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Operational Challenges of Private Clubs

Let us recognize that the club business is not rocket science. The basics of what you do are well-known to any club professional. What makes your jobs so challenging is the sheer number 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.

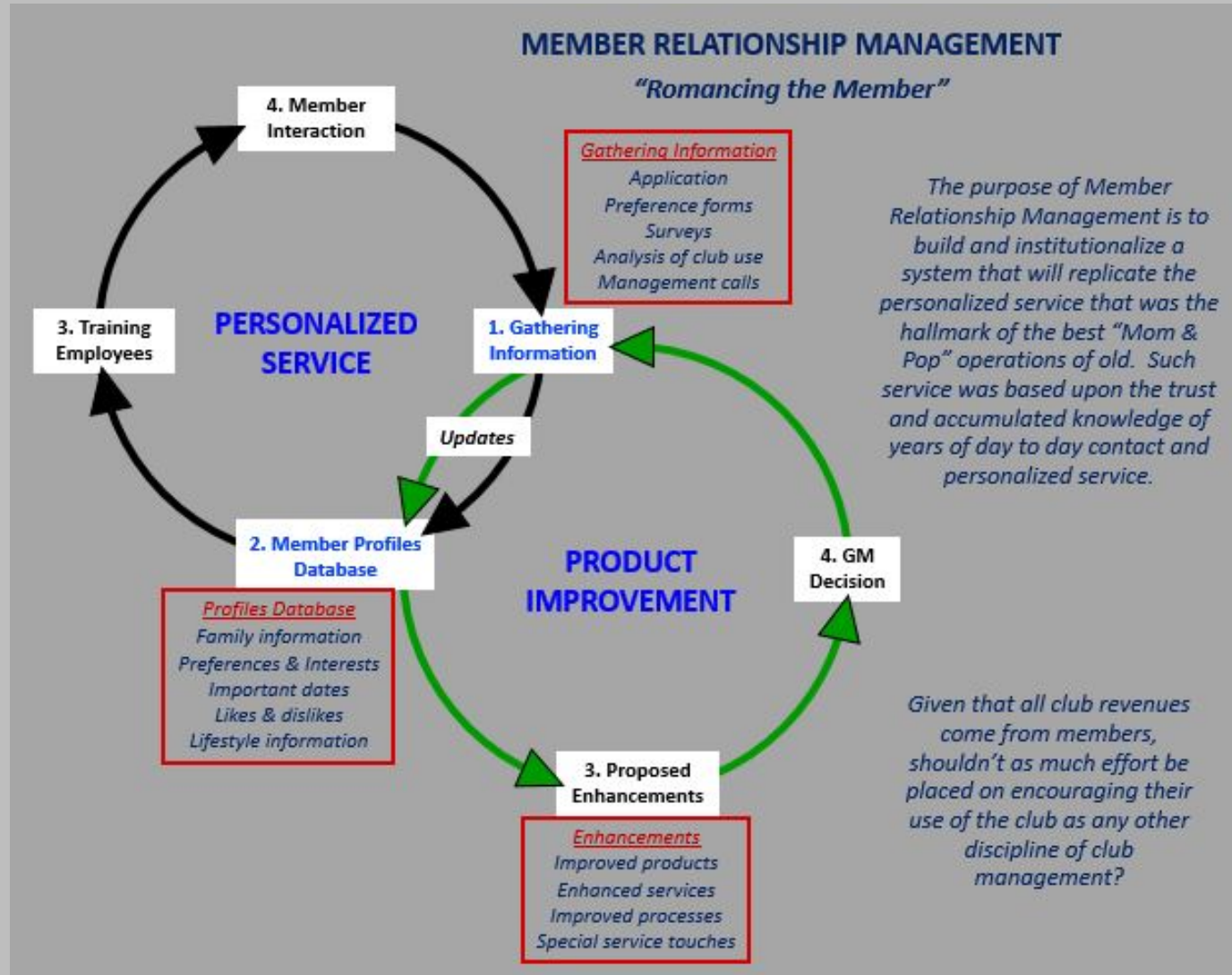
The challenge for all is to transition quickly from storm to calm back to storm while remaining focused on long term goals, ongoing projects, and continual process improvement. The solution is **to organize the club so that most things happen routinely and that managers at all levels be highly disciplined in approaching their duties and efforts to improve the operation.**

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

1. Many clubs are **standalone operations** with limited resources and few economies of scale.
2. Clubs operate multiple businesses—food and beverage, golf, tennis, aquatics, retail, recreation, spas, fitness centers, 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 busy weeks.
3. The club business is both labor and detail-intensive requiring significant ongoing training, in many cases without the necessary resources to adequately provide it. As a result many clubs operate from **oral tradition** resulting in ongoing service failures.
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. In most markets, there is ample competition for the members' discretionary spending—and often from businesses that offer limited, well-designed, and well-executed products or services; whereas clubs must be all things to all members.
6. In a sense, club members are a captive audience and may quickly grow bored or dissatisfied with the same old events and activities. Without the ability and resources to provide frequently changing **wow factor** events, a club staff will often hear the comment, “What have you done for me lately?”



Member Relationship Management



By developing a body of information about each member over time, you can increase the degree of tailoring your products or service and, in the process, strengthen the emotional bond between the member and the club.

Ultimately, Member Relationship Management builds strong **brand** by creating the right blend of **organization, systems, and processes** that allow employees to understand members as individuals, and tailor every interaction with each member to his or her specific needs.

Simply put, the more you know your members, the more you understand their needs, the better able you will be to provide the **personalized service** that members expect from a private club.

Basic Service Issues

There are certain basic service issues common to most clubs.



