

Club Resources
INTERNATIONAL

The Quest for Remarkable Service

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Table of Contents

The Challenge	1
The Pyramid of Successful Service	3
The Remarkable Service Infrastructure	4
The Foundation – Service-Based Leadership	5
1st Triad Requirements	
Well-Defined Values and Continually Reinforced Culture of Service	6
Written Standards, Policies, and Procedures	6
Detailed Organization, Operating, and Training Systems	7
2nd Triad Requirements	
Member-Desired Products and Personalized Service	9
Ongoing Operational Planning, Benchmarking, and Review	10
Continual Product, Service, and Process Improvement	11
3rd Triad Requirements	
Disciplined Hiring and Screening for Success	12
Skills, Knowledge, and Empowerment Training	13
Service-Enabling Technologies	14
Feedback Loops – Listening to What the Members are Saying	15
Implementation of a Remarkable Service Infrastructure	15
Staying with the Plan and Going the Distance	16
Summary	16

The Challenge

Private clubs face many challenges in attempting to deliver high service levels to their members. As with any hospitality operation, they are detail- and people-intensive. There are many moving parts, literally thousands of details to be attended to daily by a large and diverse staff. Further, a number of service positions are low prestige jobs compensated on the low end of the wage scale. High levels of staff turnover with its attendant training burden are common, as is burnout in the management ranks where long hours, late nights, and frequent weekend and holiday work plays havoc with a manager's personal life.

Operating private clubs is not an inexpensive proposition. In serving the elite members of their communities, private clubs must maintain and clean their facilities to the highest standards. Periodic renovations, redecorations, or expansion of facilities must be done; again, to the highest standards. Members' expectations for their club are high. They want to belong to a club recognized for its excellence, where they are proud to entertain family, friends, and business associates. The highest quality of food and service are expected, yet they also want value and seem to be just as resistant to ever-escalating costs as any other class of consumer.

While it is natural to associate higher costs with higher levels of service, the most prevalent factors driving the expenses of private clubs are the inefficiencies and organizational issues associated with standalone operations possessing few if any economies of scale.

The General Manager of a standalone private club must be a master of many disciplines and must constantly attend to a large variety of organizational issues with a typically lean management staff covering long daily and weekly hours of operation. The majority, if not all, of this staff are so fully committed to the press of daily operations they have little or no time to address necessary organizational issues.

Beyond this, well-integrated and effective organizational systems cross disciplinary boundaries within the club and require a big picture understanding of club operations. In a standalone property with few economies of scale and a pressing schedule of operations, who has the time to develop and implement the many interconnected requirements of running a club efficiently and successfully?

Though every club is different in terms of facilities offered and the quality standards to meet the expectations of their membership, the underlying organizational systems and disciplines are remarkably similar.

This booklet spells out the requirements and explains the necessary building blocks to achieve Remarkable Service levels. The program presented here is neither simple nor easy to reach – if so, Remarkable Service in private clubs would be a routine achievement. But, like any discipline of excellence, it can be achieved with consistent focus and the will to succeed.

As Jim Collins so aptly points out in his groundbreaking book, *Good to Great, Why Some Companies Make the Leap . . . and Others Don't*, success requires the persistence and patience to continue, in the face of any adversity and setback, to build momentum step by step, project by project, employee by employee, toward what he calls **The Flywheel** effect.

“Sustainable transformations follow a predictable pattern of buildup and breakthrough. Like pushing on a giant, heavy flywheel, it takes a lot of effort to get the thing moving at all, but with persistent pushing in a consistent direction over a long period of time, the flywheel builds momentum, eventually hitting a point of breakthrough.”

In simplest terms, the requirements for providing Remarkable Service can be summarized by the following comparisons:

Service

*is a state of mind, defined and reinforced
by a Club's culture.*

Consistent Service

*is a state of mind plus thorough organization
and systemic training.*

Remarkable Service

*is a state of mind plus organization and systemic training, with well-hired, trained, and
empowered employees responding to accountable service-based leaders – all participating in a
rigorous discipline of personalized service and continual product, service, and process
improvement.*

The Pyramid of Successful Service

In *Leadership on the Line, A Guide for Front Line Supervisors, Business Owners, and Emerging Leaders*, this author spelled out the ideal and requirements of Service-Based Leadership.

*“With this approach, the attitude and primary motivation of the leader is service to others – to customers, to employees, to shareholders. **This approach to leadership naturally creates relationships – the deep and abiding bonds that sustain the efforts of the company.**”*

In summarizing the benefits of Service-Based Leadership the author said, “When you serve your employees, they will serve your customers, who by their continued enthusiastic patronage will serve the needs of your shareholders. The Pyramid of Successful Service depicts these relationships.”



