

Club Technology for Troubled Economic Times

Presented by:
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Session Presenter

- ***Bill Boothe, Director, Club Consulting Services***
- 28 Years IT Experience
- 20 Years Private Club Experience
- 325+ Private Club Technology Engagements
 - Golf & Country Clubs
 - City & Athletic Clubs
 - Yacht Clubs
 - Private Clubs within Resorts
- 40+ Published Articles on Club Technology

Session Overview

- Introduction
 - Our Troubled Economy.
 - Using Technology to Improve the Bottom line.
- Practical Applications
 - Adding Value to the Membership.
 - Improving Member Retention.
 - Increasing Revenue.
 - Reducing Costs.
- *Q&A at the End of Each Section*

Session Overview

- Introduction
 - Troubled Economy:
 - Level of severity is different for every club.
 - Recent studies show about 15% of private clubs are feeling severe financial strains.
 - ***Instant Survey***
(severe, moderate, minimal):
 - ***Revenue levels.***
 - ***Member retention.***

Technology's Role in Private Clubs

- Computer technology historically seen as an operational and administrative tool.
 - Accounting & Member Billing.
 - Purchasing & Inventory.
 - POS.
 - Operations analysis.
- More recently used for member communications, convenience and marketing:
 - Online information (web sites).
 - Online reservations and account management.
 - Target marketing.

Session Focus

- ***Getting the most out of what you already own.***
- ***Making small investments to reap large returns.***

Session Focus

- *Getting the most out of what you already own.*
- *Making small investments to reap large returns.*
- ***Reviewing practical applications of computer technology that are being used in clubs today.***
- ***Sharing your experiences – stuff that works, and stuff that doesn't.***

Practical Applications...

Practical Applications

- Adding Value to the Membership.
- Improving Member Retention.
- Increasing Revenue.
- Reducing Costs.

Adding Value to the Membership

- Deliver a robust web site.
- Offer connectivity.
- Offer on-line member statement inquiry.



Why Have a “Robust” Web Site?

- Value to the member:
 - Peaks member interest.
 - Facilitates member interaction.
 - Provides convenient tool for obtaining information, making reservations and staying current.
 - Educational and interesting.
 - Valuable to all members of the family.

Why Have a “Robust” Web Site?

- Value to the club:
 - Brings members closer to the club.
 - Provides a tie to club events and other members.
 - Keeps the club “top of mind” with the members.
 - Becomes part of the member’s daily routine.
 - ***Helps to foster member Loyalty.***
 - ***Adds one more reason not to resign.***

What It Takes to Deliver a “Robust” Web Site (Overview)

- Compelling and timely content.
- Photos... and more photos.
- Fresh content every day.
- Targeted Email messages that link to the site.
- High quality look and feel.
- ***Deep content for all members of the family.***
- ***Sophisticated user tracking tools.***
- ***Dedicated and professional administration.***

Compelling and Timely Content

- Focused on specific member interests.
- Timely, interesting information.
- Significant amount of fresh content every day.
- Photos ... and more photos.
 - Same or next day.
 - Easy to find by event or category.
 - As many as you can get.
 - With accurate names and clever descriptions!

Deep Content for All Members of the Family

- Lots of content for Dad, Mom and the kids.
- Links to specific areas of other popular sites.
- Fresh content every day.

Targeted Emails that Link to the Site

- Target individual family members.
- Focused on specific member interests.
- Based upon known member activity and preferences.
- Frequent contact – at least twice per week.
- ***Get serious about obtaining member email addresses:***
 - Call every member and ask for their email address (part-time college students).

High Quality Look and Feel

- Relatively easy to accomplish with today's established solutions.
- Simple and elegant.
- Avoid too much glitz and bling.
- Intuitive design.
- Easy to navigate.
- Search feature that actually works.

Sophisticated User Tracking Tools

- Click throughs on targeted emails.
- Page hits.
- Usage paths.
- Dead-ends.
- You must know what's hot, and what's not!

Dedicated and Professional Administration

The Achilles Heel of
most club web sites!!

Why Most Club's Can't Deliver a "Robust" Web Site

- Inadequate Staffing:
 - Non-professionals maintaining the site.
 - "Volunteer" employees working in their "spare" time.
 - ***No serious dedication of effort or funds to the site.***

How You Can Solve This Problem

- Approach #1: Part-time dedicated site administrator.
 - Professional, multi-talented person.
 - Strong reporting and writing skills.
 - Good photography skills..
 - 5 days per week (Tues – Sat).
 - 20 hours per week.
 - Contract labor.