Offer Special Touches

There are small, yet special touches that demonstrate the club's commitment to service. Special touches should be created for all areas of the operation.

Satisfy High Maintenance Members

Employees should understand that there will always be high maintenance members. Satisfying their higher expectations is a critical part of the job and the ultimate challenge of service. So employees should not dwell on the challenging few; rather, they must recognize each request or complaint as legitimate and focus on the solution.

Maintain Decorum

Clubs typically develop an atmosphere that reflects its membership. Whether formal or casual, the attitudes and behaviors of members will establish an appropriate **decorum** for the club in general and various areas of the club specifically. Employees need to be aware of and maintain this decorum.

Avoid Sensitive Topics and Language

Club employees should always avoid engaging in or responding to conversations with members on sensitive or controversial subjects such as religion, politics, discussions of other members, and ethnic or off-color humor.

Meet Special Service Requests

As an operation that caters to the needs and desires of its members, clubs will make every effort to meet the special requests of its members. Going the extra mile to provide extraordinary service will impress both members and their guests.

Avoid Familiarity

Many members live a more casual, relaxed lifestyle and they naturally carry this casualness into their interactions with club employees. Some members ask employees to call them by their first names and enjoy joking and exchanging banter with employees. This, however, can create a potential minefield for employees.

Enforce Club Rules

Each club has rules and regulations for its members to follow such as dress code, proper golf course etiquette, ready play, prohibition of carrying coolers on the golf course or in the pool areas, etc. Unfortunately, when members do not follow the rules, it is up to employees to enforce them. Often the infraction is unintentional, and the member simply needs a reminder. In some cases it may be best to make an exception in the immediate case to avoid embarrassment, but the member should always be educated in the process to avoid future problems. When informing members of a rule violation, it is always helpful to offer an alternative to the member, for instance, seating inappropriately dressed members in the bar to eat instead of the dining room.

Basic Service Issues, continued

Know your Facility

Every dining room has good seats and bad seats. The good seats are near the fireplace in winter, overlooking the veranda in summer, or a booth for quiet, intimate dining. Conversely, there are tables under air conditioning vents, near pantry and exterior doors, or near a large party of young children that might be less desirable. Your employees should be aware of the good, the bad, and the ugly of the dining room and seat members accordingly.



Know Member Habits

You and your employees should make every effort to learn the habits of members, particularly those who use the club frequently. Whether it's Dr. Jones liking his martinis dry and straight up or Mrs. Smith's inability to tolerate dairy products or Mr. Martin always enjoying a Courvoisier after his meal, these tidbits of information, when followed up on by employees, provide a higher level of service and a personal touch that is always appreciated by the member.

Know Member Names

Members want to be recognized and greeted at their club. These are among the main reasons people join clubs. Learn and use their last names and address them as Mr., Mrs. Ms., Doctor, General, etc., at every opportunity.

Establish WOW Factors

You must recognize that what excites and astounds today will be viewed as old news tomorrow. For the club and its employees to continually provide the unexpected **service touches** that wow members, you must challenge yourself to brainstorm and plan for ways to continually impress. This is not something you should leave to chance.