While the application of Service-Based Leadership goes a long way toward establishing the necessary supportive environment for high levels of service, the author recognizes that there are a number of organizational systems and disciplines that must also be implemented to create and sustain the delivery of Remarkable Service.

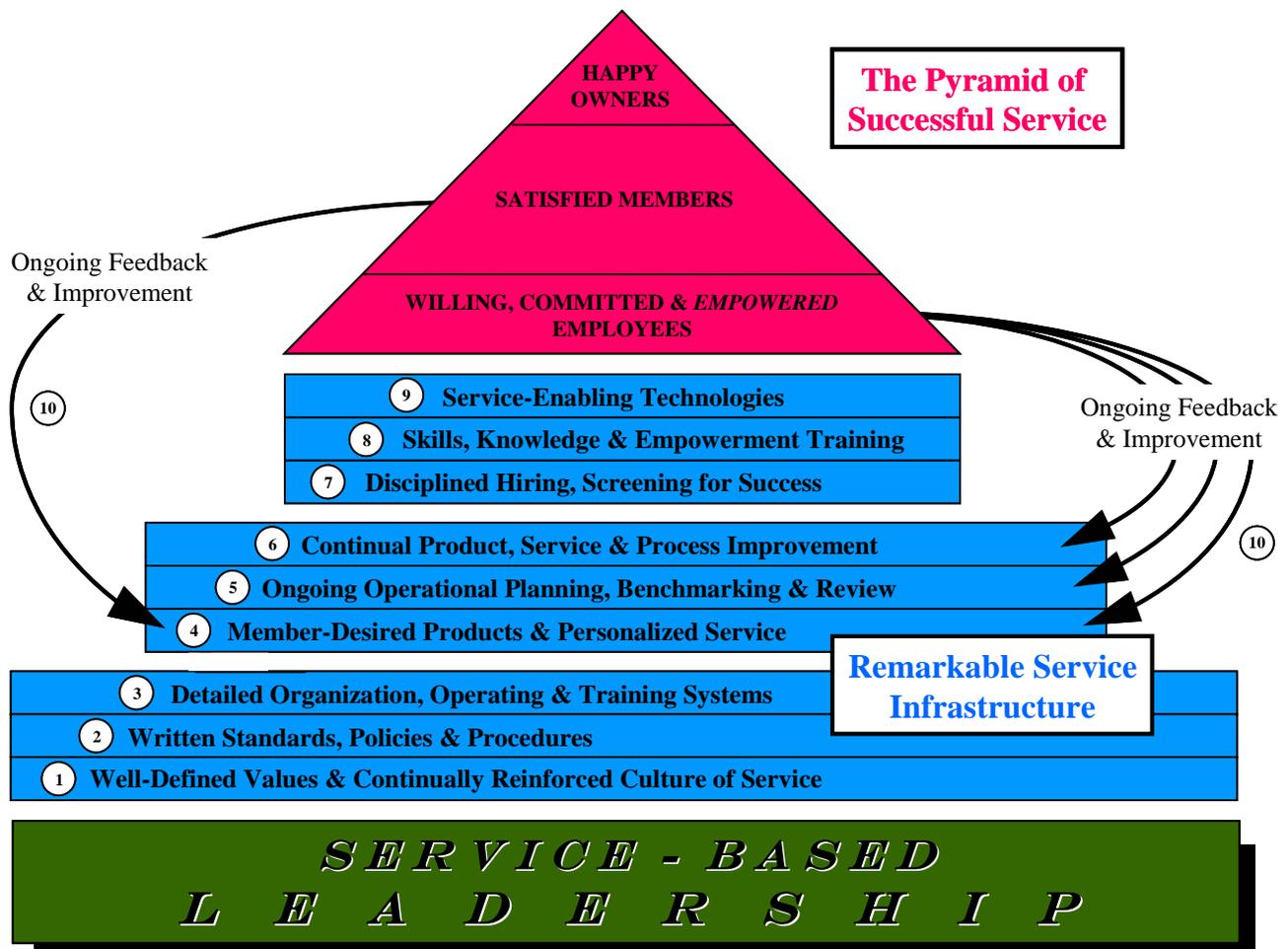
These systems and disciplines have been summarized in the concept of The Remarkable Service Infrastructure.

The Remarkable Service Infrastructure (RSI)

Remarkable service does not just happen. Just as a club must have the appropriate amenities of a requisite quality – facilities that must be conceived, designed, planned, constructed, and paid for – so must there be proper preparation for the club’s staff to deliver quality service. In many ways the RSI or “soft” infrastructure is more challenging to build than its bricks and mortar counterpart, and this is so because of one reason – the complexities of getting a diverse group of people to work toward a common purpose with detail-intensive knowledge and skills that are designed to serve the physical and psychological needs, desires, and expectations of members. The proof of the difficulty involved in providing quality service is the near-universal recognition of just how rare it is.

