



# **Private Club Performance Management**



## **Readings in Leadership & Management 3**

**Ed Rehkopf**



**Table of Contents**

Let's Talk Training . . . . .	1
Training: The Achilles Heel of Private Club Operations . . . . .	1
Training Requirements for Club Operations . . . . .	2
The Impact of Poorly-Trained Managers . . . . .	3
Yes, Your Employees Need Training, But ... . . . .	4
Training Strategies: Planning and Preparation . . . . .	5
Training Strategies: Tools and Implementation . . . . .	7
Could It Be Any Easier? . . . . .	9
Detailing Your Club Operations . . . . .	10
Franchising Your Operation . . . . .	11
How Much Time Does Your Club Waste Reinventing the Wheel? . . . . .	12
Structure for "the Groove" and Avoid "the Rut" . . . . .	14
Good to Great: Freedom and Responsibility within a Framework . . . . .	16

### **Let's Talk Training**

Why is training so important in private clubs? The answers to this basic question are simple and just plain common sense. Here are the most compelling reasons:

- Clubs are detail-intensive – there is much for managers and employees to learn and know.
- Service is people-intensive – it takes a lot of people in all areas of the club doing all the right things day in and day out.
- Members expect and should receive a higher level of quality and service than they get from open-to-the-public enterprises.
- Club relationships and engagement with members are far more personal and critical to success than in other hospitality sectors. To do this well requires ongoing employee training for understanding, subtlety, and nuance.
- Clubs, like most hospitality operations, experience fairly high levels of staff turnover, particularly in the critical service area of food and beverage.

For all these reasons, any reasonable club manager would recognize the absolute importance of initial and ongoing, consistent and formalized training for all employees. Yet in far too many clubs, training is an afterthought or haphazard in design and implementation. So, if training is so important, why is this the case and why can't we do better?

### **Training: The Achilles Heel of Private Club Operations**

Recognizing that we work in a detail-intensive business, most club managers understand that comprehensive and systematic training for both subordinate managers and line employees is an imperative. Yet, the sad fact is that training is an afterthought in many operations, left up to department heads or front-line supervisors to conceive, design, and implement.

I offer the following as some of the reasons that training is so difficult for all of us:

- The standalone nature of most clubs. Busy managers have little time and, in some cases, lack the necessary skills to design a comprehensive training curriculum for employees. Complicating this is the fact that club operations span many disciplines, including accounting, human resources, marketing, member relations, golf operations, food and beverage, aquatics, golf course maintenance, and other areas. Few managers have the detailed knowledge of all these disciplines to design well-integrated systems, policies, and procedures that cover all areas of the operation.
- The general manager and management staff have not formally defined the standards of quality and service they wish to provide the membership. Without formal standards, how do they determine their training needs?
- Given the many jobs in club operations, there is a need to develop a curriculum for each position to provide employees the appropriate skill set. This is a daunting task, though focusing on critical member-facing positions is the first step.
- In addition to individual skills training, employees must be trained in the club values and culture or service; laws affecting the workplace; employee work rules and policies; liability abatement training such as safety, sanitation, and public health; human resource issues such as sexual harassment, discrimination, conduct, and performance criteria; accounting policies and procedures relating to their

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

### **The Impact of Poorly-Trained Managers**

Poorly trained managers and supervisors can do far greater damage to your operation than line employees by failing in any of the areas below:

- Managers and supervisors direct your front-line employees. If they don't have a complete understanding of their duties and your expectations, your service message and vision for the club will not be passed consistently to employees.
- A management team with different leadership styles ranging from service-based, to military, to athletic, to collegial, to Neanderthal, will not interact with employees consistently or fairly – and consistency and fairness are touchstone issues in meeting the requirements of equal opportunity, discrimination, morale, and motivation. Ideally, an organization would have one management and leadership style, endorsed by the board and supported and modeled by the general manager and practiced uniformly by all managers and supervisors. Anything less invites inconsistency and trouble.
- A club's organizational values and culture require constant reinforcement to all employees and must be consistently emphasized in word and deed by management. Without appropriate manager training and development, the example and message will be inconsistent and conflicted.
- Managers and supervisors are your people with the answers. In addition to their job specific knowledge and skills, they must have a thorough understanding of all the club's rules, regulations, work policies, member policies, administrative and accounting systems and procedures. Without training they cannot have a firm grasp of these complex and interrelated matters. Stop for a second and consider the problems that can be caused by two different managers giving inconsistent direction or answers to employees or members.
- Managers and supervisors act as agents of the club. If they do not have an in-depth understanding of all the laws and governmental regulations affecting your club, it may be open to liability issues and litigation. Examples include: the Fair Labor Standards Act, the Occupational Safety and Health Act, Alcohol Law Enforcement regulations, Equal Opportunity issues, Sexual Harassment, Food Sanitation, the Americans with Disabilities Act, the Family Medical Leave Act, and others. While you may have experts in each of these matters on staff, their knowledge must be shared with other managers to avoid what could become significant problems for the club.
- Some think that ethics training for managers isn't necessary, but experience shows this to be an unrealistic assumption.