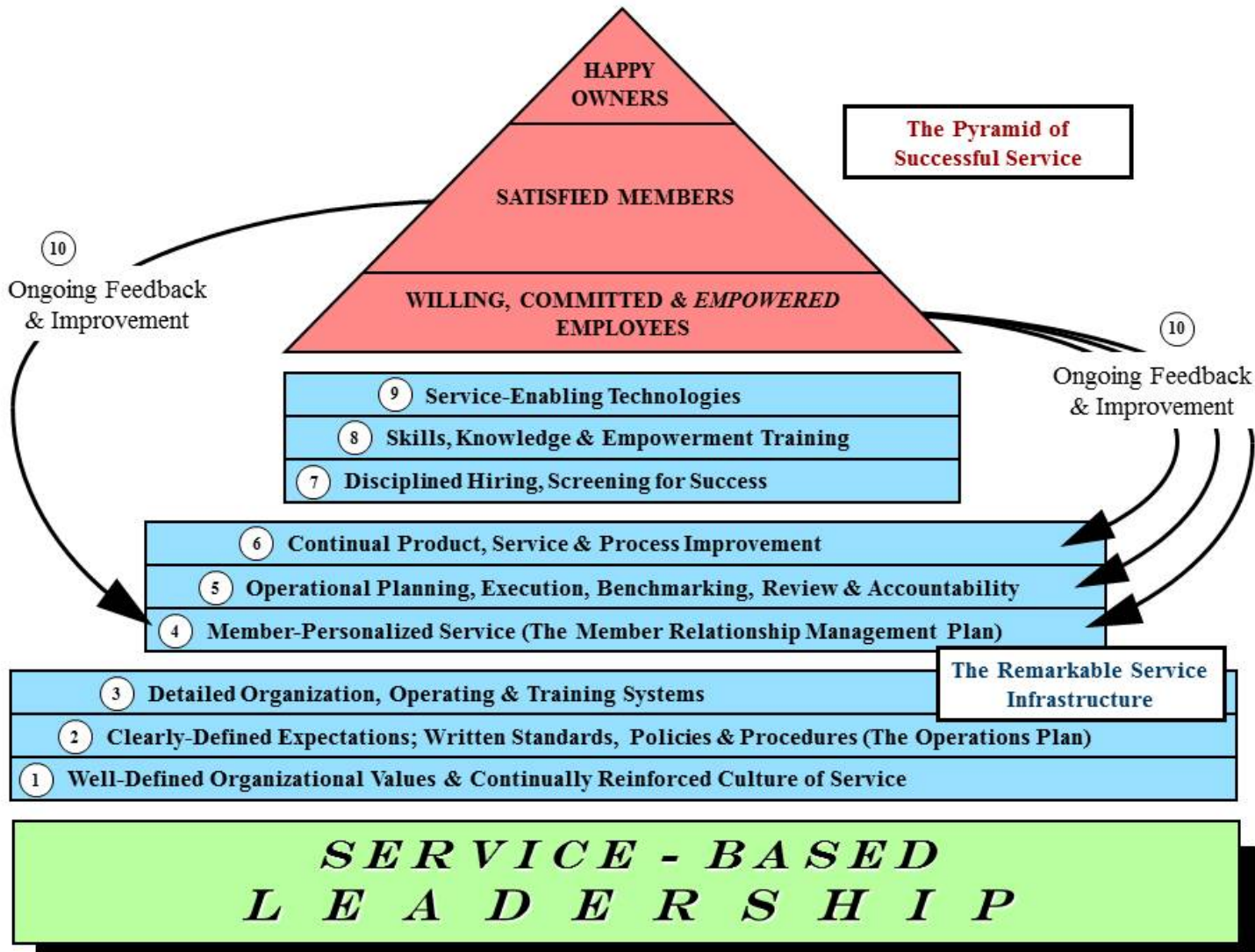
Maintain Club Appeal

One way to ensure that the club is appealing to members is for managers to pretend they are a member. Each time you arrive at work, walk into the club facility as if you are a member or are entertaining guests. Walk around the clubhouse, view the dining rooms and bar area, look in the restrooms; all the time acting as if you have never set foot on the premises. Look from top to bottom and see if you discover something that is out of place, dirty, or in need of repair. Then take action to fix it.

Reinforce Club Value

It is through the daily casual conversation with members that you can build value. Most members pay dues monthly or quarterly, so the club must reinforce to them that their money is well spent. Talk about the upcoming club activities and events, talk about an exciting new offering in the dining room, talk about items of interest that will help them see the benefits of being a member at their club.

The Overarching Plan



This graphic shows the necessary organizational building blocks for constructing a successful private club operation.

[The Remarkable Service Infrastructure – An Overarching Plan for Club Excellence](#) describes in greater detail each of the elements shown in the diagram.

See [Seven Informative Infographics for Club Operators](#).

The Soft Stuff



COURTESY: PEPSICO

Roger Enrico, former Chair, PepsiCo.

Roger Enrico once said,

“The soft stuff is always harder than the hard stuff.”

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 relationships with multiple **constituencies** and the highly nuanced interactions with a diverse workforce that result in motivation, morale, enthusiasm, focus, commitment, productivity, teamwork, organizational cohesiveness, and group success.

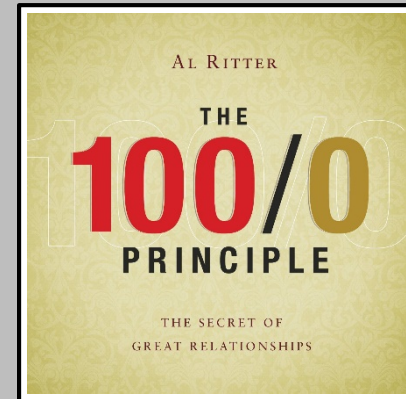
The 100/0 Principle

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 has to 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.

We 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, we 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 her own success.
- A leader is responsible for everything his organization does or fails to do.
- In a free society, all but the most socially or economically disadvantaged followers have choices 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 we 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 the majority of situations, dramatic results are achieved.

Well-Defined Culture of Service



We frequently talk about the importance of developing a 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 provide 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 infuses 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, Service Pocket Cards, or any other formal statements describing the What, How’s, and Why’s of how organizational business should be conducted.

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

What I Expect from My Club Management Team

The Cost of Chaos

Common wisdom tells us that quality costs more, but according to one of the foremost experts on quality this is not the case.

W. Edwards Deming, a man who made significant contributions to Japan's reputation for high quality products and its rise to an economic power in the latter half of the 20th century, wrote extensively about how a focus on quality reduces costs while providing a number of other benefits. Convincingly, his ideas and methods were proven true by numerous success stories—most dramatically the rise of Japanese manufacturing to world class status from the ashes of World War II.

How does a club measure or quantify the cost of confusion, mishandled or incomplete information and orders, time to investigate and correct errors, and member dissatisfaction? The bottom line is that poor quality and disorganization is a major driver of costs in club operations. Conversely, an improvement in quality not only lowers costs but also improves service. The combination of lower cost and better service attracts more member patronage which improves the club's bottom line.

Detailed organizational systems and processes allow the operation to function efficiently. When things happen consistently and routinely in all areas of the operation, employees have the time and the inclination to focus on **quality** and **service**. When everything is messed up all the time, employees will find it difficult to care.

So help yourself and your employees by structuring the routine to happen routinely. This takes both the organizational **discipline** and **will to make it happen**.

When 80% of the details happen routinely, everyone can focus on the 20% that will wow your members.

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 his 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.