How You Can Solve This Problem

- Approach #2: Shared site administrator.
 - Share administrator with another nearby club.
 - Professional, multi-talented person.
 - Strong reporting and writing skills.
 - Good photography skills..
 - 3 days per week.
 - 20 hours per week.
 - Contract labor.

How You Can Solve This Problem

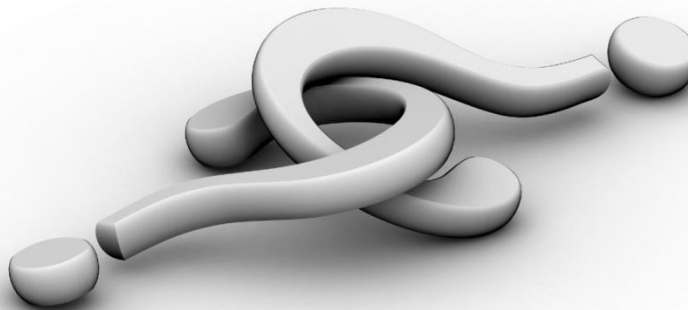
- Approach #3: Student intern(s), part or full-time dedicated site administrator(s).
 - Arrange with local college or university.
 - Communications Department.
 - 3rd or 4th year undergraduates, or graduate students.
 - Strong reporting and writing skills.
 - Good photography skills..
 - 5 days per week (Tues – Sat).
 - 20-40 hours per week (one or two students at a time).
 - Low-cost contract labor.

How You Can Solve This Problem

- Net Result:
 - Fresh, deep content.
 - Increased member traffic.
 - Increased connection to the club.
 - Increased club loyalty.
 - Increased membership value.
 - All at an affordable cost!!

What's working ... and what's not?

Robust web site.



Offer Connectivity

- Internet access is an everyday occurrence for most members – regardless of age.
- Don't make members go somewhere else to connect !!
 - Provide wireless Internet access for member laptops.
 - Provide a few PC's for member access to the Internet.
 - Assure a high level of security.
 - Make connectivity easy and unobtrusive.

Offer Connectivity

- Provide wireless access for member laptops.
 - In specific common areas (if tradition allows).
 - In meeting rooms.
 - In guest rooms.
 - *Instant Survey!*

Offer Connectivity

- Provide a few PC's for members to connect.
 - In multiple convenient areas.
 - Include a low-cost laser printer in each area.
 - Consider a small business center if appropriate.
 - *Instant Survey!*

Offer Connectivity

- Assure a high level of security.
 - Separate from the club's main network.
 - Authentication to log on.
 - Tracking of usage.
 - Blocking of access to unsavory Internet sites.

Offer Connectivity

- Net Result:
 - Convenient member access to the Internet.
 - Makes club “technology friendly” while remaining tasteful in its presentation.
 - Eliminates need for members to leave the property for Internet access.
 - Adds value to the membership.
 - All at an affordable cost!!

What's working ...
and what's not?

Connectivity



Offer Online Member Statement Inquiry

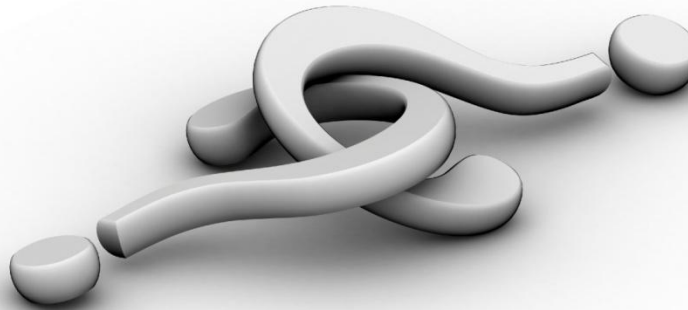
- **Three levels of inquiry available:**
 - Level 1 - Email monthly statements – with check detail.
 - Level 2 - Post statements and check detail on the web site at EOM, with previous day minimum spend balances.
 - Level 3 – Post statements and check detail on the web site, with real time minimum spend balances.
 - ***Instant Survey!***

Offer Online Member Statement Inquiry

- Net Result:
 - Convenient member access to their account information.
 - Significant step toward reducing U.S. Mail costs (discussed in detail later).
 - Adds value to the membership.
 - All at an affordable cost!!

