

Innovative Technological Advances In Modern Club Operations

Denis P. Rudd
Robert Morris University
rudd@rmu.edu

Abstract

Looking toward the second decade of the 21st century, integrating technology into clubs is a challenge that all club managers face. The secret to success is ensuring technology positively impacts day-to-day operations of your facility without disturbing normal operations. Clubs that continue to operate successfully have lengthened their golf courses and offer the newest technological services to members and staff. They have also added fitness centers, child care, and “family friendly” menus. Member expectations continue to change dramatically. Instead of joining a private club to follow in family tradition, members are now searching for value in their club investment.

Keywords: Business Intelligence, Cognos, PowerPlay, Technology, APTECH, RFP.



“Whether it’s to increase service speed and reliability, cut cost through automation, find new markets, or to add value to products, every business including Club management, must use technology to stay current.” Denis Rudd

The Impact of Technology

The impact of the Internet has directly or indirectly affected everyone in this country. Everyday customers see the Internet changing the way club operations do a wide variety of tasks on a daily basis. Business has been revolutionized by technology and the club industry has followed. Technology has an intimidation factor attached to it, and older generations have found it hard to adapt to changes in technology. Today’s younger people are comfortable and driven by technology, they have been exposed to this new way of life from birth, and they are not intimidated by this medium of communication. They are prepared to use technology and will drive it aggressively into the future.

“Websites that invite and reward are the next wave,” predicts tech seer Michael Squires. Squires further states, “Website design has matured from “brochure ware” to websites that sell, and Internet users are clicking on the new sites to buy.” The Neanderthal Web design theory maintained that, “all companies shall have sites that are entertaining, informative, and sticky.” The theory continued to state, “twenty first-century Internet principals are more disciplined, demanding that a site make money by helping visitors find what they want so that they can quickly conduct their business” (Squires, 2002).

An interview with Dan Brennan, general manager of the Edgeworth Club, confirmed that entering into the year 2008 and beyond has been quite difficult for many of the private clubs nationwide. Member expectations have changed dramatically. “The private club members of today have the same high expectations for service and food as they had thirty years ago, but they want it faster and more casual,” Brennan said. Furthermore, Brennan believes that, “private club members of today are searching for the value in their investment and have put aside family tradition and legacy as reasons for joining a given club.” The age of technology has played a large part in that. Club members are constantly on the go. They want to eat fast and be able to use their laptops or cell phone while they dine. “The older, established clubs across the country have been fighting that change,” Brennan states, and fortunately, “many have figured out how to permit it without giving up their status.”

Members want to make reservations on line, they want to use email for committee reports and meetings. Brennan is confident that The Edgeworth Club has been able to make the progression into the “high tech” society. He admitted that managing a club that encourages senior staff to be progressive with technology is quite challenging because they want to have the club at their fingertips 24 hours a day. The challenge is to purchase the right hardware and software that best fits your club. What is purchased today is obsolete in three to five years so keeping inline with the updates is the first key to maintaining a private club in today’s technological society. Brennan raised the valid question of, “how do we ask long-term employees of 20 years to change their habits and become “high tech”?” Thus, putting the emphasis on education has never been more important in the club industry.

“As club’s move along trying to figure out what is right for them, we also must maintain our private club status,” Brennan stated. Sometimes going to “high tech” can open up a whole new set of problems. Does the club membership understand the privacy laws? Do they want to put the club in jeopardy of losing their private club status? What are the tax implications? It is so important to keep up with education and to hire the right person to lead your club. Hiring intelligent, well educated, and well-rounded individuals to manage the various departments in and around the club is of the utmost importance. “They are the leaders who make the club successful because no one person has ever successfully run a private club, been successful financially, and kept their job longer than three years, doing it all by themselves (D. J. Brennan, personal communication, January 7, 2008).”

A 2005 Delphi study, conducted by Dr. Michael L. Kasavana of Michigan State University’s School of Hospitality Business, indicated four areas of technology that are to be relevant for the near future: wireless applications, online purchasing systems, seamless POS integration, and customization of the member experiences.

