

# Club Director

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PERSPECTIVES FOR CLUB DIRECTORS PUBLISHED BY THE NATIONAL CLUB ASSOCIATION

## Medaling *in the* Kitchen

NBA All-Star Steph Curry and  
Detroit Athletic Club Executive  
Chef Shawn J. Loving, CMC



# The Power of Process: Directly Linked to High Performance

**IF YOU DON'T INVEST** in the process, you'll never have consistent performance.

Many clubs are entering their budget season, and it is essential to focus on the actual performance costs for your club. Performance has a direct correlation to producing quality products and services to and for your membership in the private club industry. But just as beauty is in the eyes of the beholder, so too is quality. Ultimately, it is up to club leadership to determine the quality levels to which a club should perform; and defining those levels is a significant task. Fortunately, many industry benchmarks can assist in the process, but that discussion is for another day.

**DAN:** Bob, while industry benchmarks can be helpful, some might say they can also be limiting. Each club is unique, and the standards that work for one might not work for another. Standards, too, are related to expectations and have a direct relationship to dues. One of our clients, who has \$105,000 in dues this year (yes, dues, not initiation fees), has a membership that clarifies sophisticated expectations most memberships have never experienced. Ideally, the club member who pays median dues has median expectations. The conflict emerges when more than a few members of a club have champagne dreams and beer pocketbooks.

## Process vs. Performance: Understanding the Connection

**BOB:** Dan, your point is reluctantly well taken. Today, we are focusing on the importance of process in producing consistently high quality (however that is defined) throughout the operation. In a

later article, we'll address the importance of the process in good governance so more later. In business and governance, the importance of process cannot be overstated. Peter Drucker, famous for saying, "Culture eats strategy for breakfast," was a great proponent of process and might also have said that process eats performance for breakfast or another twist on that corollary that process eats quality for breakfast. Drucker emphasized that quality is not just what the supplier puts into a product or service but what the user gets from it. "Consistent performance ensures that the product or service reliably meets the user's needs and expectations."

**DAN:** Bob, you disappoint me. You know I love Peter Drucker's thinking and every hospitality professional and, for that matter, every executive should study his work. Mr. Drucker also said, in certain instances, "We don't pay for process; we pay for performance." Every startup and every entrepreneur is now smiling as they read this.

An excessive focus on the process could lead to rigidity and stifle creativity and innovation. Too much standardization can prevent employees from thinking out of the box and coming up with novel solutions. Also, with the dynamic changes of leadership evolving in clubs, investing heavily in processes, training, and equipment for particular products or services may be wasteful when the club takes a different direction. Resources might be better allocated to other areas that directly impact member satisfaction or revenue generation rather than to processes that may not yield immediate visible benefits.

## The Role of Process in Achieving Consistent Quality.

**BOB:** Dan, I did some fact-checking and ChatGPT could not find where Drucker may have made that statement. Maybe you too have created a corollary to what he actually said, but I believe you conflated Drucker's iconic work on Managing by Objective (MBO) with your interpretation that it's all about the end result. I'm certainly glad that you were not my college math professor when I received partial credit for following the formula (process). Drucker's MBO is all about process.

Investing in the process is crucial for achieving consistent results both at the board and operational levels. This involves focusing on training, coaching, supportive equipment, supplies and technologies. Furthermore, performance goals for operations must align with the staff's core competencies and departmental resources. At the governance level, it is more dependent on the board's commitment to effective governance and how it structures its processes for success.

To put the importance of process in perspective for club operations, consider the following extremes of two scenarios:

- Your favorite fast-food outlet. Known for their consistency of products, fast food primarily operates with less skilled staff. However, they achieve consistent quality (relative quality) using standardized ingredients, high-tech equipment, simplified and routine tasks and precision processes. These companies must invest heavily in the process. They don't gamble on inconsistent results from free thinking innovators.
- Your favorite gourmet restaurant. On

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the other end of the spectrum, gourmet restaurants require highly skilled culinarians in sufficient numbers to produce the same quality product regardless of the number of guests at a seating. For the most part, their kitchens have top-quality equipment, but the process of producing the product is much more dependent upon the skills of the culinarians. Those skills follow standardized production processes, which they have perfected through training. The labor component is the substantive cost; maintaining those skills through ongoing training is a necessary further investment. Creativity and innovation are rewarded, but not served-up

without rigorous testing.

Most country clubs offer a variation on both extremes: fast-food snack bars at the pool or golf course, fast-casual grills and a fine dining room or occasional gourmet dining event. The membership has expectations for each venue, but are they reasonable given the required resources? Clubs can generally afford the required equipment and quality ingredients, but retaining skilled labor at every level is a significant challenge.

Are your golf course and landscaping up to expectations? Setting the standards and expectations for the golf course and landscaping throughout the club is one of the most problematic roles of the board. We

often defer to comparing our facilities to the best club in the area or to what we've seen on televised tournaments. There are benchmarks for performance, but there are few benchmarks for what it takes to provide consistent conditions at whatever level the club desires. The conditioning of a course is also very much wrapped up in the processes applied. When and how are the optimal time and methods for aeration? What pre- and post-emergent seeds, fertilizers, insecticides, herbicides and pesticides must be in the barn and ready when needed? The cost of purchasing and maintaining required equipment is substantial, and staffing at varying levels of expertise is the most expensive component

of operating the department. These all vary by the quality of conditioning that is desired and equally by your club's specific agronomic conditions, all of which are an element of the process.

**DAN:** Bob, I feel disappointed again. You know I don't eat fast food.

Yes, these are perfect examples of how and where the direction of the club may change, why clubs must be cautious, and what the future may bring. We've all had a situation where new kitchen equipment or the organization of the line has been changed to accommodate the new chef, only to find that a year or two later, they're gone, and the following new chef has other ideas. Or the new superintendent requires an entirely new staffing model or brand of equipment. It's unfortunate to say, but whereas clubs need to plan and strategize for the likely distant future, they must be razor-focused on the here and now.

Bob, I'm somewhat entertained by your point about clubs being committed to training. We receive internal financial statements for effectively every new search or consulting assignment we earn. How many statements would reflect that expense? If you review the internal financial statements of the last 50 clubs we've served, how many would you find with a dedicated "training" line on those departmental exhibits? I would guess sub-10%. Unfortunately, we rarely see comprehensive standard operating procedures (SOPs) for departments, either.

As I have said, the best clubs have a DNA similar to teaching hospitals and developing talent, mostly from within. Who on most club staff has the skills and time to be an excellent trainer? Most advanced training needs to be externally sourced.

That's unheard of for line staff in our industry.

## The Key Takeaway

The key takeaway from this article is that without a great emphasis on process, loose processes may randomly or occasionally produce a quality product, but by investing in process, the club can better achieve uniform performance, which ensures consistently high quality. Budget for the processes that will lead you to your desired outcomes. However, do not overengineer process thinking, which may stifle results especially in small or emerging businesses. The end goal is excellent results; however, you must define excellence for your membership, in your environment.

Yours in Clubdom. 



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