Yet high levels of quality service can be achieved. Every year we read about those few companies that have cracked the code and figured out how, not only to satisfy their customers, but to “wow” them with Remarkable Service. And just as in building a dramatic clubhouse, the construction of the RSI requires a design based on a thorough understanding of the disciplines and systems necessary to deliver quality.

The below depicts those disciplines and systems which are discussed in greater detail under the appropriate headings on the following pages.



The Foundation – Service-Based Leadership

It all starts with leadership. Strong and stable leadership is the single most important requirement to successful club operations. While there are many styles of leadership suited to any industry or endeavor, experience over many years in the club business makes it clear that a service-based approach to leadership works best in the service industry. This style of leadership, variously called “servant leadership” or “enlightened leadership,” has as its primary motivation service to others – to members, to the owners of the club, **and** to the employees.

This leadership style differs from others in its **focus on serving the needs of employees** to provide them with the proper tools, training, resources, motivation, and empowerment to serve the club’s members. In simplest terms, when leaders serve the club’s employees, they will serve the members, who by their continuing, enthusiastic patronage will serve the bottom line of the club and its owners. An understanding of the importance of this style of leadership can be summed up by the simple saying,

“How can employees provide quality service if they are not properly served by the leadership and example of their managers?”

Being a serviced-based leader requires many different skills, but two are so important to providing quality service that they bear special mention. First is the **will to make it happen**. Building a Remarkable Service Infrastructure is not a one time event or a single set of instructions to employees. It is a challenging and ongoing endeavor that may take years to fully implement.

This is so because, at its root, building a RSI is about changing people’s attitudes and behaviors. Even in a start-up operation where there is no tradition or ingrained institutional habits to overcome, newly hired managers and employees bring their own service experiences with them. Given the inconsistent and relatively poor state of service throughout the industry, most often they simply bring bad habits or those they practiced in their previous jobs. This multitude of experiences and habits must then be forged into a unified system that supports the discipline of quality.

The second necessary skill is **communication**. To build the infrastructure the leader must communicate service values at every opportunity and continually reinforce the culture of service. The leader must be both patient and persistent. Instructions and reinforcement will have to be given over and over again. Training and implementation must be repeated at intervals until every employee gets the message and provides consistent quality service in every situation.

While it is recognized that the General Manager must be a strong leader, it is also critical that the club’s subordinate managers and supervisors are also trained to be strong service-based leaders. While some degree of a leader’s skill-set seems to be inborn, such as personality and an analytical mind, and others (confidence, judgment, and basic communication abilities) are developed early in life, the great majority of a leader’s skills are learned. Unless junior managers are systematically trained to develop the skills which have to do with **building and sustaining meaningful work relationships**, their leadership development will be haphazard and the General Manager’s vision and message of service will not be communicated consistently or faithfully to line employees.

Upon this leadership foundation, then, are the components of the Remarkable Service Infrastructure – those organizational systems and disciplines which comprise the building blocks that lead to Remarkable Service. Those building blocks have been separated into three triads of three requirements each based upon their similarities of impact and implementation.

Remarkable Service Infrastructure 1st Triad Requirements

1. Well-Defined Values and Continually Reinforced Culture of Service

Hand in hand with “serviced-based” leadership is the development of a strong **culture of service** within the club based upon the **well-defined values** of the organization. Such a culture must be based on a clear and concise Mission Statement supported by well-documented values and principles. The underlying message of such a culture must be service to others – to the club’s members, other employees, and ultimately the club’s owners or board of directors.

Examples of values include Mission and Vision Statements, Guiding Principles, Operating Standards, Principles of Employee Relations, Standards of Service, Managers’ Code of Ethics, or any other document that explains the underlying principles, goals, and standards of the organization.

Further, the values and **culture of service** must be **continually reinforced** to every employee in the club, from senior manager to line employees. Unless leaders at every level practice the values that underlie the club’s culture, they are merely paying lip service to the culture. It is up to managers and supervisors, therefore, to reinforce it at every opportunity. The purpose of this ongoing reinforcement, like the practice necessary to develop any complex skill, is to make organizational values second nature to all concerned.

As an example, the Ritz-Carlton Hotel Company (renowned for its “legendary service” and selected as the No. 1 training company in the U.S. for 2006 by Training Magazine) reinforces its service principles every day during every shift in every one of their properties world-wide. Every employee, from senior executives to most recently hired worker, attends the “Daily Line Up” where values are discussed in the context of their jobs and departments. To further reinforce the culture of service every employee carries a pocket card summarizing core values.