E.J. Siwek, CMP and President and Founder of FLASHPoint Technologies, LLC proposed this list when considering a site selection tool and request for proposal (RFP) tool in his resource guide, *The San Diego Guide to Meeting Technology* (2002):

- Ease of navigation.
- Robust search criteria, including location, brand, price, meeting space.
- The total number of venues/properties listed on the site. This can vary site-to-site and is dependent on what information is listed free of charge and what is at a premium charge to the facility.
- Amenities and services available at a site.
- An active link to a facility’s Web site.
- Access to floor plans, menus, meeting space capacities, and calculator.
- Reporting options, including the capabilities to export select data and build comparison reports.
- Access to virtual tours and multimedia presentations.
Access or ability to download a brochure or fact sheet.
- An RFP module with criteria that provides for meeting pattern options, preferred and alternative date options, sleeping room block information, event function, and the option to note response and decision dates regarding the RFP.
- Ability to store and save specific search queries, save RFPs, and modify or update an RFP.
- Using site selection utilities and RFP modules can result in dramatic time and cost savings, and once you start using these robust features, you can focus your time on marketing, content development, and other core demands.

Web sites that host site selections provide a large array of information that may be needed in making a decision about a site selection. Certain sites may have some or all of these features where an advanced site may have options to drill down into more detailed information. Some sites have 3D virtual reality tours that can enhance the site selection process. It all comes down to finding the appropriate space and needs that fit the organization requirements.

Online Registration

Online registration is a huge benefit to club members. It is one of the highest used technologies in the industry, besides the use of email and vendor research (Fenich, 2008). For a club member to simply go online and register is quick efficient and cost effective for both parties. It is also important to understand the scale of the organization and to apply appropriate and relevant technology. This is how the real savings comes into play. The general rule is “the more registration transactions- including travel and housing- made throughout the organization the greater the potential savings,” according to E. J. Siwek. There are four categories of technology-based options that he lists in *The San Diego Guide to Meeting Technology*: over the counter (OTC), PC-based software, industry specific applications, and highly customized applications (Siwek, 2002).

1. The over the counter or OTC application is a user-friendly and inexpensive option that uses well know programs such as word processing, spreadsheets, email management, calendar and task management utilities. It also uses a relational database (a database in which the records are organized in individual tables). Club management software PC solutions often provides a relational database structure, with core interfaces for session tracking, registration, speaker management, budgeting, and financial management. Most offer pre-defined reporting, custom report capability. This application can be viewed by the organization or seen on a network.
2. Web-based e-marketing and front-end applications. This category of product can provide strong e-marketing abilities from design to implementation and analysis. Most solutions of this type provide for event-based, Web-site integration for handling online registrations, e-market tracking and analysis, and real-time reporting. The strongest benefit results in both cost and time savings within marketing creation, distribution, and analysis cycles. This class of product provides a template-driven interface for designing branded campaigns, including electronic marketing content and a themed Web site seen by the prospective members. All of these applications have both a maintenance interface and a registrant interface, and can be implemented within days. Strong in their marketing aspects, these solutions often fall short in addressing the general club management functionality — such as setup requirements, audiovisual specifications, food and beverage planning, event budgeting, and speaker management — offered by PC-based systems.
3. Enterprise-wide applications. This category of product is often managed from a centralized department and distributed at an enterprise-wide level. As a result, incorporated planning tools, such as selection, registration, reservations, and housing, are easily available to all who need access to the application.

“Highly dependent on club volume, these multi-functioned applications provide degrees of functionality within reservation, housing, e-marketing, and function management areas,” Siwek states. He believes, “The more widely these applications are used within an organization, the greater the time savings, the more enhanced the data for negotiations and the more stringent the policy adherence” (Siwek, 2002).

From a management perspective, enterprise-level deployment allows an organization to truly assess spending levels. For the largest functions, these systems can bring the greatest return on investment.

E-Marketing

Marketing has changed drastically with the advent of technology. The ability to extend marketing extremely quickly and very cheaply has reshaped the craft of marketing. E-marketing has a very desirable attraction to the convention and trade world due to the richness of the World Wide Web (Fenich, 2008). New E-marketing software tools have been very successful in the industry. This technology has the capability of saving time and money while increasing business within the industry. The downfall of E marketing technology is its newness. Many inexperienced managers have been thrown into the game without really understanding it.

Marketing plans need to be trickled through the organization by way of electronic media. A few formats that are used are marketing copy, promotional offers, pricing, deadlines, and graphic treatment.

Below are the Professional Convention Management Association suggested three questions to begin outlining a marketing map (<http://www.pcma.org>):

1. Who develops and maintains meeting and event copy? This could be venue descriptions, agendas, or pricing information. Does this responsibility include both print and electronic copy development and placement? Who needs to receive this information? Don't forget about external suppliers, such as Web developers, print vendors, and the housing bureau. How often will the content change, noting special promotions and last-minute updates?
2. Who develops the club's marketing plan? This covers the available budget and its cost centers, marketing channels, list segments to use, lists to purchase, the marketing timeline, and metrics to assess the plan's return on investment. In these tight times, an increase in revenue may not be good enough. What you are really after is an increase in revenue per marketing dollar expensed. With e-marketing and integrated marketing efforts, many opportunities exist to sell club-related items well beyond club activities.
3. How do you deploy information on your Web site, and how is your Web site used? Do you post your entire calendar or do events exist on event-only sites? How are the names of past attendees and members integrated on the event site? Will one site link to another or to the member's records database?

