

# Now's the Time to Invest In Club Technology

**AT A TIME WHEN MOST CLUBS ARE LOOKING TO REDUCE OPERATING AND LABOR COSTS TO COPE WITH THE CURRENT ECONOMIC RECESSION, THE MESSAGE HERE IS DIFFERENT - THIS IS THE TIME TO BE INCREASING YOUR INVESTMENT IN COMPUTER TECHNOLOGY!**

Notice that I use the term investment – not spending. Computer technology is an excellent investment for many private clubs, because the benefits received can far outweigh the funds expended.

For most businesses, technology investments are seen as a key ingredient in achieving a competitive advantage. Companies with advanced technologies are better positioned to compete - and win - in any economy.

viewed computer technology simply as an expense, not as an investment. ROIs on computer solutions have been a minor factor because, until recently, clubs haven't seen themselves as directly "competing" with each other or with commercial establishments.

The recession has changed all that. Clubs have become painfully aware that their ability to maintain revenue levels is very much related to member loyalty, and the relative "wallet share" that members assign their club activities versus myriad other "competing" activities.

Which brings us back to technology investments. While most clubs spend some funds each year to maintain and upgrade their computer systems, very few make the needed investments to position



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ship management (CRM) solutions improve member recognition and help staff anticipate member needs with knowledge of preferences captured by the systems.

Member convenience is enhanced with a number of technological tools including: a robust website that provides important, timely information; online reservations that allow members to make dining

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Computer technology offers several opportunities for significant cost savings. The most obvious is electronic communications. Many clubs have realized huge ongoing savings by replacing traditional post office mailings with online solutions. Monthly member billing statements, club bulletins and newsletters, member rosters, rules and regulations booklets, club bylaws publications, and most other printed matter can be made available online at a fraction of the printed/mailed cost. These are real savings that continue year after year.

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Technology return on investment (ROI) serves to motivate corporate executives to budget significant funds (no matter how depressed the economy) to assure that powerful computer solutions are available to support the overall business plan.

In the private club industry, things have been different. Most clubs have

technology as a *competitive advantage*. Here's how those investments can make a real difference.

**1. Increasing Membership Value** – Advanced computer technologies offer many opportunities to add value to your club's membership. Customer relation-

and tee time reservations at their leisure; online account inquiry offering up-to-date information on member billing, POS check detail and minimum spending balances; online account management that allows members to pay their monthly bills electronically; electronic gift cards offering a convenient way for

members to show their appreciation for their colleagues and more.

**2. Increasing Member Loyalty and Retention** – CRM and Customer convenience technologies are designed for one main purpose: to increase overall customer satisfaction and thus, encourage customer loyalty and retention. These technologies are a mainstay in most industries, where competition for customer wallet share is fierce.

For most private clubs today, the key to long-term financial health is maintaining their membership ranks at a level that can comfortably sustain the club's operations. As in other industries, computer technology can play a large part with private clubs by enhancing member satisfaction, raising the level of personal service provided by club staff, and offering convenience items that make the member's interactions with the club faster and easier.

**3. Increasing Revenue** – From satisfied and loyal members flow revenues. Loyal, happy members who value what the club has to offer are more likely to channel their spending to the club, and feel good about it in the process. But that's not all. Advanced computer software can take revenue increases a step further by sharpening the club's marketing efforts to improve results. Sophisticated business intelligence solutions help management to better understanding what members want, what they are likely to buy, and how to effectively market the club's services and amenities to the membership niches.

Advanced eMarketing software allows club management to create focused marketing initiatives to sub-groups of members, which increases the effectiveness of the marketing effort and reduces the "annoyance factor" from promoting low-interest items to the bulk of the membership.

**4. Reducing Costs** – Computer technology offers several opportunities for significant cost savings. The most obvi-

ous is electronic communications. Many clubs have realized huge ongoing savings by replacing traditional post office mailings with online solutions. Monthly member billing statements, club bulletins and newsletters, member rosters, rules and regulations booklets, club bylaws publications, and most other printed matter can be made available online at a fraction of the printed/mailed cost. These are real savings that continue year after year.

Of course, moving away from traditional printed and mailed communications concerns many clubs who believe that a large portion of their membership will not be comfortable with electronic communications. No problem. Start by focusing on those members who will be comfortable with online solutions. Your systems can easily differentiate between the two groups, and your savings will grow each year as the eCommunications adoption rate increases.

**5. The Technology ROI** – There are many ways to increase member satisfaction and loyalty at a private club. Increasing member recognition and service levels emphasize the personal touch that sets clubs apart from commercial establishments. Upgrading club amenities adds tangible value to the member's enjoyment. Enhancing the quality of food and beverage items clearly demonstrates the value of a membership at the club. And so on. Now all of those approaches have something in common – they increase value, and they are expensive to implement!

With clubs across the nation facing tight finances and cutting costs, the thought of spending major dollars to

enhance member satisfaction and loyalty won't be high on many clubs' priority list.

However, there's a less expensive way to get there. By adding relatively inexpensive computer technology to the mix, clubs can quickly achieve a measurable increase in CRM and member convenience. In fact, many of the features are most likely included with your club's existing computer systems.

But there's a catch. Many clubs will be unable to take full advantage of these technology opportunities simply because they do not have an experienced computer person on staff. Creating that position, and hiring the needed professional, will be a tough sell in the midst of this down economy. So here's a suggestion.

Do a quick analysis of the cost savings associated with a 75 percent reduction in annual postage and mailing costs for all member mailings and publications (to be replaced with eCommunications). Be sure to include all costs – postage, printing, paper, envelopes, etc. Then calculate the annual cost of losing one average full membership – dues, assessments (if any) and purchases (which would theoretically be saved with advanced computer technology benefits). Add the annual savings from both sources together. The total should be just enough to pay for the computer technology talent you need. **BR**

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