2. Written Standards, Policies, and Procedures

Standards define quality. Every service event and action in a club operation should have a standard that describes the procedures and outcome of that event or action; for example, the proper way to present a bottle of wine or take a tee time. Such standards usually are clear to a departmental manager. Yet, unless these standards are written down, they cannot be passed on consistently to all employees. Further, such standards may not be readily apparent to the General Manager who has the overall responsibility to establish the requisite service levels envisioned by the owners or board of directors.

Policies and procedures are a necessity in any organization. They describe in detail why and how things must be done. While a club should avoid becoming overly bureaucratic, there are clearly areas where the repercussions of not following set policies and procedures are significant. Two of these are Human Resources and Accounting. In the former there are federal and state laws that dictate how employment and personnel matters must be handled and, if not scrupulously followed, they can create significant legal and liability exposure for the club. In the latter area where exactness is critical to financial reporting and performance, it is crucial that managers understand and meet their responsibilities in an exact and timely manner. In the other areas of the club, operational policies and procedures promote well-organized and efficient operations.

By committing each service event or action to writing – how it is to be accomplished and what is the appropriate outcome – managers create the basis for training material, which can easily be reviewed by the General Manager to ensure it meets the owners’ or board’s requirements, and foster consistency in the

operations. Given the time constraints on busy operations managers, gathering or preparing written descriptions of standards is a daunting task. Such standards can be found in a variety of books, training manuals, or videos that demonstrate various service techniques, but using these standards may only offer a generic solution and not one that fills the unique needs of a particular club. Further, assembling these standards from a variety of sources is challenging and the resulting material is often presented to employees in a chaotic way without placing the material in context and without appropriate introduction or transition from topic to topic. Often it lacks consistency in its message and is contradictory in its detail. The result is confusion for the employee.

Some may ask, “Is this really necessary; it’s a lot of work.” Consider the fact that over 80% of small businesses fail within their first five years. Contrast this to the near-certain success rate of franchised operations. The difference is not the product. Hamburgers, pizzas, and sub sandwiches are just that – hamburgers, pizzas, and sub sandwiches! What sets them apart is that they have well-thought out organizational systems that define and describe in detail every aspect of their business model – they have written standards, policies, procedures, and work processes and they train their staffs so that every employee knows what to do in every situation. As Michael E. Gerber says in his best-selling book *The E-Myth Revisited* (E for entrepreneur),

“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.**”*
(emphasis added)

When you truly understand this, you recognize that to be successful in the complex 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.

3. Detailed Organization, Operating, and Training Systems

The quality of club operations is, to a great extent, dependent upon the degree and quality of its **organization**. By organization we mean the clearly-defined programs, systems, and processes that permit the majority of club functions to happen routinely and efficiently. Evidence of good organization is readily apparent to all who witness it. Work spaces are designed and set up for efficiency, storage areas are properly designated and arranged, all items are properly put away after use, order and cleanliness are routine, details are attended to, employees are productively engaged at any time, the pace of normal operations is measured and methodical, and all employees have the inclination and opportunity to be pleasant because they are not under the duress of poorly organized and chaotic operations.

Systems are the integrated organization and structure of the interrelated standards, policies, and procedures of the club. They include the operating systems of the golf, tennis, aquatics, food and beverage, golf course maintenance, activities, membership sales, and administrative departments of the club. Supporting these operating departments are the human resources/personnel, accounting/financial reporting, member relationship management, facilities maintenance, housekeeping, safety, and security

departments and their organizational systems. Lastly, there are the training systems that convey the skills, knowledge, and empowerment training to employees. Training systems include content development by subject matter experts, training delivery systems, training administration to track and report training, and compliance monitoring to ensure that all necessary training is being done.

While the great majority of club operational best practices are well-known and easy to understand, our experience has shown that busy operations managers are often so focused on their own departments that they need a helping hand in establishing club-wide organizational systems. Further, to ensure that such organization is passed on faithfully when the club experiences normal turnover, such systems must be well-documented and all new managers trained in their details and functioning.

Common Characteristics of 1st Triad Requirements

- The three requirements of the 1st Triad are all created by management in consultation with owners or boards.
- Meeting these requirements is a major one-time effort, requiring vision, an understanding of all aspects of the business, a sense of organization, persistence, and a degree of writing ability.
- Once completed, these requirements are primarily static, usually only needing minor, periodic modification.

Remarkable Service Infrastructure *2nd Triad Requirements*

4. Member-Desired Products and Personalized Service

Owners and management can establish the facilities, products, and services that a private club provides, but if they are not the ones that members want, the club will not be successful. It is incumbent upon management, therefore, to **fully understand the expectations** of the membership. This is complicated by the fact that different members may want different things and the desires of individual members may change over time, often influenced by popular culture, ever-changing technology, and what their friends have and want.