Nailing Your Pay Cost Budget

There is a relatively easy way for any manager to measure and understand his or her payroll cost by using the Departmental Payroll Summary Analysis form, PCPM Form 230. The beauty of this form, which is designed for bi-weekly pay periods, is its simplicity. By entering key data available from your controller or payroll processing service into the white cells of the spreadsheet each pay period, you can track:

1. payroll cost compared to budget each pay period throughout the fiscal year and your cumulative year-to-date over or under budget for payroll,

Pay Period:	1	2	3	4	5	6	7	8	9	10	11	12	13	
Ending Date:	1/5	1/19	2/2	2/16	2/29	3/14	3/28	4/11	4/25	5/9	5/23	6/6	6/20	
Payroll Total (\$)	8,143	21,573	21,161	19,131	19,372	19,780	19,987							
Budgeted Payroll	8,000	20,000	20,000	20,000	20,000	20,000	20,000							
Over (Under) Budget	143	1,573	1,161	(869)	(628)	(220)	(13)	0	0	0	0	0	0	0
Cum Over/(Under)	143	1,716	2,877	2,008	1,380	1,160	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147

2. payroll hours by category (regular, overtime, holiday, vacation, sick, and other),

HOURS														
Regular	702.3	1,942.8	1,988.0	1,721.0	1,734.0	1,801.6	1,822.3							
Overtime	1.8	41.3	32.0	20.5	34.8	43	16.0							
Impact of OT	2.6	61.9	48.0	30.8	52.1	64	24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vacation	8.0	0.0	0.0	8.5	0.0	0.0	16.0							
Sick	0.0	0.0	16.0	8.0	0.0	0.0	0.0							
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Holiday	32.0	0.0	0.0	0.0	0.0	24.0	0.0							
Total Hours	744.9	2,004.6	2,052.0	1,768.3	1,786.1	1,832.0	1,862.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0

3. a comparison of your budgeted hours with pay period and cumulative variance,

Budgeted Hours	740.0	1,850.0	1,850.0	1,850.0	1,850.0	1,850.0	1,850.0							
Variance	4.9	154.6	202.0	(81.8)	(63.9)	(18.0)	12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cumulative Variance	4.9	159.6	361.6	279.8	215.9	197.9	210.2	210.2	210.2	210.2	210.2	210.2	210.2	210.2

4. and your average hourly wage computed for each pay period and year-to-date and compared to your budgeted amount.

AVERAGE HOURLY WAGE														
Actual	10.93	10.76	10.31	10.82	10.85	10.80	10.73	#####	#####	#####	#####	#####	#####	#####
Budgeted	10.81	10.81	10.81	10.81	10.81	10.81	10.81							
Variance	0.12	(0.05)	(0.50)	0.01	0.04	(0.01)	(0.08)	#####	#####	#####	#####	#####	#####	#####
Cumulative Variance	0.12	0.07	(0.43)	(0.42)	(0.38)	(0.40)	(0.48)	#####	#####	#####	#####	#####	#####	#####

As you progress through the year, you can monitor trends in payroll, pinpoint the reason for overages (e.g., OT, too many hours, higher than expected average hourly wage) and use this information to develop strategies to bring your pay cost back in line with your budget. Another major benefit of tracking this information is that it permits you to easily budget your payroll cost for the following year since you have a pay period by pay period record of your pay cost, hours worked, average hourly wage, and summary of annual cost, hours, and average hourly wage, all in one convenient location.

If you want greater detail, you can use a separate sheet for each type of position in your department, for main dining room servers vs. grill servers—you'll just have to set up your payroll processing to separately report this detail.

Essential F&B Benchmarks

“Measurement is the first step that leads to control and eventually to improvement. If you can’t measure something, you can’t understand it. If you can’t understand it, you can’t control it. If you can’t control it, you can’t improve it.”

H. James Harrington, author of Business Process Improvement

Benchmarking **key performance indicators** will tell you far more about your operation than just how much of a profit or loss you had in any given period. While every club department should benchmark in detail, there are three key things that the food and beverage department should begin benchmarking immediately:

- 1. Payroll hours by category** (regular, overtime, holiday, vacation, and compensated sick time) and payroll cost—both by pay period. Just the fact that this data is being recorded and looked at regularly will bring down overtime costs, while pinpointing further cost saving opportunities as the ongoing norms of the operations become clearer.
- 2. Sales, cover counts, and average check by revenue category** (appetizers, entrees, desserts, liquor, beer, wine by the bottle, wine by the glass). Taken together these measures will pinpoint whether shortfalls in revenues are caused by declines in volume (# of transactions) or by the average member spend. Since the steps to overcome these deficiencies are different, knowing whether the problem is volume decline or lower average check is critical to turning the situation around. Also, knowing the historical level of sales for each category allows measurement of progress in any attempt to increase revenues by suggesting and describing.
- 3. Sales, cover counts, and average check by meal period** (breakfast, lunch, dinner, Sunday Brunch) by day of week (week by week and month by month). Knowing the member dining habits by meal period and day of week throughout the year will help you forecast business levels and schedule staff more effectively.

Benchmarking these three key measures of cost, revenues, and member spending habits will make you far more knowledgeable about your operation. They will also make preparing budgets for future periods far easier and more accurate.

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

The Case for an F&B 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 range 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 innumerable 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 maintaining 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 multiple key measures and processes to ensure the efficiency of operations.

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 (entrées, 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 suggesting and describing, monitoring margins, keeping everyone on track to meet budget by quickly identifying causes of revenue shortfalls, and providing the raw data for improved budgeting.

- Benchmark hours worked and pay cost by pay category (regular hours, overtime, holiday, vacation, and sick/emergency, etc.) and position (*à 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.

(continued)

Food Service Disciplines

While creativity and innovation are hallmarks of an outstanding culinary experience, it is a daily focus on the basics that makes a foodservice operation profitable. The following disciplines are taught in every hospitality and culinary program, but it's the daily application of these that makes a difference in your team's ability to meet every challenge:

Standardized and costed recipes. Recipes for every menu item, both *à la carte* and catered, must be standardized and costed. This discipline ensures consistency of product and ongoing profitability. Given the volatility of some ingredients, recipe costing should be reviewed on a periodic basis.

