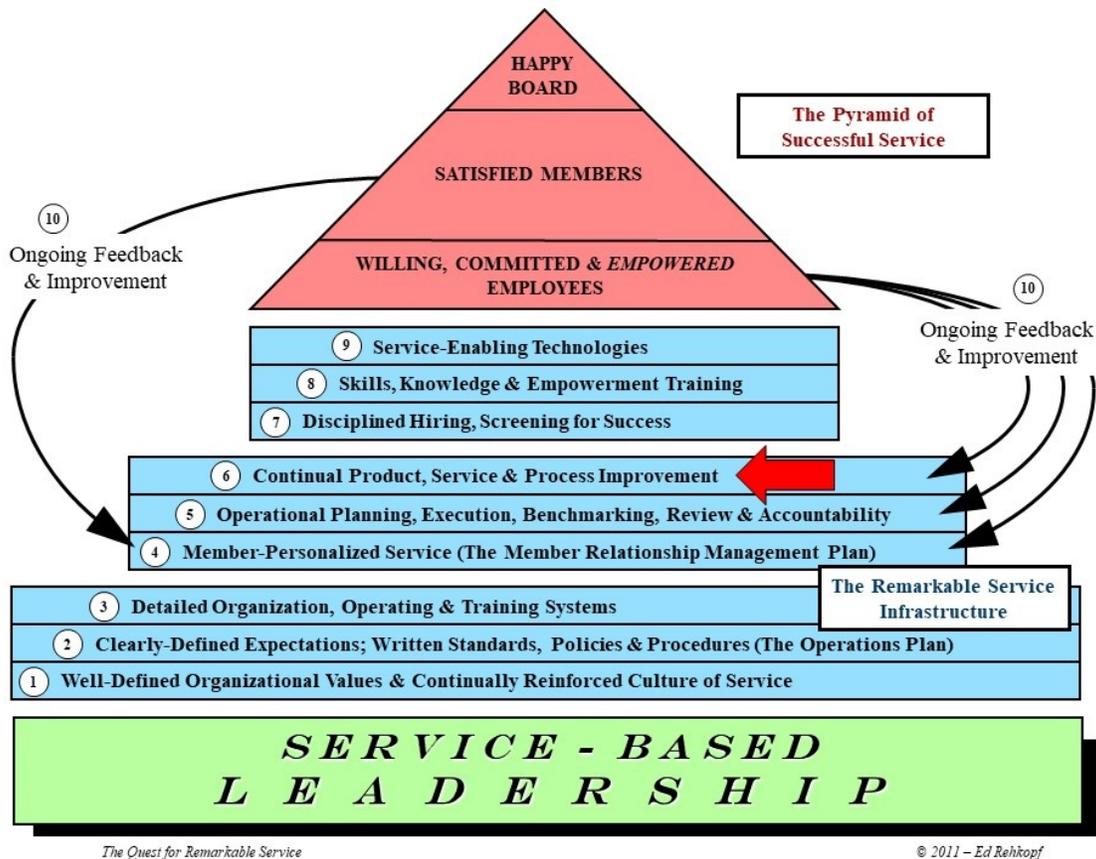
- Conducting individual event reviews using PCPM Form 807 for each event and activity (copies of PCPM forms are available at the PCPM Marketplace store). This form should be filled out routinely after each event by the club activities director and filed for future use.
- Continual general manager interest in improvement is the single most important driver of CPI. When the GM requires department heads to support a robust process of CPI, 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 because of new initiatives or changes to the operation.

For example: *The food and beverage director determined that with improved product training servers will be able to increase wine sales while providing members with a richer and more enjoyable dining experience. Because she benchmarks her wine sales per day, week, and month, she knows that her staff typically sells 97 bottles of wine per month at an average sale of \$16.43. After several weeks of intensive wine training for her employees, she begins to see the number of bottles sold increase, along with the average sale. After four months, her new operating standard is an average of 132 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.*

As can be seen below, Continual Process Improvement is an essential discipline in the Remarkable Service Infrastructure.



(See *Insights and Ideas - Remarkable Service Infrastructure - An Overarching Plan for Club Excellence* for more information).