To expect that different managers with different backgrounds and experiences from a variety of operational disciplines – golf, golf course maintenance, accounting, personnel, facility maintenance, food and beverage, membership, activities, tennis, and aquatics – will have a common understanding and application of leadership is unrealistic.

Without strong, stable, and consistent leadership and direction at all levels of the organization, your club is a collection of tribes, often at odds or in conflict – and this is no way to run a high-performing private club.

- **Human Resources in the Go** – 84 Human Resources coaching topics covering employment laws, hiring, onboarding, employee development, training, performance reviews, and necessary HR policies. These topics are designed to assist your management team in meeting all regulatory requirements and HR best practices.

Each of these coaching tools can be purchased individually on the [PCPM Marketplace store](#).

Clubs that engage in a formal program of coaching experience significant benefits, ranging from improved morale and engagement from people who recognize their employer's commitment to their development, to enhanced performance resulting from a focus on the fundamentals of the business, and to pride in belonging to a high-performing operation.

Lastly, there is no greater satisfaction than that of the coaches who share their knowledge and experience in a meaningful way with those following in their footsteps.

### **Training Strategies: Planning and Preparation**

I maintain that a lack of training is the Achilles heel of club operations. Without formal and consistent training, a great number of clubs suffer from high employee turnover, member complaints about poor service, lack of organization, and generally inefficient operations – all of which have a negative impact on member satisfaction, recruitment and retention, and ultimately the bottom line.

Here are some of the strategies to design and field a more robust, formal training program for both line employees and management:

- Start with a plan. As with any major project, there must be a plan. Things to consider when planning include goals, program requirements, training principles; priorities, budget, timelines and milestones; curricula by position; equipment and supplies, resources and materials; benchmarking, administration and documentation; plan and implementation review; and designated responsibilities.  
  
Tip: Start small and grow. You don't have to do everything at once. Pick key member-facing positions with the greatest number of employees to get your biggest bang for the buck. But don't neglect the importance of manager/supervisor training. In the long run a well-trained, knowledgeable, consistent, and disciplined management team will be far more valuable to your success than anything else.
- Appoint a Training Manager to shepherd the project. Assign this responsibility to an existing department head. This individual will draft and present the plan, oversee its implementation, and report directly to the general manager on plan progress and developments.  
  
Tip: The training initiative should have the absolute and enthusiastic support, backing, and "will to make it happen" of the general manager or it won't go anywhere.
- Charge each department head with the task of developing a curriculum outline for each position in his or her department. These are the topics that employees in any given position must be familiar with. Much of this information should be written, but some must be communicated or taught by other means, such as demonstrations, You Tube videos, etc. In addition to the "what" (curriculum topics by position), the outline should also include "who" must learn the material, "when" it must be learned, and "how often" it must be taught for material that requires ongoing refresher training, such as sexual harassment, safety training, sanitation, and others.  
  
Tip: For service skills positions, the standard four-step training process of "Tell-Show-Do-Review" can be improved upon by Jim Sullivan's 7-step process:

### **Could It Be Any Easier?**

Well, yes it certainly could!

It's club management of which I speak – and we all know it's a challenging and often difficult profession with a complex set of realities to negotiate on a day in, day out basis.

In the interest of preserving your personal life and sanity, it's important to search out and implement plans and programs to make your job easier and more fulfilling while at the same time providing your various constituencies – the Board, the club's membership, management team, and employees – with the implied promise you made when accepting the position of general manager.

So, what was that promise? Meeting the highest expectations of all constituencies.