Pricing based on known cost structure. The standard method of pricing is to take the cost of each menu item and multiply it by an appropriate factor to cover the cost of labor and other expenses. For instance, a 2½ times factor should yield a 40% food cost; a 3 times factor yields a 33% food cost. This simple formula is all well and good, but if your revenues are below projections and/or your payroll cost or overhead are higher than expected, you may still lose money. Given the interplay of revenues, pricing, volume of business, and cost structure, these numbers must be tracked closely and reviewed frequently.

Portion control. Standardized recipes are costed based upon specific portion sizes. If untrained or poorly supervised employees routinely serve larger than costed portions, your profitability will literally be eaten up. Costly meat and seafood products should be weighed to ensure correct portion size. Ladles of specific sizes should be used to plate specific menu items. Pies, cakes, and other baked desserts should be cut and served using templates to ensure the correct number of portions are realized. Cooks and pantry workers must be trained to prepare and serve appropriate-sized portions. The discipline of measuring alcoholic beverage portions is especially critical to profitability in bar operations.

Labor control. Labor, both front-of-house and in the kitchen, is the single largest expense in a foodservice operation; it is also a continuing challenge to control. Electronic timekeeping systems make it easier for supervisors to verify hours worked, but regardless of the system used, supervisors must monitor payroll hours daily. Close monitoring of employee hours will reduce overtime and “milking the clock,” while allowing daily comparison of payroll costs to revenues. Front of house supervisors should also keep a daily log that notes revenues, meals served, payroll hours, and a subjective evaluation of the smoothness of service. Such an evaluation of each meal period will enable supervisors to better schedule staff.

Benchmarking revenues and expenses. Benchmarking is the act of measuring and analyzing operating performance. In a food service operation there are many things to benchmark, such as meals served and average check per meal period by day of week; payroll hours by position, by meal period, or day; and beer, wine, liquor sold per meal period and day of week. When tracked over time, these statistics become the baseline to project and monitor future performance, stock requirements, and staffing needs.

Benchmarks also allow measurement of member reactions to foodservice initiatives such as new menus or pricing. Most importantly, benchmarking makes supervisors more knowledgeable about their operations. Such knowledge translates into improved decision-making, operational efficiency, and bottom lines.

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Essential F&B Reports

Here are some essential food and beverage reports:

- **Informal daily P&Ls.** These “dailies” show key revenues by category, estimated cost of goods sold based on historical food and beverage cost 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 daily.
- **Weekly Revenue Report.** 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. Food service managers should review this report carefully and file it away for future use. It’s an excellent tool to help budget revenues in future years. If your controller does not prepare such a report, with a little ingenuity food service managers can prepare this report themselves (see next topic for an example).
- **Departmental Payroll Summary Analysis** that details payroll hours by category (regular, overtime, holiday, vacation, and compensated sick time) and cost for the department. As with the Weekly Revenue Report, this report provides detailed payroll numbers for the food and beverage department that are extremely useful in future period budgeting. File these reports for easy access when needed. Again, if your controller does not provide this, arrange to get the information from her and prepare it yourself (see topic 76 for an example).
- **Monthly Benchmarking Report.** Key benchmarks provide important detail about departmental operations. Prepared by department heads, they not only provide the general manager with underlying detail, but they also assure department heads are paying attention to these numbers. Tracking the underlying volume of sales

by category and average check (or member spend) and payroll hours, total payroll, and average hourly wage by position, are critical numbers to benchmark for food service managers. Not only will they make you smarter about your business, but they will be invaluable when it comes to preparing next year’s budget.

- **Monthly Departmental Summary Report** prepared by department heads covering basic monthly performance, problems and issues, projects and initiatives, and progress toward annual department goals, as well as the department head’s work plan. This short summary report (usually no more than one page) is brought to the **Monthly Review of Financial Statements Meeting** (see topic 97) and presented to the general manager.
- **Weekly Catering Sales Report** prepared by the catering director and presenting catering event and revenues for the most recent week, key benchmarks, prospecting efforts, call reports, and 90-day rolling forecast of upcoming events and anticipated revenues.

While this list may seem like a lot of work, once the **discipline** of preparing these reports is established, food service managers will discover that they are just part of operational routine. On the other hand, the benefit of everyone paying attention to **key performance indicators** is well worth the effort. For clubs with enough resources, an alternative is to employ a food and beverage analyst (see topic 95 and 96).

Routine and Habit

Routine and habit are the basis of professional discipline and personal productivity. Organize yourself, set up your operational areas, and train your employees to complete routine tasks routinely.

- **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 staff. Be sure the selected employees are also benefiting by the arrangement through genuine learning opportunity or possibly additional compensation for the tasks. Also, before you delegate any task to another, make sure you have mastered the task yourself, have a complete understanding of any issues involved, and train the selected employee thoroughly—not just by showing 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, staff communication, continual ongoing reviews of your operation, timekeeping, monitoring payroll hours.
 - ❖ Weekly – Payroll verification, forecasting, staff scheduling, reviewing and planning for upcoming events, **real time accounting**, coding invoices, ordering supplies and inventories, ongoing staff training, preparing reports as necessary.

- ❖ Monthly – Inventories, real time accounting summaries, **monthly review of operating statements** and **work plans, continual process improvement**, summarizing benchmarks, reports as necessary, **Monthly Departmental Summary Report**.
- ❖ Seasonal – Event and activity programming, seasonal hiring and terminations, ordering seasonal supplies and inventories.
- ❖ Annual – Planning, budgeting, asset inventory.

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.

