



Private Club Performance Management



Readings in Leadership & Management 5

Ed Rehkopf



Table of Contents

| | |
|---|----|
| The Cost of Chaos | 1 |
| Holistic Operations | 2 |
| The Tip of the Spear – Leadership and Empowerment | 3 |
| The Proof Lies Under the Sea | 5 |
| The Leader-Leader Model – Unleashing the Power of Your People | 6 |
| A Tale of Two Service Experiences | 9 |
| Listening to the Line | 10 |
| The Profound and Powerful Persuasion of Principles | 11 |
| Motivation and Morale | 12 |
| Consistency is Key to Quality and Service | 13 |
| The Foundation of Service | 15 |
| Is This the Hedgehog Concept for Private Clubs? | 16 |
| The #1 Discipline of Success – Mastering the ABCs | 18 |



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, statistician, professor, author, consultant, lecturer, 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 actually 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 after World War II.

How does a club measure or quantify the cost of confusion, mishandled or incomplete information, 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 membership demand and member usage of the club, both of which improve 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 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.

Here are some of the things that the club's food service managers can do to better organize their operations. The same or similar disciplines would apply to all club departments:

- Prepare written procedures for all routine tasks – opening, closing, and cleaning procedures, conducting inventories, replenishing par stocks, making coffee and iced tea, and on and on. Since your staff does these things on an ongoing basis, take the time to write them down in detail so they can be used for consistent training and task completion.
- Prepare and use checklists for both training and accountability.
- Prepare room diagrams of all dining and event spaces. These will save time and avoid misunderstandings when it comes to room set ups. Prepare and save set up diagrams for all types of events – receptions, carving stations, buffets, wedding receptions, etc.
- Organize a filing system for each of the above so you can find them quickly when you need them.
- Anytime you hold a training session, organize and save the material. You'll certainly be using the same material again ... and again!
- Review all activities and events after the fact and record your observations. You will undoubtedly hold the same or similar events in the future. Your notes for improvement will help continually improve the quality and execution of all you do.
- Prepare written standards and guidance for such basic matters as background music selections for differing meals, activities, and times of day. Make the same effort to define appropriate lighting for differing events and time of day.
- Prepare and use an ever-updated list of project work that can be used to assign to staff in slow moments when you're not prepared to send anyone home early.

step is far easier in that the many processes and subject matter that managers and employees must master have already been defined in the SPPs. It simply becomes a matter of determining the best format(s) to present the material. On the Go Training is a proven means of controlling training costs and is highly recommended in the people- and detail-intensive environment of hospitality operations. See various On the Go training resources on the [PCPM Marketplace store](#).

As we have often pointed out, most of what we do is very similar from operation to operation, so why go to the time and expense of re-inventing the wheel. Private Club Performance Management has created a large amount of operational resources and SPPs for most areas of club operations. This material has single authorship and is, therefore, highly integrated in concept and terminology. Clubs can purchase this material from the PCPM Marketplace store and customize it for their own operation.

The modest cost and the discipline achieved by a management team that works through the details of club operations will be an invaluable contribution to the life and vitality of the club; and it will foster that rarest of all club qualities – a holistic operation.

The Tip of the Spear – Leadership and Empowerment

The phrase “tip of the spear,” long associated with military operations, also has implications for club operations. In military jargon the phrase is used to describe the combat forces that do the fighting as opposed to the various support elements that provide food, clothing, equipment, weapons, ammunitions, transportation, administration, etc. These support organizations represent the shaft of the spear and their critical function is to ensure the warriors have everything they need to succeed on the battlefield. As General John Abazaid, commander of the U.S Army’s Central Command said during the Second Gulf War, *“Our job is to give our troops the resources they need.”*

In club operations the “tip of the spear” analogy could not be clearer. The front-line service employees are the tip of the spear and the function of everyone else in the organization, up to and including the general manager, is to ensure they have all the support they need to successfully complete their important function as the agents of service delivery. The subordinate role of support elements in business has been expressed perfectly by entrepreneur and founder of German grocery chain Aldi, Karl Albrecht.