A typical club Mission Statement says that the club must “exceed the expectations” of members. But how can the employees exceed expectations if they don’t know what those expectations are? A more realistic Mission Statement would be to “**understand** and exceed the expectations” of members.

This need to understand the changing expectations of members requires management to continually “take the pulse” of the membership by any means available, including intensive personal contacts, management calling programs, membership meetings, various member or advisory boards, surveys, comment cards, analysis of member club use and spending habits, as well as ongoing feedback from employees about the receptivity of members to the club’s offerings and individual member preferences.

Not only must this information be obtained, but it must be processed and analyzed in a way that provides both a clear understanding and a sense of direction to management. Only then can management act effectively to ensure that it continues to “exceed” the expectations of the club’s membership. This process of understanding members’ expectations can only be achieved by building strong member relationships. In essence what is being attempted is to build and institutionalize a system that will replicate the **personalized service** that was the hallmark of the best “Mom & Pop” operations of old. Such service was based upon the trust and accumulated knowledge of years of day-to-day interaction with customers.

To ensure that the strongest member relationships are built and maintained, it is necessary to place as much focus on member relations as other critical areas of the Club’s operations. This can be done by expanding the Membership Sales position to that of a Director of Member Relationships to oversee all areas of member relations. The focus of the position now becomes one with equal measure of selling memberships and managing the club’s relationship with members. While critically important and often challenging, the selling of memberships is only the first step. Servicing all the needs and desires of the members is an ongoing essential task requiring a well-developed **member relationship management plan** and the ongoing efforts of all staff – both management and line employees.

A key part of meeting or exceeding member expectations is to ensure that club employees know and use member names as much as possible and to build a database of member preferences for food, beverage, dietary needs, clothing styles, colors, and sizes, and any other personal requirements. By doing so, the club and staff demonstrate their commitment to Remarkable Service and the needs of their membership.

The system to accomplish this is two-fold. First, all employees carry pocket-size pads of Member Preference forms. Anytime an employee notes a members’ preference or overhears a comment about preferences, he or she fills out a Member Preference form and submits it to the Membership Office. Second, when the Membership Office receives Member Preference forms, the information will be evaluated and entered into the Member Profile in the Club’s Property Management system.

The Membership Office is then responsible for making Department Heads aware of new data in the Members’ Profile. Department heads ensure that their employees constantly review member preferences

to provide the extra recognition and touches of service. The *Daily Huddle* or pre-shift meeting is an excellent means to do this.

Lastly, the club must continually survey subsets of members on products, service, and overall satisfaction with the club. This can be done in an easy, professional, and cost-effective way by using any one of the online survey services. Responses to surveys must be benchmarked and any problems uncovered must be dealt with promptly and thoroughly to the member's complete satisfaction, while steps are taken to ensure that problems are not repeated.

5. Ongoing Operational Planning, Benchmarking, and Review

Every enterprise demands a plan. Without a **formal, written plan** to focus attention and action upon the completion of specified goals within a specified time period, the club will lack clear direction and purpose. Planning for club operations should include:

- A Strategic Plan covering a period of 3-5 years and updated annually. This plan looks at the club's strengths, weaknesses, threats, and opportunities. Its primary purpose is to ensure the competitive position of the club in the marketplace. Strategic Planning is also a tool to focus ever-changing boards on a long-term approach to guiding the club.
- A Club Annual Plan covering a period of 12 months, coinciding with the budgeting cycle. This plan lays out the specific goals to be accomplished during the year as part of the club's efforts toward continual improvement.
- A General Manager's Work Plan for the 12 months covered by the Club Annual Plan. This plan lays out measurable accountabilities for the General Manager and is the basis the GM's performance appraisal.
- A Work Plan for each Department Head for the same 12 months. These plans lay out measurable accountabilities for the Department Heads and are the basis their performance appraisals.
- Plans for major projects and events. These are plans developed for specific major tasks or activities such as purchasing new golf carts, renovating a facility, or preparing for the Member-Guest Tournament.

Without work plans it is impossible to **hold managers accountable** for their work and the performance of their departments or the club as a whole.

The importance of disciplined planning cannot be overstated. Haphazard planning results in haphazard operations and equally haphazard performance.

Benchmarking is the act of measuring operational performance. Every operation creates daily data that can be tracked to determine performance parameters. When tracked over time these benchmarks become the best predictors of future performance. At minimum, they allow management to monitor the "health" of the operation and quickly spot developing problems.