"Paramount beyond these features is a clear understanding of how such data as content and graphic files can be exchanged between delivery options and supplemental databases," according to the PCMA's website (<http://www.pcma.org>). Furthermore, the PCMA maintains, "the degree of data exchange will depend on how and where your organization designs, maintains, and communicates its marketing and promotional content. The more downstream users you have and the higher the number of delivery channels of your content, the greater the requirement for optimizing data exchange. "

The PCMA also advises that the questions below be considered before an e-marketing campaign gets underway (<http://www.pcma.org>):

- In what delivery channel formats do my messages need to be readied? Some of the channels might include: the Internet, wireless devices, e-fax, e-mail, traditional print, and phone.
- How will you edit information for each channel, and what information needs to be supplied to each channel? For instance, a phone recording may only mention an opportunity and where to receive updates, and not the finer details of a promotion. Due to screen and memory limitations, PDA content should be a scaled-down version of information found on the Web.
- Are their items requiring secured transfer of personal data? Obviously, credit card data is one of these. However, just as important these days are e-mail addresses, Government ID numbers, and member numbers.
- Where are the bottlenecks? How many transactions are anticipated? Is there a manual step in the process that might become a bottleneck? For instance, how do you authorize a credit card transaction or process a fax when it is received?
- Will you personalize print response forms with unique identifiers like a name or membership number? And how are they processed when received?

The great advantage of e-marketing is that club managers can quickly develop user profiles. Some Internet users will prefer to register online, and purchase other items online as well. Therefore, the next time, club managers will offer materials online and discontinue traditional mailers (Siwek, 2002). If managers continue to mail to profilers as well as e-market, then the PCMA believes that the process is not being utilized. Club managers should always provide Internet users with the ability to opt out. All of these metrics should be tracked with each campaign, and managers should work at improving on an ongoing basis.

Club Bookings via the Internet

Another segment of the industry that has been helped drastically by the use of the Internet is house bookings. This application is highly sophisticated; it has impacted how people make reservations and book rooms. Reservations and rooms are in real time, with up to date information on single reservation or room's availability. This allows for quick decisions on room reservations without overbooking. Data is now shared among all departments of the club. Therefore, it cuts cost and saves time.

The according to the PCMA's website (<http://www.pcma.org>) product types are divided for handling transactions into three basic categories

At the highest level of integration, systems designed for real-time processing with integration into data warehouses. These allow for up-to-date or real-time review by both the room buyer and seller.

1. Vendors that have carved out strategic relationships with industry-wide housing switches such as Pegasus Systems. Depending on the servicing agreement, the depth of the integration and number of facilities served can and vary with each facility relationship.
2. A database, often with front-end Web access, for holding information. The captured data is then batch-processed at contracted facilities. In this category,

real-time processing in its truest form is not available, especially after cut-off dates.

Business Intelligent Software

Business Intelligence can be defined as, “the manipulation and application of the collective body of knowledge about a business for the purpose of accomplishing its management and operation at optimum levels of efficiency and profitability,” according to Cognos, an IBM company that specializes in business intelligence and corporate performance management software (http://www.cognos.com/products/business_intelligence/analysis/).

Business Intelligent software (BIS) is software designed to create databases, and offer processes for manipulation and presentation of data in a manner most effective for managers and other users. In order for this software to be effective, it must have the following characteristics and/or capabilities

(http://pittsburgh.about.com/od/taxes/p/income_tax.htm):

1. Full capability to sort, analyze and present data to reveal trends within a business.
2. The ability to integrate corporate data in order to support decision-making.
3. Capacity to gather and store all relevant information needed to make informed business decisions.
4. BIS must integrate and transform raw data into organized knowledge.
5. The data must be easy to interpret allowing for more rapid decision-making processes.
6. BIS also highlights trends associated with past operating procedures and experiences in order to discover opportunities, and uncover weaknesses.