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

While the pay grade and limited authority of front line employees would seem to indicate a general lack of importance in the overall scheme things, such an assessment could not be further from the fact – in truth their functioning is of supreme importance in the success of the enterprise. As author and entrepreneur, Tony Alessandra, says, *“Being on par in terms of price and quality only gets you in the game. Service wins the game.”*

Unfortunately, many service organizations think that one wins the service game by simply hiring the right front-line people, and while this is an important part of the service delivery strategy, it’s a subordinate step to leadership and empowerment. This is so because the right people won’t stay long in an operation that doesn’t have the right leadership and a commitment to employee empowerment.

But the “right” leadership in any organization is not a happy coincidence or sheer luck. I am convinced by a long career in hotels, resorts, and private clubs that it takes a service-based approach to leadership to create both the foundation and environment for high levels of member service. This is so because service-based leadership differs from other leadership styles in its focus on serving the needs of employees to provide them with the proper tools, training, resources, motivation, daily engagement, and empowerment to serve the customer; and

most importantly, service-based leadership must be taught and modeled to achieve a consistent understanding and application throughout the organization.

The next and obvious step beyond service-based leadership in establishing a strong service culture is to implement employee empowerment. Why is empowerment so important?

Considering the fast-paced and detail-intensive nature of club operations brings one naturally to the conclusion that leaders cannot do it all themselves to be successful. Instead they must enlist the support and assistance of their employees through the power of employee empowerment. This foundational focus of leadership, empowerment, and its direct link to member satisfaction and operational success is represented by the organizational structure shown below.



Here, the importance of satisfying members is depicted, as is the important role of employees. The club's leaders are placed at the bottom, clearly emphasizing their foundational role in serving all constituencies.

Service-Based Organizational Model

Here are some resources available on the Private Club Performance Management Marketplace store that clearly make the case for and link between service-based leadership and employee empowerment:

- [*The Quest for Remarkable Service*](#)
- [*Leadership on the Line and The Workbook*](#)
- [*The Power of Employee Empowerment*](#)

John Tschohl, author and president of the Service Quality Institute, said, *“Without empowerment, an organization will never be a service leader. Empowerment is the most critical skill an employee can master, and a company can drive in order to lure and keep customers.”*

And let me add, *“Without Service-Based Leadership, an organization will never achieve employee empowerment and therefore will never be a service leader.”*



The Proof Lies Under the Sea

I would normally open the following article with the timeworn phrase, “the proof is in the pudding,” but in this case the above title is far more appropriate. This is so because the story related below takes place in a U.S. Navy submarine – the USS Santa Fe, a Los Angeles class, fast attack nuclear submarine. Known for some time as an unlucky ship, she had seen her fair share of troubles; so much so that she was viewed as a probable career-ender for those unlucky enough to command her. Enter Captain David Marquet.

In late 1998 Captain Marquet was preparing to take command of the USS Olympia, another earlier submarine of the same class, but a last-minute change in orders sent him to the Santa Fe instead. It seems he had been personally selected by Commodore Mark Kenny, the newly-assigned commander of the Pacific Fleet’s Submarine Squadron Seven, as the man who could turn the poor-performing Santa Fe around.

The task was daunting. By nearly every standard the Navy used, the Santa Fe was a problematic ship. Commodore Kenny didn’t sugar coat the challenges – morale was awful, re-enlistments from her crew were pitiful (and costly for the Navy), but Kenny correctly assessed that the problem wasn’t with the ship or her crew, it was a leadership problem, and he was counting on Marquet to turn things around. The Commodore’s direction was simple, Captain Marquet had six months to prepare the Santa Fe for deployment; it was Marquet’s job to figure out what was wrong and get it done.

What follows is this book, *Turn the Ship Around! A True Story of Turning Followers into Leaders**, in a well-told tale reminiscent of a Tom Clancy novel, is Marquet’s assessment of the root causes of the Santa Fe’s malaise and his prescription for renewal. At the heart of his strategy was his belief that the Navy’s top-down leadership structure (leader-follower) could be greatly improved by a more participatory model – “leader-leader” as he styled it.