Leadership on the Line – The Workbook

“Excellence is an art won by training and habituation. We do not act rightly because we have virtue or excellence, but we rather have those because we have acted rightly. We are what we repeatedly do.

Excellence, then, is not an act but a habit.”

Will Durant, summarizing Aristotle in The Story of Philosophy

Rules of Engagement

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 level of **service**. It is also often the case where 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** when family and friends are present. The challenge then 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 night cocktail hour is a time of conviviality and sociability and you might 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 a renowned speaker for their lecture series 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 thirty-foot putt to win the match. On the other hand, a member hosting her aged parents for Mother’s Day Brunch is not there to engage 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 wife and children.

Past 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. However, 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.



Suggesting and Describing

Every food professional knows that the primary way to increase revenues short of increasing the number of diners is by increasing the average check. This is particularly significant in the club business where there is a finite number of members and cannot attract the wider audience of the general public. But the idea of suggesting and describing, when properly done, also increases the members' appreciation of their meal and the club's food service.

While most menus offer a choice of appetizers, entrées, desserts, wines, and specialty alcoholic drinks, most diners go out to eat with a particular entrée in mind. What they have not thought about, and will not think about until they sit at the table, is what might go well with their entrée? Here is where the astute server can suggest this or that accompaniment to enhance the members' dining experience.

But as any veteran salesperson knows, you can't "sell" what you don't know! Given that clubs hire bright, outgoing, but often young and relatively inexperienced people to work as servers, how do you give them the necessary knowledge to suggest the chef's offerings? Further, recognize that food and beverage is an inexhaustible body of knowledge not easily mastered in a lifetime of learning. While this presents a challenge, it is not insurmountable with a little organization and effort. The following steps, if implemented and persistently practiced, are guaranteed to provide members with a richer and more diverse culinary experience while increasing your club's revenues through higher average checks.

- **Benchmarking.** Break your revenue projections for food and beverage down into volume and average sale. For example, if you know from history that your average check for dinner is \$18.53, you can divide your projected revenue for dinner for a given period by the average check to see how many dinners you will have to sell. If your sales projection is \$25,000 for May, then you must sell 1,349 dinners to reach your goal. You can further break down the goals into weekly or daily targets. By benchmarking your appetizer, dessert, wine, and specialty drink sales, you can likewise determine the current average sale for each and compute a target figure for the number of each you must sell in a given period. If you've not previously benchmarked, your first few months' targets may not be very accurate or realistic, but you can adjust them as you gain experience.

thru yesterday 1/5/2008	Daily Goals		Daily Actual		MTD Goals		MTD Actual	
	#	Avg Chk	#	Avg Chk	#	Avg Chk	#	Avg Chk
Appetizers	8	\$6.80	8	\$6.72	48	\$6.80	45	\$6.82
Desserts	12	\$4.75	10	\$4.64	60	\$4.75	62	\$4.71
Wine, btls	7	\$18.00	4	\$21.65	52	\$18.00	56	\$19.45
Wine, gls	15	\$5.00	17	\$5.03	135	\$5.00	145	\$5.10
Specialty drinks	4	\$6.25	5	\$6.15	36	\$6.25	38	\$6.31

Sun, Jan 6	Daily Goals		Comments / Specials
	#	Avg Chk	
Appetizers	8	\$6.80	Chesapeake oysters on the half shell, doz. - \$9.25
Desserts	12	\$4.75	Crème Brulee, fresh made - \$5.75
Wine, btls	7	\$18.00	J. Lohr Cabernet on special at \$22.50
Wine, gls	15	\$5.00	Firestone Merlot and Chardonnay - \$5.25
Specialty drinks	4	\$6.25	Courvoisier cognac - \$6.60

- **Establish Realistic Goals and Track Results.** Use your benchmark numbers to establish goals for future operating periods for appetizers, desserts, wines, and specialty drinks. Post those goals prominently in the pantry or other central location for your servers to see. Break down your monthly goals for each category into daily goals. Then challenge your servers to surpass those daily goals. Every day post the previous day's and the month-to-date results so every server can monitor their progress toward the goal.

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The Menu Item Selling Sheet is used to educate servers about the menu items offered in the club's dining room. The more information and knowledge servers have about the food and beverage items offered, the better able they are to suggest options and alternatives to members and guests, as well as to increase average checks.

Menu Item: *Wine Braised Veal Shanks*
Main Ingredients:

Veal shanks, bacon, butter, onion, carrot, celery, garlic, white wine

Flavorings (herbs and spices): *Garlic, bay, thyme, sage, salt and pepper, white wine*

Portion Size: *1 Veal Shank*

Cooking / Prep Time *10 minutes:*

Special Characteristics: None

- Vegetarian Locally Grown
 Organic Heart Healthy
 Kosher Other:

Accompanying Sides:

*Garlic Mashed Red Potatoes
 Fresh Greens du Jour*

Possible Allergens: None

- Dairy Gluten
 Peanut Oil MSG
 Shellfish Other:

Cooking Method:

- Sautéed Roasted
 Pan Fried Boiled
 Deep Fried Smoked
 Steamed Other: *Braised*

Product Origin:

- Country: _____
 State: *North Carolina*
 Locale: *Creekside Farms*

Sauces: None, or Main Ingredients: *Cooking reduction, flour, white wine*

Suggested Descriptors:

*Bone-in Richness of Flavor, Fall-off the Bone Tenderness,
 Melt-in-Your Mouth, Glazed with White Wine Reduction,
 Complex Flavorings of Braised Veal, Vegetables, and
 White Wine*

Suggested Wine Pairings:

*Cavallato Barolo
 Chateaufort du Pape
 Any hearty red wine – Bordeaux, Cabernet, Merlot*

Suggested Appetizer(s):

Gorgonzola and Pâté Medley

Suggested Dessert(s):

Drambuie Bread Pudding or Crème Brûlée

Chef's Notes:

Veal Shanks is a great opportunity to sell a body of hearty red wine!