Within the hospitality industry, and particularly within the sector of club and expos and large-scale meetings, BIS has been developed and employed in a very innovative and effective way. An operator’s ability to collect, transmit, and analyze transaction data in a way that allows for concurrent availability to the hotel or convention center property offers major opportunities to trim costs and boost revenue. For example, Cognos, a prominent vendor of BIS, calls its software product PowerPlay. This product is designed to investigate business data, and display multi-dimensional reports for analysis. With PowerPlay software, convention hoteliers are able to customize data presentations and perform multi-dimensional analysis of corporate convention data for essential decision-making and trend analysis. Users (managers) work with the PowerPlay Administrator who is usually the general manager of the property. Together, they identify Key Performance Indicators (KPIs). KPIs are measures and attributes that best indicate business performance at the departmental or enterprise level (http://www.cognos.com/products/business_intelligence/analysis/).

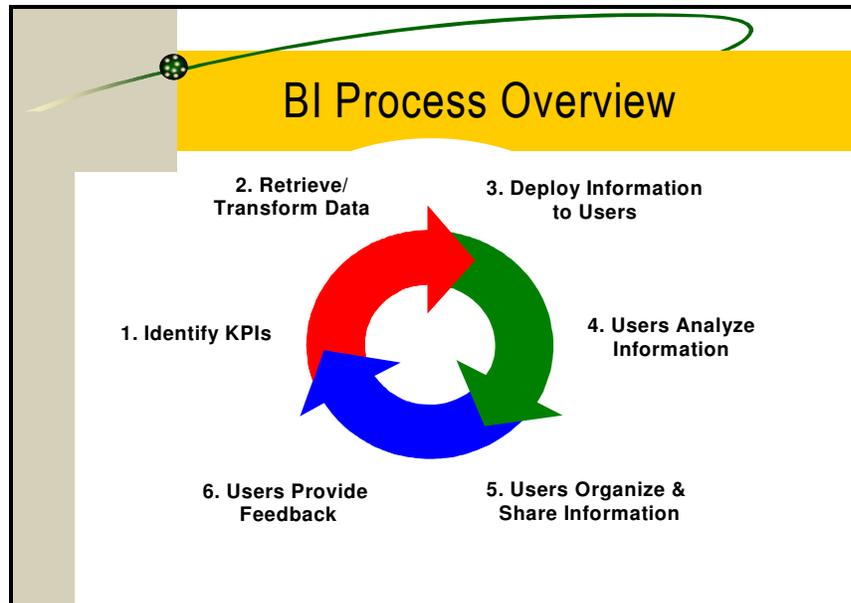


Figure 1

Business Intelligent

Retrieved July 1, 2005, from

http://www.cognos.com/products/business_intelligence/analysis/

Once the KPIs are identified, the CIO retrieves organizational data that best describes the KPIs. The data is transformed and provided to users/managers in a form of a Power Play Cube (Figure 2) that can be easily analyzed and navigated. Convention site managers then navigate the data, tailoring the analysis to their individual needs. During analysis, data may be easily shared throughout the enterprise. Cognos' PowerPlay and the PowerPlay Cube ensure that data sharing conforms to the convention centers security and sensitivity guidelines. Users, after analyzing and sharing information, provide feedback to the CIO. The CIO leverages user feedback to provide more information to users or to refine current information offerings.