But this approach went against the grain of Navy command tradition, where the ship’s captain was an all-knowing god who was always heroic in his tough, close-to-the-vest, barking of just the right orders in any and all emergencies. The sort of naval captain was amply portrayed by Captain Jack Aubrey in the popular series of novels of the British Navy by Patrick O’Brian set during the Napoleonic Wars, and brought to film by Russell Crowe in Aubrey’s role in the 2003 movie, *Master and Commander: The Far Side of the World*.

Unfortunately, in practice, this heroic, aloof, and often enigmatic figure did little to strengthen knowledge or enhance the development of a vessel’s junior officers. While it may work well for dramatic effect in fiction, film, or fable, it hardly worked in the highly complex, technologically advanced world of a nuclear-powered submarine carrying multiple nuclear warheads on extended undersea missions around the world.

As many other leadership and management authors have pointed out, complex enterprises today are far-too complicated for one person to fully master or oversee. In such organizations there needs to be a more collaborative effort where there is an open flow of communication and understanding as to who will do what and everyone is accountable for their own initiatives and responsibilities. The antithesis of this style of leadership has often been labeled “the genius with many helpers,” and while this approach to leadership can often produce dramatic results, it’s through the drive and will of the leader and not the deeper understanding and performance of the larger management team. No matter what success is achieved in the short run, when the genius departs, often the success of the organization collapses.

Throughout Marquet’s book, he explains the relatively simple steps he took to empower his subordinates, to open a flow of communication, to mentor his fellow leaders in a deeper understanding of their roles, and to give true responsibility to those closest to the task at hand. Remarkably, yet understandably, human nature at all levels of the submarine responded in the most positive ways to these steps toward empowerment. Instead of the captain building a crew of hesitant followers, Marquet created a crew of leaders who knowing what needed to be

A Tale of Two Service Experiences

Most private club general managers intuitively understand the importance of the member experience at their club. To do otherwise is to put their employment at risk. Great effort is expended on providing warm, friendly, courteous, welcoming, personalized service to all members. Despite this effort though, ongoing service complaints from members seems to be a fact of life in many clubs.

Each complaint starts a familiar cycle of apology; investigation to pinpoint failure; corrective or disciplinary action as necessary; and renewed emphasis on training. Often, the ongoing investment in management time and effort in these service matters precludes adequate focus on larger and more long-term strategic and operational objectives. Yet for all the effort put into resolving service failures, there never seems to be a permanent solution as they continue to crop up again and again.

While there may be a variety of institutional causes for service failures – lack of consistent leadership, lack of organization, lack of well-defined service culture, and lack of training – one of the most damaging can be the attitude and commitment of the service staff as a result of the club's employee experience.

The following story relates my own early experiences many years ago in three different hospitality properties – a club, a hotel, and a fine dining restaurant.

What was most distressing was their similarity – no onboarding, no welcome, no introduction to purpose and means, no spelling out of expectations, no employee handbook, and no adequate training. What little effort put into orientation at the club was a sheath of worn photocopies with disjointed information from a variety of sources that spoke vaguely of service. But this material lacked the larger context of what, when, why, where, or how and provided no introduction or segue from topic to topic.

Even more disturbing was the introduction to the fine dining restaurant where new employees were treated with open disdain. Unforgettable was the abrupt response to one bold question about treatment and training – that we could leave if we didn't like it, that there were plenty of others who could take our place. In hindsight it was more like induction into the military than working for an organization whose business was predicated on service excellence.

This early introduction to hospitality motivated my leadership and managerial efforts throughout my career. It just seemed commonsensical to provide a more welcoming and supportive introduction to the very people who would deliver service. Instead of alienated and cynical employees locked in an adversarial relationship with management, I wanted willing and committed team members to help advance the aims and purpose of the organization.

In contrast to these experiences is the example of the Ritz-Carlton Company that operates luxury hotels worldwide for the Marriott Corporation. They view their employees as indispensable partners whose daily attitude and actions form the basis for the company's legendary service. As a company, they purposely invest as much focus and effort in their employee experience as they do their guest experience and the results are remarkable! See *PCPM Service Series* – [*Service the Ritz-Carlton Way*](#) for more detail.