What's working ...
and what's not?

Online member statement inquiry.



Improving Member Retention

It's no secret that the more engaged members are within a club, the less likely they are to leave.



Improving Member Retention

1. Predict which members are most likely to be considering resignations. (Technology)
2. Intervene to retain those members. (Board or GM))

Improving Member Retention

- Predict:
 - Run member sales/activity reports.
 - Look for steady spenders who have tapered off.
 - Look for any members with recent sharp drops in spending.
 - Make a list of names.
 - *Add to the list any members you know “from the grapevine” have fallen on hard financial times.*

Getting the Information

- The two most common complaints we hear:
 - ***“My system can’t provide me what I need”.***
 - ***“My staff doesn’t know how to extract the information I need”.***

Getting the Information

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 - ***“My system can’t provide me what I need”.***
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***No reason to let either
hold you back!***

Getting the Information

- ***“My system can’t provide me what I need”.***
 - ***Very unlikely that your system doesn’t have the sales and activity information needed.***
 - ***Use the Report Writer provided,***
OR
 - ***Extract the information to Microsoft Access or Excel.***

Getting the Information

- ***“My staff doesn’t know how to extract the information I need”.***
 - ***Hire an expert to extract the information, and to perform the analysis.***
 - ***Software vendor trainer.***
 - ***Local database consultant.***
 - ***College/university Information Systems Department.***
 - ***A club member with a professional database management background.***

Improving Member Retention

- You can get the information.
- You can predict who may be a candidate to resign.
- ***Then what??***

Brainstorming!!

A “Radical” Idea (for private clubs).

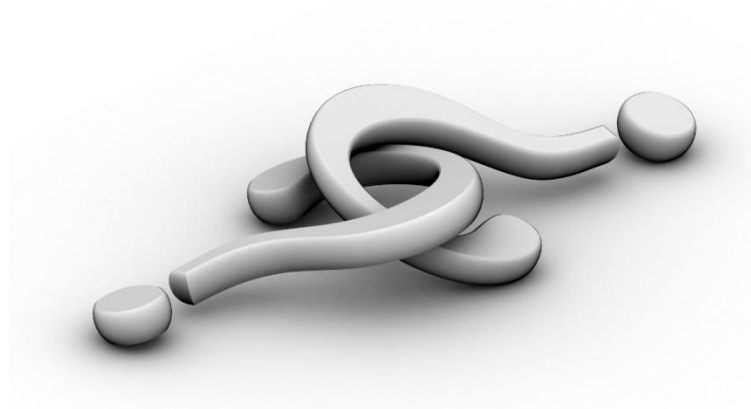
- *Consider allowing members to pay with credit cards:*
 - For a limited time (6 months?).
 - House charges... dues... assessments?
 - “To acknowledge the temporary financial strain on many Americans.”
- *Don’t dismiss this idea out of hand!!*
- If you save a few memberships, the dues and fees retained will more than pay for the card processing costs.

Cheap Technology for Credit Card Payments

- Temporary stand-alone solution.
- Verifone unit - \$50 or less per month plus the processing fees.
- One unit in Accounting.
- Unit needs access to a business phone line (use the fax line).
- Monthly payments of member statements only – no POS.
- Pre-authorization only with card # on file.
- For house charges only. No dues or assessments.

What's working ... and what's not?

- ***Credit cards.***



Increasing Revenue

- Promote electronic gift cards.
- Refine target marketing.

Promote Electronic Gift Cards

- Why Do It?
 - To gain your club's fair share of a \$35 billion industry.
 - The camaraderie and friendships between your members are a source of significant gift-giving.
 - Gift cards are a convenient way for your members to fulfill their gift-giving needs, while supporting their club's operations.