Server Notes:

Menu Item Selling Sheet

We talked of the importance of servers being able to describe the club's menu offerings. Not only does this help in suggesting dining options to members, but it also provides servers with enough information to answer specific questions about the item relating to sauces, possible allergens, and methods of preparation.

Any time the chef prepares a new menu item, he or she should prepare a Menu Item Selling Sheet, PCPM Form 484, or some similar presentation of information about the item. This can then be provided to the service staff to assist them in providing a higher level of professional service to diners.

Since many menu items may be used again on seasonal menus or as daily specials, all selling sheets should be organized and saved for future use. In time many selling sheets will be available at little or no further investment of time.

As noted in the example selling sheet at left, the chef has also provided suggested descriptors, other dining suggestions, and possible wine pairings to help the service staff in their interactions with members. The ongoing use of this food service best practice will enhance the professionalism of the service staff, increase the club's average check, and provide a richer, more enjoyable member dining experience.

Engaging Members with Confidence

Front of house food service employees have intensive interactions with members part of their jobs and there are a variety of things they must do to ensure that they engage members properly and successfully:

- **Be Prepared.** No matter what their job is they must be prepared to meet, greet, and serve members professionally and efficiently. This requires that they be prepared for each member encounter. For food servers this means that they know and efficiently execute all requirements of their positions and that they are thoroughly familiar with service techniques, as well as all F&B items the club serves.
- **Mental *Mise en place*.** *Mise en place* is a French phrase defined as “everything in place.” The phrase is used in a culinary sense to refer to organizing and arranging all ingredients required to prepare menu items. In a broader sense it is taken to mean that all employees, both front and back of house, have done the work necessary to be ready to prepare and serve food. But being prepared mentally is just as important as gathering all ingredients and completing all side work. Mental *mise en place* means that servers are familiar with all F&B products offered and have the right attitude and enthusiasm to deliver high levels of service to members.
- **Smile and Desire to Help.** A winning smile and desire to help are bedrock requirements of service.
- **Know Names and Preferences.** As we have said repeatedly, knowing members' names and dining preferences is a major reason people join clubs. The theme song lyrics for the sitcom Cheers as a place “where everybody knows your name” should certainly apply to a private club.
- **Stand Erect.** Posture and body language say a lot about employee confidence and service attitude. When interacting with members, they must stand confidently erect with head held high. Providing quality service is something they should be proud to do.
- **Be Confident.** Members are not impressed by retiring, servile, subservient, fawning, obsequious, toadying (look these words up in the dictionary) people. They'd much rather interact with confident and competent individuals who take professional pride in what they do.
- **Make and Keep Eye Contact.** Servers must make and keep eye contact while speaking with members.
- **Speak Slowly, Distinctly, and Confidently.** When speaking with members, particularly when reciting daily specials, servers must speak slowly, distinctly, and with confidence. While they may refer to notes, they should not read them verbatim. By spending some time rehearsing the particulars of each special, they can describe them confidently while making eye contact with everyone at the table. Speaking too fast is a clear sign of nervousness and will often require members to ask servers to repeat what was said because they didn't understand.
- **Gauge Level of Engagement.** Servers should always take their cue from members as to how much engagement they want. Servers should never presume familiarity no matter how often they've served a member.
- **Demonstrate Knowledge and Competency.** When servers demonstrate both knowledge and competence in all they do, they favorably impress those with whom they interact. This is true not only at the club, but also in life.

On the Go Training

Given the amount of training that must be done in the detail-intensive club environment and the high cost of training, managers should use the On the Go Training concept to develop short lessons that can be used in the spare moments of every shift.

Clubs face a challenging training burden if they are to deliver the service levels 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 departmental or section employees together at one time for a formal training session. And of course, ongoing turnover requires continual and consistent one-off training for new hires.

The answer to these challenges is to build training programs around the [On the Go Training](#) concept where 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 the club is already paying for this time, put it to good use.

In every department there are hundreds of operational details that employees must learn and be reminded of with some frequency. This is just as true in food and beverage, as it is in golf operations, golf course maintenance, aquatics, and activities. 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 self-instruction. One manager who used Food and Beverage Training on the Go found that the most effective way to use this material was to assign employees the task of teaching each other specific on-the-go topics (see topic 199).

With today's ability to find anything on the Internet with just a few keywords and keystrokes, all the information needed to teach employees values, etiquette, product knowledge, safety, security, sanitation, HR requirements, responsible beverage service, or how to operate and maintain any piece of equipment is readily available. It just has to be formatted for easy use.

Food Service Disciplines Summary

Most club managers would agree that food service is the most challenging part of their operations, but recognizing that knowledge is power, this summary of **disciplines** will enhance any operation's bottom line.

- **Benchmarking revenues, cover counts, and average check by day of week and meal period.** This will help you schedule staff more efficiently, monitor sales trends, and allow you to track the success of new menus and efforts to suggest and describe menu items.
- **Benchmarking payroll cost, hours worked, and average hourly wage by pay period.** This essential discipline will allow you to stay within budget, monitor overtime, and control your most significant expense.
- **Formal forecasting** by using historical cover benchmarks and knowledge of upcoming events, external factors, and optimum staffing levels, you can ensure expected service levels in the most cost-effective way.
- **Timely and accurate inventories and benchmarking of inventories.** This will ensure budgeted cost of goods sold and identify any adverse anomalies or trends for investigation. A further discipline that will yield significant benefits is to identify and inventory high value items weekly.
- **Sales mix analysis.** This discipline will help you understand your members' dining preferences while protecting profit **margins**.
- **Basic dining policies.** Well-thought out and promoted dining policies will give all members an equal opportunity to enjoy the dining services while ensuring the highest service levels for all.
- **Consistent pre-shift meetings** with a purpose and continual **On the Go Training**. There is no better way to prepare and train your staff for service.