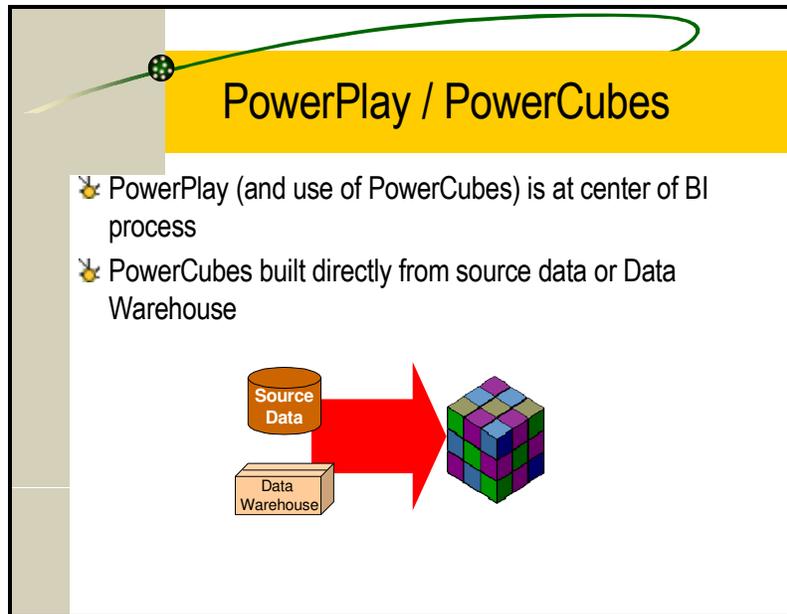


Figure 2
PowerPlay

Retrieved July 1, 2005, from

http://www.cognos.com/products/business_intelligence/analysis/

The PowerCube is the container of club data that is provided to users/managers by the CIO. The PowerCube presents the club data in a format that information users can easily interpret and analyze. Information users access the PowerCube(s) via the BI application software, PowerPlay. PowerPlay allows managers, with minimal vendor-supplied training, to navigate through the convention property's data, which is contained in the cube, to create custom views and reports. Cubes are usually focused on one (1) subject or departmental area (e.g. sales). This configuration facilitates the management of KPIs. Single-subject cubes also make security and distribution easier. Cubes are designed for "top down" analysis. Since they are optimized for portability and maneuverability, Cubes typically do not contain data at the transaction level (http://www.cognos.com/products/business_intelligence/analysis/).

Unlike traditional reports, PowerCubes are not static. Cubes contain source data that is as current as the last Cube update. The Club General Manager can navigate the cube data; filtering, organizing, and displaying the data in any way the user desires. Furthermore, each user/manger may save various views of the Cube (reports) to share with others such as the Chief Financial or board members, to navigate further. Cubes contain multiple attributes and measures and may be used to display revenue, cost, inventory units, staff counts, etc. Virtually any KPI, qualitative or quantitative, can be incorporated into a Cube for navigation and analysis (http://www.cognos.com/products/business_intelligence/analysis/).

In other approaches to designing and supplying BIS, vendors have opted to centralize and store information in data warehousing scenarios and provided processes to retrieve and present the data to its end users. Such a system is called Market Player developed by Passkey in 1996 (http://www.cognos.com/products/business_intelligence/analysis/).

Its solution employs back-end technologies that allow for tracking and management of reservations from a range of sources, including traditional service bureau processing of mail, call-in, and fax-back reservations, as well as those submitted online. The secured, centralized database design provides data warehousing that enables the tracking of user profiles. This reduces data entry time and provides individual transaction data.

Conclusion

Technology and the Internet are the drivers that will take the club management field into the future. Greater interchangeability of technologies and information will have an effect on how the clubs of the future operate. Technology and the Internet have reshaped and revolutionized global operations. The Internet has been the biggest part of technology, changing everything. Whether it is to increase service speed and reliability, cut cost through automation, find new markets, or to add value to products, every business, must use technology to stay current. Before business intelligence, many information users were isolated from their organizations data. Utilizing this business model report authors and analysts could not build reports without using complicated queries or special programming.

Today business intelligence models bridge the gap between information and the information user. Business intelligence makes information easily available to the users, in simple, straightforward business language. Club managers working with business intelligence experts, like APTECH computer systems, retrieve information needed and makes it available to all users, in an easily understood format. The cubes contain all of the information needed for business reporting data which is identified by the club manager and incorporated into the cubes by administrators. Cubes are typically focused on one subject area of the club property. Also cubes present information to users in a top-down fashion. This allows a high level view of the data for spotting trends and relationships, but also provides more details when needed. Cubes are static packages of data allowing the data to be analyzed quickly. However, cubes are refreshed on a daily basis in order to provide current information. Cubes allow the club manager to view his organizational data from any angle, any view, or in any combination of key performance indicators.

Globalization has changed the competitive market in such a way that information reaches out into the world much farther and faster with fewer boundaries and new audiences. Technology and the advent of the Internet have impacted the clubs so permanently that it will continue the influence their value far into the future.

Whether it's to increase service speed and reliability, cut cost through automation, find new markets, or to add value to products, every business including Club management, must use technology to stay current.

References

Cognos, Inc., Retrieved July 1, 2005, from

http://www.cognos.com/products/business_intelligence/analysis/

Fenich, G. G. (2008). *Meetings, Expositions, Events, and Conventions*. Upper Saddle River, NJ: Pearson Prentice Hall.

Kasavana, M.L. (2005, April). The word from Delphi. *Club Management*. 84.

Professional Convention Management Association. Retrieved July 9, 2005, from

<http://www.pcma.org>

Siwek, E. J. (2001, September). Finally!...real –time housing information

[Electronic version]. *Convene*. <http://flashpointtech.com/sandiego>

Siwek, E. J. (2002). San Diego Guide to Meetings Technology. Retrieved May 15, 2002,

from <http://flashpointtech.com/sandiego/index.htm>

Squires, M. (2002, July). Teaching Your Website to Sell Teaching Your Website to Sell.

[Electronic version]. *Lodging Hospitality Magazine*.

<http://www.softscribeinc.com/news/web.html>