While the Ritz-Carlton employee experience may be reasonable for a large company with deep pockets and wide-ranging resources, the basic premise of their success is built on the simple notion that if you care for your employees (providing them all the necessary tools, training, resources, inclusiveness, engagement, and leadership example), they'll be motivated to care for your members.

Foremost in Ritz-Carlton employee experience is the attitude that their employees matter. From this attitude flows a commitment to value and treat employees with the same consideration and respect they provide their guests. The rest is just the details of how to do it consistently in all departments and properties.



Consistency is Key to Quality and Service

When it comes to quality and service, some clubs are consistently awesome, a few are consistently awful, and most are consistently inconsistent. While there may be many factors that contribute to the comparative performance of clubs, a major underlying difference is consistency, or lack thereof, in the details of their operations.

As I progressed through my hospitality career, I often heard the remark that while fast food operations don't provide their customers with the highest quality of product and service; they build their success on providing a consistent product.

Private clubs aim higher for their customers – the elite and affluent members of a community who pay a significant amount to belong and enjoy the ambience and personalized service of a club. Yet simply because a club offers more impressive surroundings, higher quality amenities, and a more upscale menu doesn't mean that members don't have a reasonable expectation of consistency when they come to their club.

But in contrasting clubs, which are often standalone operations with limited staffs and no economies of scale, with a McDonalds or a Subway with their significant corporate resources is an unfair comparison. This doesn't mean that clubs should not aspire to consistency of operations, but it does mean that clubs must make a concerted effort to institutionalize consistency in all areas, particularly in its relationship with members.

Here are major areas of a club operation where consistency is critical:

Leadership. How your management team interacts with employees is critical to their commitment, performance, and engagement with members. Without a consistent conception and application of leadership at all levels of the operation, the quality and service you provide will be as inconsistent as the leadership styles of each manager and supervisor. [*Leadership on the Line*](#) and [*Leadership on the Line – The Workbook*](#) are two books that spell out in detail the principles of Service-Based Leadership and are a great foundation for consistent quality and service.

An Overarching Game Plan. Every endeavor demands a plan to be successful. Without a written plan to guide various departments in the execution of their missions, inconsistencies will abound. [*The Quest for Remarkable Service*](#) is a good starting point in developing your specific game plan.

Organizational Values and Culture of Service. The values your club holds dear and the manner it interacts with members, employees, and the community at large is crucial to its success. As with any nuanced interaction with others, these must be well-defined, taught, and modeled to ensure consistent understanding and application. [*Organizational Values on the Go*](#) can help you define your own values and culture of service.