- **Product knowledge and suggesting and describing training** for servers. They can't promote what they don't know, and servers well-trained in these techniques will enhance your members' dining experiences, while increasing your operation's average check.
- **Suggesting and describing feedback.** If servers are provided daily sales goals and feedback on their efforts to suggest and describe, they will be far more engaged, enthusiastic, and effective in increasing their average checks. You just need to provide the numbers to them on a daily basis.
- **Real Time Accounting.** This powerful discipline of tracking revenues and expenses in real time will ensure your bottom line, make you more knowledgeable about your operation, and make preparing future budgets a breeze.

Food service managers must make these **disciplines** part of their daily and weekly routines. Once these disciplines are instituted and mastered, many of them can be delegated to properly-trained and motivated subordinates. When consistently applied, these basic and commonsense disciplines will ensure both profitability and member service. What more could you want for your operation?

Key Terms and Definitions

- **100/0 Principle** – title of a book by Al Ritter advocating that if you want any relationship to be successful, you must take 100% responsibility for the outcome while expecting nothing in return; a particularly important counter-intuitive concept for leaders.
- **Accountability** – the obligation to accept responsibility for one's actions, specifically for the performance of an operating unit for which one has authority and is responsible.
- **Benchmark(s) (ing)** – the act of measuring and analyzing operating performance.
- **Best practice** – a method or technique that has consistently shown results superior to those achieved by other means.
- **Bottom line responsibility** – responsibility for the financial performance of an operating unit; figuratively: responsible for the performance of all aspects of the operation.
- **Brand** – a name, term, design, symbol and methods of operation that distinguishes one commercial enterprise from others. Brands are used to readily identify and market one's company or product.
- **Chart of accounts** – a chart of the numerical codes identifying the ledger accounts in an accounting system.
- **Checklist** – a list of steps to be followed in any set of procedures; used to remind and as a tool for accountability when dated and signed by the completing individual.
- **Comprehension** – the act or capability of understanding something.
- **Constituents (cies)** – those individuals or groups who depend on you and for whom you must provide leadership and service.
- **Continual process improvement** – 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.
- **Culture of service** – the sum 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 attitude, commitment, and methods of providing service to members.
- **Daily huddle** – a habit of employees meeting briefly at the start of each shift to review a wide variety of topics and issues impacting their performance; also pre-shift meeting.
- **Decorum** – proper and polite behavior.
- **Demeanor** – a suggestion of one's attitude toward others as expressed in outward behavior.
- **Discipline** – any activity, exercise, or regimen that develops or improves a skill.
- **Disciplined** – working or behaving in a highly purposeful manner guided by personal standards and habits.
- **Disciplines, management** – those prescribed management practices that contribute to the performance of an organization or enterprise.
- **Due diligence** – measure of prudence, responsibility, and care that is expected from a reasonable person in evaluating associated risks in all transactions.
- **Economies of scale** – the cost advantages that enterprises obtain due to size, output, or scale of operation.
- **Employee empowerment** – the perception and understanding by employees that they can, within defined limits, use their own initiative and ideas to solve organizational problems with the support and backing of their leaders.
- **Engagement** – involvement; in this instance, leaders involved in the efforts of their followers and employees in their work and service to members.
- **Expectations** – clear statement of standards and expected performance.
- **Expense dictionary** – an alphabetical listing of which general ledger accounts individual expenses are charged; used to promote consistency in coding invoices.
- **Fair Labor Standards Act** – a 1938 Act of Congress, establishing the forty-hour work week, a national minimum wage, overtime pay for certain “non-exempt” jobs, and prohibition of some types of employment and work by minors; amended many times over the years to add new protections and raise the minimum wage.
- **Freedom to fail** – the acceptance of failure as a necessary risk in innovation; allowing subordinates the latitude to exercise, within established limits, their own initiative and innovation in solving problems without fear of punishment.
- **Generally Accepted Accounting Principles (GAAP)** – the standard framework of guidelines for financial accounting used in any given jurisdiction.
- **General Ledger** – the book of final entry summarizing all of a company's financial transactions, through offsetting debit and credit accounts.
- **Hedgehog Concept** – according to Jim Collins in his best-selling book *Good to Great*, “the piercing insight into how to most effectively generate sustained and robust cash flow and profitability”; an essential focus in Good to Great companies.
- **Holistic** – encompassing the whole of a thing, and not just the part(s).
- **Incremental progress** – the process of taking a large or long-term goal and segmenting it into a series of steps to complete the larger whole; continual progress toward a goal.
- **Insight** – the ability to gain an accurate and deep intuitive understanding of a person, thing, or idea.
- **Internal control** – the systems and procedures established and maintained to safeguard a club's assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.
- **Internal customer** – anyone within an organization who at any time is dependent on the work or efforts of anyone else within the organization.
- **Job description** – a listing of the principal duties expected of a certain position in an organization.
- **Key performance indicators (KPIs)** – those business operating statistics and benchmarks that are significant in measuring and revealing the performance of the enterprise.

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 private golf and country clubs, worked in golf course development, and launched a portal web site for the club industry.