Brainstorming Your Way to Excellence

It is commonly accepted that two minds are usually better than one, and that in the search for solutions, the free interchange of ideas among a group of people can often produce better results than one person alone. Recognizing this phenomenon, club managers should embrace the idea of periodic brainstorming sessions with all department heads to improve the organization, operation, and performance, department by department, and in the club.

The first and foremost time to do this is during the annual planning cycle prior to establishing annual club and departmental goals and the coming period budgets. Such a session can usually yield results in as little time as two days when properly conceived, prepared for, and kept on task by a clear agenda and the general manager to guide and channel discussions. While two days sounds like a lot of time for busy department heads, in the larger scheme a well-conceived annual plan and budget is a bedrock requirement for successful operations. Those department heads who say they can't spare the time should take a hard look at how they've organized their departments, trained subordinate managers, and delegated duties. If they can't make time for a planning session, it begs the question what will happen to their operation should they get sick or otherwise be incapacitated.



Beyond the planning cycle, brainstorming is a healthy aid to reviewing each departmental operation – one at a time. This can usually be accomplished in a morning or afternoon session with the subject department head briefing other department heads on the organization, operation, and challenges of the department. After this general presentation, the department head can ask his or her peers to offer suggestions and ideas to improve the operation. This will open the door to wider discussions involving standards, policies, and procedures; inter-departmental support and cooperation; quality of guidance or direction from above; a better understanding of individual roles and duties; and improved integration of support systems for operating departments.

While these discussions can sometimes be difficult or uncomfortable, everyone must understand that the purpose and benefit of the session is to uncover issues and find a better way to operate. Given the potential for conflict and discord, the following rules must be spelled out and enforced by the general manager:

- Everyone leaves their egos at the door.
- Everyone will be treated with respect and an emphasis on mutual support and assistance.
- Each person's ideas will be heard and valued for their unique perspective.
- The general manager must be present, engaged, and fully support the process, often making executive decisions to overcome obstacles and bottlenecks.

When properly managed by the GM, brainstorming can:

- Illuminate problems and issues,
- Foster understanding through discussion,
- Point to solutions,
- Generate new ideas and initiatives, and
- Create a sense of shared challenge and teamwork.

But all the above is simply time spent talking unless the brainstorming session generates decisions and a plan of action with assigned responsibilities and timelines to bring the ideas to execution. To ensure this is done, the general manager should require a summary of decisions made and an action plan for each department head.

When this is done and followed through, much begins to happen. With each successfully implemented improvement or initiative, a culture of success and excellence naturally develops and strengthens, carrying the operations and all its managers to greater challenges and even greater success.

Postmortems – An Essential Tool of Excellence

There are many disciplines related to excellence in club operations, but there is none so basic as learning from one's mistakes. This shouldn't be news to anyone. Jim Collins, in his bestselling book on "good" companies making the leap to "great," distilled the formula for success to the following, "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** (emphasis added) in these. It's really just that simple."

We have written extensively on the necessity of discipline in building a successful club operation, as well as the importance of CPI. The willingness to routinely and repeatedly review all aspects of operations to ensure an improved level of performance will bring any club to a state of excellence.

A simple and highly effective tool for such review is the use of *postmortems*. Originally a medical term for an autopsy to determine the cause of death, in common practice *postmortem* has come to take on the broader meaning of examining any action or event after the fact to determine cause(s) and/or means of improvement. The military has a similar purpose in the use of "after action" reports to review plans, execution of orders, and battle outcomes.

Any club embracing a vision of excellence would do well to establish organization-wide *postmortems* as an essential discipline of learning from mistakes and improving future performance. But what sort of things demand such review and how best to do them?

Most important is any action or event designed to entertain or delight members such as entertainment, food service, golf, and sports/fitness activities. Each of these directly impact perceptions of the club's quality, service, and member satisfaction and are expected to be well-conceived, organized, and executed. Ongoing reviews to improve such activities will avoid past weaknesses or missteps, while continually striving for better and more enjoyable events. Use of an Event Review Form, PCPM Form 807, or some similar means of recording post-event ideas and suggestions is a simple way to institute consistent and continual review and feedback.