- For the Board – doing all you're capable of to meet and exceed their agenda to make their club great while making them look good.
- For the membership – getting to know them well enough to understand and exceed their collective expectations for quality, service, programming, and enjoyment of their club.
- For your management team – providing them with the leadership, direction, and coaching to enhance their sense of purpose, professional skill set, and personal satisfaction from participating in a well-managed and high performing operation.
- For the club's employees – providing them with more than just a paycheck by engaging them as partners in your quest for remarkable quality and service.

When viewed in this light, the undertaking of managing a private club is a tall order regardless of the club's state of affairs and made all the more challenging by the standalone nature of most clubs.

Some might argue that they made no such promise to the club's stakeholders, yet that's exactly what one does in presenting themselves as a club management professional who has the wide-ranging talents and skills to operate a private club no matter the extent of amenities and membership price point.

To repeat myself – could it be any easier? The simple answer is yes, it could, but only when you operate your club as a franchise – a well-organized and efficient enterprise where everyone knows what's expected of them and effortlessly executes the daily routines.

In speaking of franchises, Michael E. Gerber, author of the bestselling *E-Myth Revisited*, says, "Without a franchise no business can hope to succeed. If, by a franchise, you understand that I'm talking about a proprietary way of doing business that differentiates your business from everyone else's. In short, the definition of a franchise is simply your unique way of doing business."

The obvious implication for clubs is that to be successful you must define your expectations, standards, policies, procedures, and work processes and organize your club as if it were a franchise – one where how it interacts with its members and how quality and service is delivered sets it apart from all others.

While the effort to establish such a "franchised" operation is not insignificant, the major benefit of such an approach is that much of the day-to-day functioning of the club takes place routinely, allowing management to focus on strategic issues, guiding the deliberations and direction of the Board, and providing extraordinary levels of personalized service and programming to the membership. To summarize:

- When the basics of an operation are routine, everyone's focus becomes the extraordinary in all areas of the operation – in quality, service, and programming.



- Foster employee empowerment to deal with the unscripted moments and challenges of service. Management can never foresee all the contingencies of service. Employees, with the full backing and support of their supervisors, must be encouraged within the parameters of their training to use individual initiative to overcome any service challenges.
- Utilize organizational structure to institutionalize consistent service delivery. What we do ain't easy! Help yourself and your employees by structuring the routine to happen routinely. This takes both the will and the organizational discipline to make it happen. When 80% of the details happen routinely, everyone can focus on the 20% that will wow your members.
- Institute a robust process of continual improvement to analyze and enhance service and service delivery, detail by detail, department by department. As we say in Continual Process Improvement, "Given the many details associated with managing a quality club operation 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 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 too trivial to warrant management's attention and the establishment of standards and procedures to ensure it is attended to by the staff."

While many owners and managers will say their success is dependent on location, location, location, in the demanding world of private clubs, it's how we handle the details that determine our level of service and success.

### **Franchising Your Operation**

The underlying theme of much that I have written about is the need to document all aspects of your operation. This is especially true of standalone enterprises with limited resources and no economies of scale. Without an effort to establish expectations, standards, and processes, you'll be forever reacting to daily crises and addressing issues and challenges on an ad hoc basis, which inevitably results in chaotic and inconsistent operations.

Compare this to the success of franchised operations which are built upon carefully crafted and well-documented processes for all aspects of the business. Michael E. Gerber, author of the bestselling *E-Myth Revisited*, goes so far as to say, "Without a franchise no business can hope to succeed. If, by a franchise, you understand that I'm talking about a proprietary way of doing business that differentiates your business from everyone else's. In short, the definition of a franchise is simply your unique way of doing business."

The obvious implication for clubs is that to be successful you must define your expectations, standards, policies, procedures, and work processes and organize your club as if it were a franchise – one where how it interacts with its members and how service is delivered sets it apart from all others.

While the effort to establish such a "franchised operation" is significant, the major benefit of such an approach is that much of the day-to-day functioning of the enterprise takes place routinely, allowing the general manager to focus on strategic issues, managing the deliberations and direction of the board, and providing extraordinary levels of personalized service to the membership.

To assist club managers in their efforts to document their operations, Private Club Performance Management has created many operational resources. Some can be downloaded at no cost, while others can be purchased at reasonable cost from the PCPM Marketplace Store.