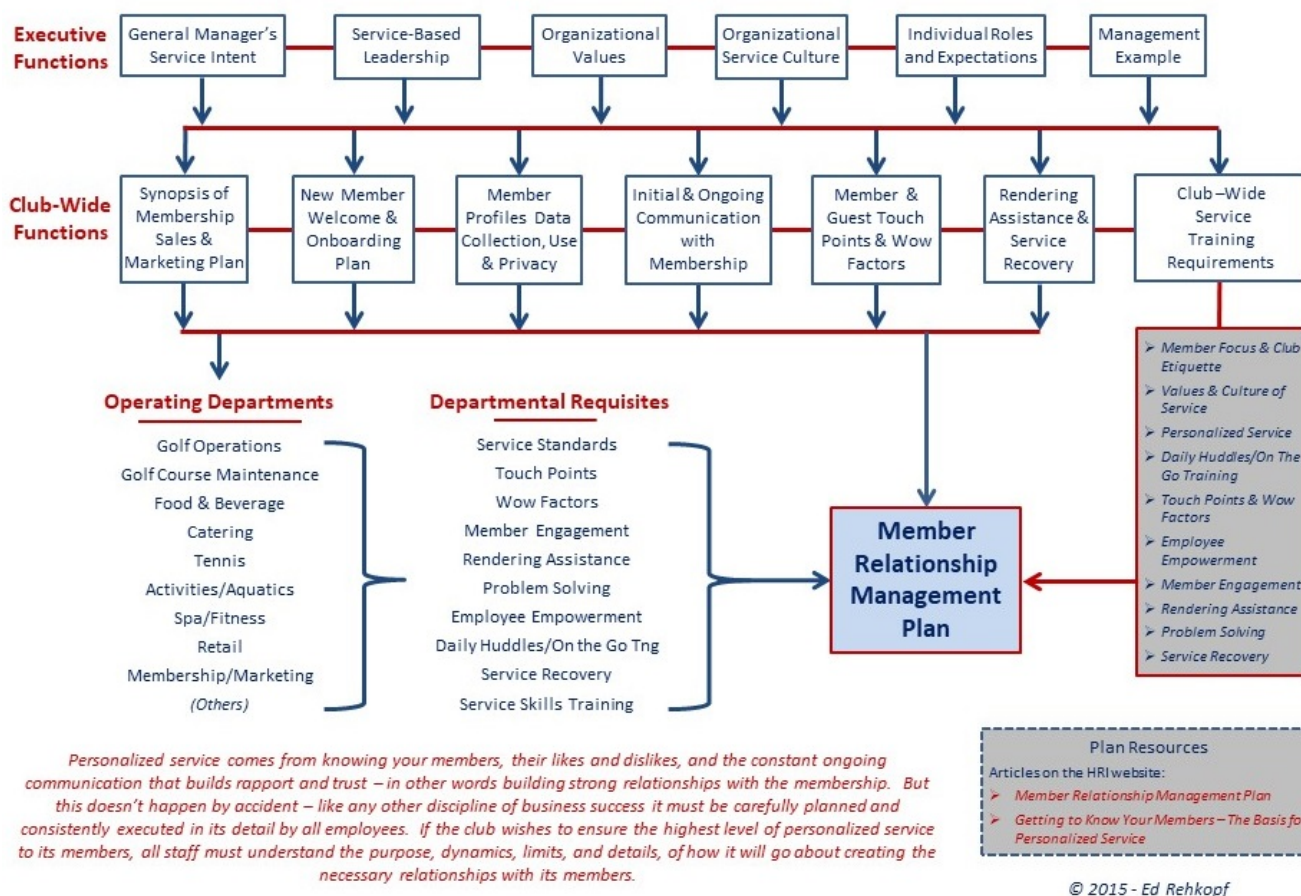
Organizational and Operational Standards, Policies, and Procedures. How can you possibly determine what employees should be trained to know and do if you have not defined your Standards, Policies, and Procedures? See [*Club Accounting Standards, Policies, and Procedures*](#) and [*Club Personnel Standards, Policies, and Procedures*](#); there is no better starting point to prepare your club's customized SPPs in these two critical areas.

Management Disciplines. In his groundbreaking book, *Good to Great: Why Some Companies Make the Leap . . . and Others Don't*, Jim Collins said, "*Much of the answer to the question of 'good to great' lies in the discipline to do whatever it takes to become the best within carefully selected arenas and then seek continual improvement in these. It's really just that simple.*" Without disciplined managers at every level of the organization executing best practice management disciplines, a club will never achieve consistency of operations or greatness. [*Management Disciplines on the Go*](#) spells out a wide number of management best practices.

Member Relations. A club's membership is its lifeblood. How the club interacts with its members in all its areas of engagement will determine the memberships' commitment to and use of club facilities. This is an area that cannot be left to serendipity. To be consistent in how members are engaged and treated, the club must have a comprehensive *Member Relationship Management Plan* (see infographic on the following page) and all employees must be trained in its requirements. See *PCPM Best Practice Series – [Member Relationship Management Plan – Romancing Your Membership](#)* for more information.

Member Relationship Management Plan

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



Managerial and Employee Training. If employees are to perform with consistency, all staff, including managers, must be trained in all aspects of their positions and responsibilities, most particularly in the details of service and service delivery. Read *PCPM Training Series – [Comprehensive Club Training – Meeting the Promise of Quality and Service](#)* for a broad list of training necessities.

Employee Empowerment. John Tschohl said, “Without empowerment, an organization will never be a service leader. Empowerment is the most critical skill an employee can master, and a company can drive in order to lure and keep customers.” Creating employee empowerment requires leadership, planning, and training. Consistent empowerment training across all service delivery areas will transform both employee morale and

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.