Beyond these are the ongoing reviews of systems, processes, standards, policies, procedures, training materials and methods, and any other significant function of club operations. Each department head should have both the mindset and focus to continually think and say, "What can we do better, faster, more efficiently, at less cost, and with higher levels of member service and satisfaction?" Employees must be made to understand that their ideas and suggestions are always welcomed and, when appropriate, acted upon to improve the organization.

Tips for maximizing the effectiveness of reviews:

- Conduct the *postmortem* as soon after the event or activity as possible, while everything is fresh in everyone's mind.
- Make sure all parties know in advance that a review will be done so they may be alert for ideas and suggested improvements.
- Include all major players involved in planning and executing the event.
- Make ongoing review of activities and events part of each department head's job description and performance review.
- Ensure that each department head has established an appropriate filing system so that *postmortem* documentation for all events can be quickly found and used in future planning.
- Ensure that the *postmortem* files of departing managers are retained by the club and available to replacements.



- Seek the input of the line employees involved in servicing the event – activity, food service, and golf staffs – as they know better than anyone what worked and didn't work. Given their crucial input and the fact that they might not be available for a more formal review meeting in the days following the event, get their feedback prior to leaving the club at the end of the event shift.
- Consider establishing a recognition and rewards system for line staff when their ideas are accepted and implemented. Managers are expected to improve operations as part of their jobs, but line employees should be recognized and rewarded for their "above and beyond" contributions. Doing this will encourage more employees to offer innovative ideas.

Undoubtedly, many clubs and managers informally review their operations for improvement, but greater and more consistent results will be achieved if every manager and employee, buys into a formal, effort to review and improve the club. *Postmortems* may be performed on cadavers, but a robust, club-wide process of continual improvement, encouraged and supported by the club's leadership, will breathe new life into any operation.

Lists of Tens – Uncovering Your Issues and Opportunities

Television host David Letterman was famous for the Late Night Show Top Ten, a humorous compilation of 10 items usually relating to some prominent topic of the day.

Club managers can also use lists of tens to uncover issues and opportunities as part of a process of continual improvement in their operations. It's a simple matter of asking employees to list their top ten "whatevers." Recognizing that employees are often the people most familiar with an organization's challenges due to their intensive laboring in the details of the operation, I have found that asking for anonymous submissions will yield the most truthful and helpful information about what needs fixing or improved.

Managers must make it clear that it's not required to list 10 items. The purpose is not quantity, it's to get answers regarding what's troubling staff or members. Here are some lists of ten examples:

- Ask food servers for a list of the top ten complaints from diners.
- Ask concierge staff for the top ten questions or requests from members and guests.
- Ask housekeeping and maintenance staff for their top ten obstacles to completing their tasks efficiently.
- Ask the bag, range, and cart attendants for their top ten ideas to provide better or higher levels of service to golfers.
- Ask all employees for their top ten frustrations about working at the club.
- Ask employees for their top ten ideas to wow members.
- Ask turn house and beverage cart attendants for the top ten snack items requested by golfers that aren't carried in inventory.



- Ask the accounting and HR staffs for their top ten frustrations with employee work and departmental submissions.

As can be seen, the list of ten questions can be far-ranging and cover any aspect of employees' jobs and the challenges of service and service delivery. The real benefit in posing such periodic questions to employees is that they often reveal unspoken issues and obstacles that make their jobs more difficult or frustrating. It's a simple matter to take the submitted lists, collate the results, and review for any consensus of opinions. Often some of the issues raised are easily solved by a change in policy and procedures or some minor purchase.

Managers must always thank employees for their input and get back to them about any proposed action to address issues raised or ideas given. It's also important to let employees know if any of the issues will not or cannot be resolved and give the reasons why.

The ultimate purpose of the list of tens is to discover issues and opportunities in the operation. Using periodic lists of ten and acting on the responses sends a powerful message to employees that their ideas and concerns will be listened to and, if possible, addressed.

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 well today, may not be sufficient tomorrow. In a world where rapid change and innovation have become the norm, your club can only maintain its reputation for quality service by continually working to improve that service. In the words of members everywhere, "What have you done for me lately?"

About the Author

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