Reasons to benchmark a business' operation include:

1. After tracking operating statistics for a sufficient period of time to ensure a statistically sound sample, benchmarks can be used to establish performance goals for future operating periods.
2. Benchmarks help identify under-performance and best practices.
3. Benchmarks from past periods can make budgeting for future periods easier and far more accurate.
4. Tracking revenues and comparing them to historical benchmarks allows management to measure member response to products/services and new initiatives.
5. Benchmarks can be used to establish performance parameters for bonuses and other incentive programs.
6. Benchmarks create the **measurable accountabilities** for each manager's work plan.

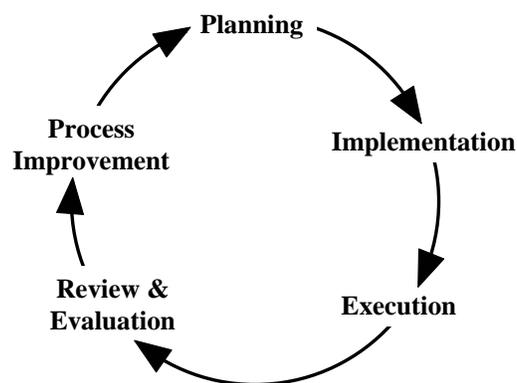
Items that should be benchmarked include:

- Revenues, both aggregate and by type
- Expenses
 - Payroll – (the single largest expense which bears the closest scrutiny)
 - Other operating expenses
- Inventories
- Retail sales mix to track member buying patterns
- Processes to track specific tasks or events

Coming full circle, there must be **ongoing formal review** of the operations. Were plans completed? What worked and what didn't? What are the benchmarks telling us? Careful review and analysis of all areas of the operation at every level by every manager will help the club achieve the next requirement of the 2nd Triad, discussed below.

6. Continual Product, Service, and Process Improvement

Given the many details associated with managing a quality, high-end club, 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 club's operations 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 seen as too trivial to warrant management's attention and the establishment of standards and procedures to ensure it is consistently attended to by the staff.



CONTINUAL PROCESS IMPROVEMENT
"The Discipline of Quality"

Common Characteristics of 2nd Triad Requirements

- The three elements of the 2nd Triad are all member-focused; that is, they pertain directly to the members' desires and expectations for their club, and the club's efforts to exceed those expectations.
- These elements are extremely dynamic, reflecting the changing needs, desires, interests, and habits of the membership.
- These elements require the ongoing, focused attention, involvement, and detailed effort of the club's entire staff, from General Manager to line employees.

Remarkable Service Infrastructure *3rd Triad Requirements*

7. Disciplined Hiring and Screening for Success

The quality of club operations is also dependent upon the quality of the staff. While there are many important aspects of club operations to monitor, hiring well pays great dividends in quality of service, lowered staff turnover and training costs, improved operational continuity, consistent member recognition, and continuity of the club's traditions and culture.

Dr. Bradford Smart, renowned industrial psychologist who has worked with scores of Fortune 500 companies to hire the best talent, says in his book, *Topgrading*, that 50% of all hires are mis-hires. This miserable success rate is no better than flipping a coin. Among the many reasons he posits for this is the lack of training in the **disciplines of successful hiring** and the lack of due diligence on the part of hiring managers.

He goes on to point out the damage that can be done by hiring poorly at the management level – people he calls “C-Players.” These C-Player managers:

- Embrace tradition over forward thinking.
- Prefer the status quo.
- Lack credibility, so others are hesitant to follow them.
- Require specific direction [from superiors].
- Hire mostly C-Players [A- and B-Players are seen as threats].
- Tolerate mediocrity.
- Drain energy from others; their [inaction or] actions prevent synergy.
- Sporadically meet expectations.
- Have mediocre skills [and seldom seek self-improvement].

Those in the hospitality business also fully understand the damage done to an organization by hiring the wrong line staff, which includes:

- The damage they can do to member service.
- The turmoil they create in your work team while they are with you.
- The amount of time that you must spend in training and retraining them.
- The amount of time that you must spend in counseling, disciplining, and ultimately terminating them.
- The lost opportunity of using your limited time and resources while working with them – time that could be better spent on other initiatives and pressing issues.
- The cost of replacing a substandard employee – both in terms of hiring and training a replacement.
- The emotional wear and tear on everyone involved.

The Ritz-Carlton Company, for instance, understands the importance of hiring the right people and has designed a **screening process** based upon determining each applicant's “talent index” in eleven job-related criteria. It also uses up to eight separate interviews with various line and management staff to ensure the right people are hired. Over the past twenty-five years, Ritz-Carlton has lowered its employee turnover rate from a high of 73% to 23% in 2005. While few standalone clubs can afford the time or cost of such a rigorous screening system, there is still much that can be done to ensure that the club “topgrades” its talent.

