

What Does It Mean to Run the Club Like a Business?



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“The Business of America is Business” - Calvin Coolidge”

PCA’s series of BoardRoom articles deals with Five Key Steps to Club Success: (1) Having the right “Vision, Mission and Brand Position” statements for your club’s unique market position (2) “Achieving the Ideal Balance Between the “Member Experience” and the club’s “Financial Performance and (3) Communicating with and Educating Our Members.

Almost every issue of today’s club specific publications has a story or article about how clubs should be run as businesses. So true, but what do we really mean by running the club like a business?

“Running each club department the same way, with the same tools and processes, the best companies that only deal with that specific discipline (restaurant, sales, merchandising, etc.) are managed” is PCA’s key step four.

Each club department should be managed just like a company whose only purpose is that particular discipline is managed. For example: the food and beverage department should be managed in the same manner as great restaurant companies such as McDonalds, Cheesecake Factory or Ruth Chris’ Steakhouse are managed – using the same tools, platforms and measurement of metrics. The same goes for every single department in the club. Here is an abbreviated checklist of those tools and processes for each department:

Human resources: Great “people” companies use some of the following to manage personnel:

- Accurate job descriptions
- Strict hiring profiles and testing
- Core competency requirements by position
- Focus on orientation and training
- Compensation guides geared to the market
- Performance management evaluation systems
- Club policies geared towards liability prevention.

Accounting and finance: Great “financial” companies know what to measure, the frequency of measurement and the appropriate format to make the information a “management tool” and they:

- Establish budgets and performance metrics
- Provide systematic and timely reporting of information

- Use the best available technology
- Develop standard report “packages”, and
- Implement performance review standard practices and accountabilities throughout the organization.

Sales (membership, banquet, tournament, merchandise): Great “sales” companies drive revenue through a variety of sales practices:

- Hire true sales people
- Provide tools and systems to manage the customer “pipeline” and monitor the productivity of its sales force
 - Understand the value of yield management and demand creation
 - Products, pricing and services are competitive with the market and provide a “point of differentiation.”

Food and beverage: Great “restaurant” companies use the following tools and processes to deliver outstanding profitable “dining experiences”:

- Understand their customers’ menu and service requirements
 - Use “supply chain” management of purchasing
 - Depend upon menu development and recipe management tools
 - Use ideal cost of sales models and inventory systems
 - Have labor scheduling tools to meet peak demands in the most cost effective manner
 - Use disciplined hiring and training practices.

Personalized member service: Great “customer service” companies create customer loyalty and turn loyalty into revenue by:

- Creating and maintaining a “service culture”
- Providing training and customer service standards
 - Taking a proactive approach to retaining existing customers and acquiring new ones
 - Measuring and monitoring customer levels
 - Continuously measuring “customer satisfaction.”

- The handling of all resumes and administrative work, such as resume receipt, catalog, communication, acknowledgements and correspondence with candidates; the distribution of resumes/cover letters to the committee throughout the resume acceptance period; the teaching of a selection system that allows for a fair rating for all candidates when determining which ones to interview, and guidance throughout the resume evaluation process.

- Direction in developing the framework and questions for candidate inter-

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Retail sales: Great “retail” companies operate using tools and processes to maximize sales per square foot of retail space:

- Forward six weeks supply of inventory
- Strict vendor lists and purchasing standards
- Merchandising Plan-o-grams to optimize impulse sales
- Open to buy inventory management tools
- Inventory control systems connected to point of sale (POS)
- Pricing at retail to maximize customer impact.

Golf course maintenance: Great “task driven” companies use tools and processes to produce the best product in the most cost effective manner:

- “Process mapping”
- Labor management tools
- Preventative maintenance protocols for equipment and facilities
- Productivity measurement metrics.

As you can see, managing the club “like a business” is much more than a slogan. **BR**

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views; the scheduling of interviews; guidance in interview evaluation and rating; an understanding of the candidate’s PGA education and programs; coaching and facilitating the interview process, and leading the candidate debriefing process after interviews.

- An arrangement for background screening – the club receives preferential pricing, if an approved provider is used. In addition, the consultant will identify questions for reference checks.

- Help in finalizing the search, such as making the hiring decision, creating an offer letter, setting goals and ensuring that the chosen candidate’s follow-up performance review is conducted.

Selecting the best PGA member for your facility is one of the most important decisions you will make. For nearly 100 years, PGA Professionals have successfully managed golf operations, serving as frontline managers who generate revenue, while attracting and retaining customers. By continuously acquiring and integrating key skills through lifelong learning and training, they further position themselves as the leaders in a growing and dynamic marketplace.

The PGA of America can help eliminate your administrative burden, so you and your committee can focus on the task at hand – finding the right PGA Professional for your facility. **BR**

Ken Ferrell PGA is a PGA employment consultant. For more information and current pricing for CareerLinks Platinum or to reach your regional PGA employment consultant, contact The PGA of America Employment Department at (800) 314-2713.

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