Promote Electronic Gift Cards

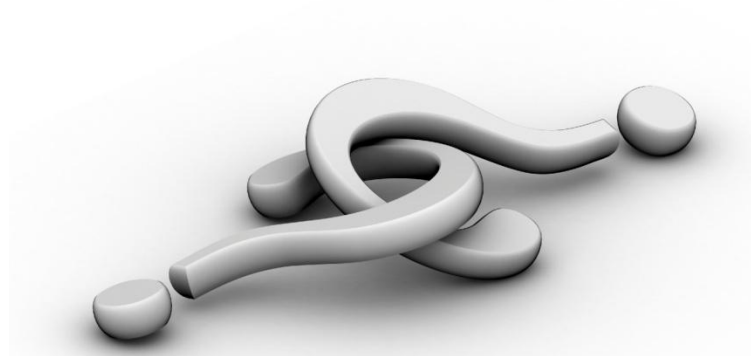
- How To Do It.
 - Use attractive packaging – it greatly increases sales appeal.
 - Make it easy - sell and redeem them in all outlets.
 - Don't get hung up on who gets the sales credit (the system will track properly).
 - *Most club management software offers a gift card module integrated with the POS and member billing modules.*

Refine Target Marketing

- Use BI to define member sub-groups:
 - Spending activity.
 - Expressed interests.
- Target market to sub-groups.
- Track marketing results – to the individual member (system should do this).
- Create events that are tailored to subgroups.

What's working ... and what's not?

- *Gift cards.*
- *Target marketing.*



Reducing Costs

1. Process mapping.
2. Re-engineering.
3. Online publishing instead of printing and U.S.Mail.



Process Mapping

- Benefits:
 - Gaining a thorough understanding of how key processes are actually being carried out by your staff.
 - Finding efficiencies that can lead to cost reductions – and better member service.

Process Mapping: Technology-Related Examples

- F&B POS order entry, requisitions and tendering.
- F&B purchasing, receiving, requisitions, transfers and inventory.
- Banquet (private parties) reservations, management and billing
- Club events reservations, check-in and billing.
- Pro shop POS, purchasing, receiving, inventory and open-to-buy.
- Member billing and accounts receivable.
- Rooms reservations, check-in, check-out and billing.
- Any other reservations processes.

Process Mapping – Getting Started

- Put together a process mapping group that includes:
 - Key employees from all reporting levels.
 - Employees from other affected departments (i.e accounting, membership).
- Call a group meeting.
 - Brainstorm a list of every major process used.
 - Prioritize the list of processes as to importance.

Process Mapping – How To

- *Do this in the off-season.*
- Select two major computerized processes per week.
- Have the appropriate group do the following:
 - Map out every step of the computerized process:
 - In detail – computer and manual steps.
 - Don't skip anything.
 - Evaluate every step:
 - Is it the most efficient way?
 - Is it needed at all?
 - Document needed change.

Re-engineering – How To

- For each mapped process:
 - Identify needed changes to achieve improvement.
 - Determine cost (if any) for changes and gain budget approval.
 - Determine timing of change(s).
 - Determine how planned change(s) will be communicated, and to whom.
 - Determine who's responsible for assuring change happens.
 - Execute – every week – in every department.

Online publishing instead of printing and U.S.Mail.

- Postage, printing and labor costs associated with traditional mailings are going through the roof.
- Going electronic is a fast and easy way for your club to save time and money – while increasing member service.

Online publishing instead of printing and U.S.Mail.

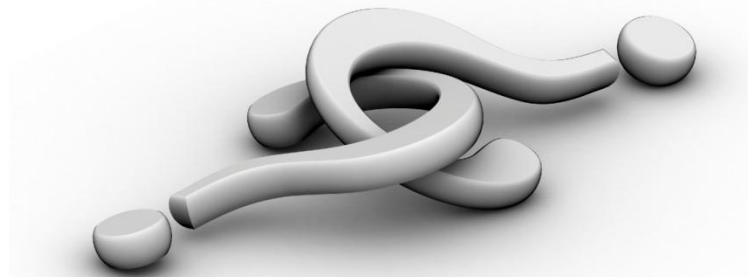
- Make a list of everything you are printing and mailing today – and the annual costs for each:
 - Member billing statements.
 - Newsletters.
 - Flyers.
 - Member rosters.
- Assume that the U.S. Mail doesn't exist.
- Determine the best electronic approach for each form of communications.

Online publishing instead of printing and U.S.Mail.

- Get serious about obtaining member email addresses:
 - Call every member and ask for their email address (part-time college students).
 - Publish the expected cost savings in the club's newsletter and on line.
- Go electronic - push your membership hard to opt in.
- *If there was ever a time to get this done, it is now.*

What's working ... and what's not?

- *Process mapping.*
- *Online publishing.*



Club Computer Technology...

Other Topics & Questions.