Many clubs already use a medical, drug screen, and background check on all employees. Adding a personality profile will help ensure that employees have the right temperament and personality for the position for which they are hired.

8. Skills, Knowledge, and Empowerment Training

The **development of specific training material** that addresses the needs of each operating department and each position is an absolute necessity for quality club operations. Recognizing that club operations are both detail-intensive and people-intensive, it takes a lot of people doing all the right things everyday to make a quality club. Unless employees are thoroughly and consistently trained in the basic skills necessary for their positions, there is little chance of the club achieving high service levels.

Beyond basic skills training, employees must be trained in the organizational systems, standards, policies, and procedures for their departments. There is also a requirement for initial and ongoing training in various legal and liability issues such as sexual harassment, food sanitation, workplace safety, and responsible alcohol service. Given that each department has different training needs, a thorough training program will also have a well-defined training curriculum by position. Lastly, in order to keep track of the complexity of the multi-curricula requirements of such a program, the club will also need a training administration system to track training by department and by individual.

Thorough training programs will include a variety of indoctrination and training vehicles that are consistent in message and mutually reinforcing, providing information, knowledge, and skills in realistic doses over an extended period of time. Such vehicles will include:

- Club and Departmental Orientations
- Employee Handbook
- Club Etiquette Training
- Ongoing Values Training and Reinforcement
- Individual Skills Training
- Member Relationship Training
- Employee Empowerment Training
- Departmental Systems Training
- Safety Training
- HR and Legal Compliance Training
- Ongoing Refresher Training

Having employees well-trained in their job skills and knowledge is only part of the requirement in a well-operated private club. Employees must also be **empowered** to think, make decisions, and act as the necessities of the moment dictate.

Highly successful clubs who engage their employees in developing work processes and continual process improvement have discovered that these empowered employees make indispensable partners in delivering service. Not only do they have a greater stake in the enterprise and are more fully committed to and responsible for their work, they actually equate their purpose and success with that of their club.

Motivation and morale in such clubs is sky-high without gimmicks or periodic campaigns by management. These employees are energized by their involvement and sense of contribution, and are passionate about their service to members and fellow employees.

But involvement in the decision-making process and empowerment to solve problems and satisfy members does not happen without a culture of Service-Based Leadership and thorough training of both leader/managers and line employees. Managers must be secure enough in their positions and knowledge to

be open to employee ideas, while employees must understand the framework and guidelines of their empowerment. Within defined limits, employees must be free to use their creativity and ingenuity to improvise and solve member issues – the extent of which management can never fully anticipate nor create sufficient contingency instructions.

The need to **properly train managers** is even more important than training line employees. These individuals, by virtue of their authority, have much greater responsibility and act as agents of the club. This makes it all the more important that they understand and faithfully execute the full scope of their duties. While **leadership training** is part of this requirement, there are subjects with significant legal and liability implications that supervisors must thoroughly understand; for example, employment law, the Fair Labor Standards Act, workplace discrimination, sexual harassment, legal status to work, youth employment, wrongful termination, workers' compensation, and workplace safety.

Managers also have significant fiscal responsibilities and must have a complete understanding of these requirements.

9. Service-Enabling Technologies

Carefully selected and applied technology can be the best friend of efforts to provide quality service. The advancement of technology has given us ever smaller and more powerful cell phones, property management software, point of sale systems, desktop and laptop computers, digital cameras, a host of software to address specific organizational needs, and even personal digital assistants – all of which can be great aids to service delivery.

When checking in to a luxury hotel, the parking valet skillfully acquired my name which was passed discreetly by earphone to the doorman who greeted me by name as he opened the door and to the guest services staff who greeted me warmly by name as I stepped to the front desk. Because they already knew I was entering the lobby they had looked up my reservation and printed out the registration card for me to sign. It all happened so discreetly and seamlessly, I only realized the graceful efficiency of their systems after I went on to my room.

The placement of service-enabling technologies as the last requirement of the Remarkable Service Infrastructure reinforces the necessity of all the previous ones. Alone, technology can do very little; but as the capstone of the other carefully crafted and consistently implemented disciplines, it becomes a powerful partner in a club's quest for Remarkable Service.

Common Characteristics of 3rd Triad Requirements

- The three elements of the 3rd Triad relate primarily to the club's employees and are detail-intensive.
- Accomplishing these requires organizational discipline and the "will to make it happen."
- The degree of change in this Triad is dictated by the level of change in the 2nd Triad.

10. Feedback Loops – Listening to What the Members are Saying

Finally, we have included a number of feedback loops on our diagram of the Remarkable Service Infrastructure to graphically demonstrate the need to listen to both employees and members to ensure that members' needs are being met.