Michael E. Gerber in his best-selling book *The E-Myth Revisited* [E for entrepreneur], describes the strength of franchised operations based to a great degree on the depth and quality of their written operations plans and says, *'To the franchisor, the entire process by which the business does business is a marketing tool, a mechanism for finding and keeping customers. Each and every component of the business system is a means through which the franchisor can differentiate his business from all other businesses in the mind of his consumer. Where the business is the product, how the business interacts with the consumer is more important than what it sells.'*

And ensuring that every employee knows how to interact with customers in every situation is what ensures the success of the franchise. Gerber goes on to say, *"... without a franchise no business can hope to succeed. If, by a franchise, you understand that I'm talking about a proprietary way of doing business that differentiates your business from everyone else's. In short, the definition of a franchise is simply your unique way of doing business."*

When you truly understand this, you recognize that to be successful in the challenging world of club management, you must define your standards, policies, procedures, and work processes and organize your club as if it were a franchise – one where how it interacts with its members and how service is delivered sets it apart from all others.

So, what exactly is an operations plan and how can you go about preparing one for your club?

While this author found several definitions in searching the Internet, they all revolved around the concept of documenting the way an enterprise conducts its business. To produce a more club-specific definition, I offer the following:

*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.*

The key words and phrases in this definition are:

- **Fully-integrated** meaning consistent across all operating departments.
- **Detailed description** of all the club's individual standards, policies, and procedures.
- **Organizational structure** describing the interrelationship among all functional areas of the operation.
- **Systems** meaning the integrated body of standards, policies, and procedures supporting each functional area or department.
- **Processes** are the individual standards, policies, and procedures to consistently accomplish required actions.

While I think Mr. Muehlhausen is spot on with his advocacy of the importance of an operations plan, I disagree with him (at least when it comes to club operations) when he says, "There are no template programs to create an operations plan. The plan is custom to your business, so you cannot 'borrow' someone else's and modify it. You have start from scratch."

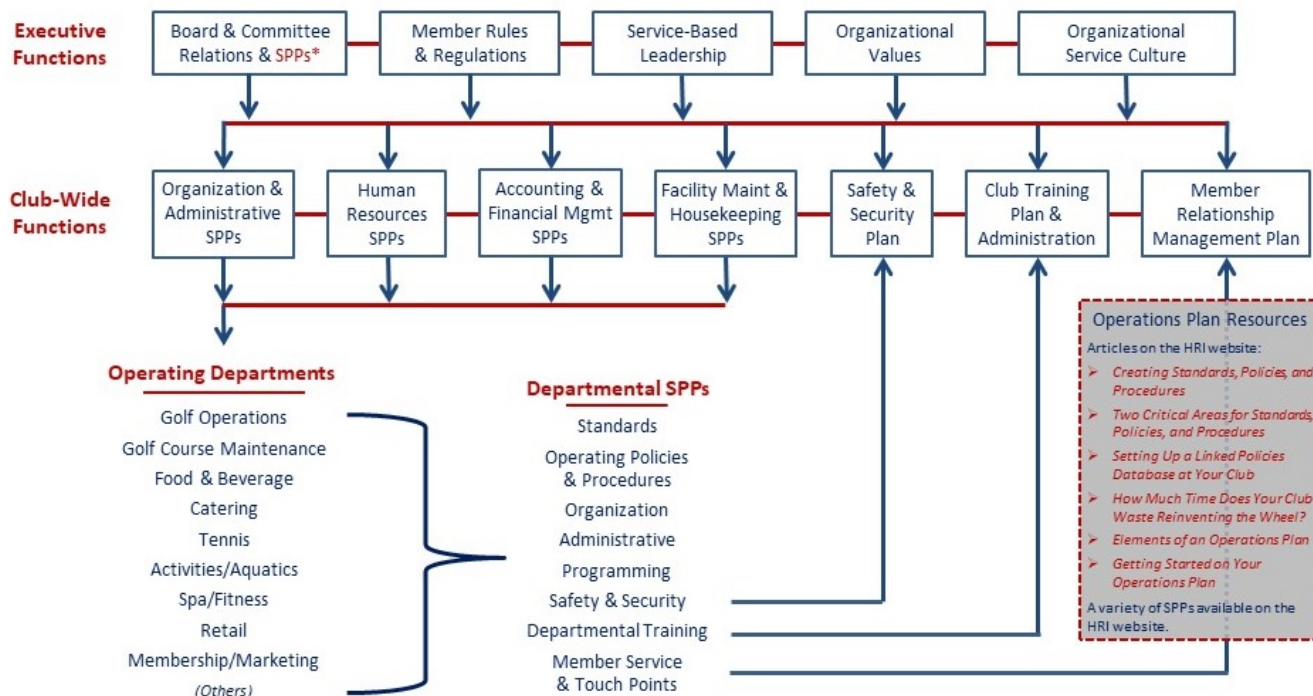
I say this because Private Club Performance Management has created many standards, policies, and procedures that can act as a template and be customized for individual operations. After all, what we as club managers do is similar from club to club and industry best practices are well-known and widely used. See the Elements of a Club Operations Plan infographic below for more information.

