

How Much Time Does Your Club Waste Reinventing the Wheel?

Jim Muehlhausen has written an essential book for every small business entitled *The 51 Fatal Business Errors and How to Avoid Them**. It's a book that every club manager should read and act on in his or her own operation. In it he lists Fatal Error #43 as **Reinventing the Wheel Daily**. To quote from the book,

“Every day a CEO with no written operation plan walks through the door, she says to herself, ‘Hey, I wonder how we should run the business today?’ This process of reinventing the wheel will end up consuming all the valuable time of the organization and the CEO. In the name of flexibility and custom one-off solutions to problems, the CEO has doomed herself to a firefighting existence.”

The solution to the problem according to Muehlhausen is to have a written operations plan. While most clubs executives have heard of an operations plan, few clubs have them. As Muehlhausen says,

“If writing an operations plan is so powerful, why don't 100% of businesses have one? Well, writing an operations plan is a REAL pain. It requires hard work, sacrifice, and a deep understanding of your business.”

And it's coming to grips with a lack of understanding of your business and how it works in all its details that is the real value of writing an operations plan. This is especially true in clubs which operate a variety of specialized businesses requiring specific knowledge and expertise. Further, the intensive detail involved in delivering a quality service experience to members requires that the methods and processes of service and service delivery be spelled out in great detail. W. Edwards Deming, the 20th Century's renowned advocate for quality, recognized the importance of process when he said, “If you can't describe what you are doing as a process, you don't know what you are doing.”

Other authors have touched on the importance of the operations plan. As we described in [The Quest for Remarkable Service](#):

“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 a number of definitions in searching the Internet, they all revolved around the concept of documenting the way an enterprise conducts its business. In an effort 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 Hospitality Resources International has created a large amount of 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 for more information.

The book is: *The 51 Fatal Business Errors and How to Avoid Them, 2nd Ed.*, Jim Muehlhausen, Maximum Communications, Indianapolis, 2008. It can be purchased [here](#).

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