Ultimately, it makes no difference what management thinks – success in delivering Remarkable Service depends only on what members think. To find out what they think, at every opportunity managers need to listen to them and to the line employees who serve them and know first-hand what does and doesn't work.

Implementation of a Remarkable Service Infrastructure

While many think that it costs more to provide Remarkable Service levels, this is not necessarily so. At the end of the day it's more about organization and discipline than it is about higher costs.

It does, however, require commitment on the part of the owners or board, buy-in from the club's membership, and a long-term, focused effort from the General Manager and management staff. The end result of Remarkable Service, of an organized and efficient operation, and a focused staff working in unison toward a common goal, comes from Jim Collins' Flywheel effect. To quote again from *Good to Great*,

*“What do the right people want more than anything else? They want to be part of a winning team. They want to contribute to producing visible, tangible results. They want to feel the excitement of being involved in something **that just flat-out works**. When the right people see a simple plan born of confronting the brutal facts – a plan developed from understanding, not bravado – they are likely to say, ‘That’ll work. Count me in.’ When they see the monolithic unity of the executive team behind the simple plan and the selfless, dedicated qualities of Level 5 leadership, they’ll drop their cynicism. When people begin to feel the magic of momentum – when they begin to see tangible results, when they can **feel** the flywheel beginning to build speed – **that’s** when the bulk of people line up to throw their shoulders against the wheel and push.”*

Realistically, the process may take three to five years . . . or longer. But the benefits to the club are as remarkable as the level of service achieved, including:

- Accountable, service-based leaders
- Willing, committed, and empowered staff
- Lower staff turnover; improved morale and motivation
- Greater operational efficiencies
- Improved operating performance
- Less liability exposure
- Better planning and execution
- Less turmoil and chaos in the operation
- Improved member sales, member satisfaction and retention

The important thing for management, staff, and members to recognize is that they are working on a plan to revitalize their club. And as legendary Dallas Cowboy coach Tom Landry said,

“Setting a goal is not the main thing. It is deciding how you will go about achieving it and staying with that plan.”

Staying with the Plan and Going the Distance

A sad fact of life in the American business community for some time now has been the focus on short-term results. The typical strategic plan for a U.S. company covers a period of 3 to 5 years. Their Japanese counterparts routinely use a planning horizon of 20 to 25 years. There may be a number of reasons for the more short-sighted nature of American businesses, but it is undoubtedly a major contributing factor to the Doom Loop as described by Jim Collins in *Good to Great*.

“The comparison companies followed a different pattern, the doom loop. Rather than accumulating momentum – turn by turn of the flywheel – they tried to skip buildup and jump immediately to breakthrough. Then, with disappointing results, they’d lurch back and forth, failing to maintain consistent direction.”

This same short-sightedness was the underlying cause behind one of the greatest business blunders of the Twentieth Century.

American professor, author, and business consultant, W. Edwards Deming developed a complex model of corporate operations (specifically the relations between management and line staff as it relates to quality of production) that he introduced to U.S. auto industry executives in the early 1950's. He explained that the process would be a long one to properly incorporate into business operations, but the dividends in quality of production and staff productivity would far outweigh the slow process of incremental progress due to the attention to detail involved in the conversion.

The executives rejected his proposal uniformly. Undaunted, he approached the Japanese auto markets with the same proposal and succeeded in winning their support. Not only did the auto industry of Japan benefit, most of Japan's economy adopted the unique approach to the ownership/management/line staff model. The outcome has been that in spite of Japan's population size in relation to other larger countries, it has for decades been a world leader in quality and sales volume in many industries. In 2008 Toyota overtook General Motors as the world's leading auto manufacturer – something that would have been unthinkable to those GM execs of the 1950s.*

This story should serve as a cautionary tale to those club Boards who clamor for high quality service and efficient operations, but are unwilling or unprepared to accept the long term nature of establishing the culture and infrastructure necessary for remarkable service. Without a willingness to set and stay the course over the long haul, to provide the necessary resources and support to the club's management team, their desires will be continually frustrated by their own short-sightedness.

Summary

The quest for Remarkable Service is a journey requiring the continual disciplined attention of management and staff. No matter the effort put forth, no matter the perceived success, clubs will never reach a point where managers and employees can say, “We have arrived; now we can rest.” This is so because the quest for Remarkable Service is never a destination, rather it's a transformative journey that enriches both the recipients of that service and the providers.

In the ever-changing world of member expectations, each level of quality achieved, each plateau reached, is merely the starting point for further development and improvement. Yet as the cycle of review and continual improvement begins anew, all can be assured that with each iteration, each turn of the Flywheel, success becomes easier and more assured because of the organizational discipline gained and the momentum achieved.

* My thanks to Brian Moore, CCM, for bringing this illuminating story to my attention.