\*The book is: *The 51 Fatal Business Errors and How to Avoid Them*, 2nd Ed., Jim Muehlhausen, Maximum Communications, Indianapolis, 2008.



## 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

See PCPM Organization Series, [The Club Operation Plan – A Legacy Contribution for Club Excellence](#) for more information.

### Structure for “the Groove” and Avoid “the Rut”

Every new general manager has tackled the challenges of their position with vision, vigor, and enthusiasm to address the expressed concerns of the Board and the perceived needs of members. It's something we've all experienced – analyzing the operation, discovering the problems, formulating a plan of action, winning the support of employees for the new agenda, and executing to completion.

While there are few things as satisfying as overcoming obstacles to improve a club operation, the larger challenge that never goes away is how to keep the spirit of renewal alive over time. This is so because it seems that despite whatever progress is made, things still fall apart, old habits die hard and new initiatives, no matter how exciting, grow stale and uninspiring in short order. It is just too easy for your “in-the-groove” operation to backslide into that same ol', same ol' rut.

essential. Tools: [Benchmarking and review](#); structured set-aside time; professional reading lists; ongoing review of trade journals and other publications; adequate time off property for perspective; relationships developed with other managers to discuss, compare, and brainstorm issues and solutions.

- Make wow factors a significant part of your team's effort. It stimulates the creative juices, breaks the tedium of habit, and can be fun for your staff while thrilling to your customers. Tools: Wow Factors – see PCPM, [Wow Factors – What Have You Done for Me Lately?](#)
- Make time for constant renewal – Arrange and organize your operation to handle the fundamentals routinely. The less effort you and your staff must spend to execute the basics, the more time and focus you'll have to conceive and execute the extraordinary. Follow the Pareto Principle to organize your operation so that 80% (the fundamentals) happens routinely, allowing you and your staff to focus on the critical 20% of customer service and satisfaction. Tools: read PCPM, *Organization*, [Remarkable Service Infrastructure – An Overarching Plan for Club Excellence](#).

Get your operation “in the groove” with organization and structure. Then focus on ongoing renewal with continual process improvement and wow factors to avoid being “in the rut” of stale, uninspired programming, service, and service delivery.

### **Good to Great: Freedom and Responsibility within a Framework**

Throughout my career I have struggled to balance the competing needs for entrepreneurial thinking, innovation, and initiative and the necessities of organization, structure, consistency, and control. How does one create and sustain a nimble organization that can quickly respond to new technologies, changing member wants and desires, and the competition of the marketplace while maintaining an efficient operation and conscientiously meeting regulatory requirements?

No thinking businessperson wants to saddle their operation with a bureaucratic mindset, yet efficient operations need systems to function properly and avoid risk, liability, and regulatory problems. The very word “bureaucracy” carries the negative connotation of inefficiency and stultifying processes where crossing the t's and dotting the i's become an organization's reason for being.

In examining this never-ending challenge for businesses, Jim Collins and his research team at Stanford University found that the good to great companies they examined gave people the freedom to do whatever was necessary to succeed within a highly developed system or framework. Then their people were held strictly accountable for their results.

The analogy that he gave was a commercial airline pilot who works within rigid air traffic control and safety systems on the ground and in the air, but who has the ultimate responsibility for success – that is, the safe delivery of plane and passengers from location to location. That singular responsibility allows a pilot, at his or her discretion, to remove unruly passengers, abort landings, fly to alternate airports, and take any other action deemed necessary for the safety of the flight.

But essential to bestowing such freedom and responsibility is the necessity of defining the system and clearly identifying constraints. In the airline industry the Federal Aviation Administration establishes all standards, policies, and procedures for both commercial and private pilots and ensures their ongoing understanding of the system through licensure, certifications, simulator and cockpit training, as well as continual flight and safety bulletins. To quote from the book\*, *“The good to great companies build a consistent system with clear constraints, but they also gave people the freedom and responsibility within the framework of that system. They hired self-disciplined people who didn't need to be managed, and then managed the system, not the people.”*

*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.