Pros & Cons of Software Reengineering… and How to Actually Reengineer Your Club Management Software

Presented by: Bill Boothe & Jeremy Hoch
Course Overview

How dissatisfaction leads to replacement.

How to determine if dissatisfaction is valid.

4 analytical steps to determine if replacement is really needed.

How to actually reengineer your software.
Each year hundreds of private clubs select and implement new enterprise management software:

- Accounting
- F&B & Retail POS
- Sports/F&B Reservations
- Website/App
- Fitness & Spa Operations
- PMS/Hotel Operations
- Etc.
When clubs become dissatisfied with core software solutions...

they must make a choice:

- *Purchase* new software, or
- *Keep* what they have and improve it.
Dissatisfaction Progression
Frustration, leads to ...

Complaints, which lead to ...

More Frustration, which leads to ...

Disenchantment, which eventually leads to ...
Replacement
Related to issues or problems that can be easily resolved?

Blown out of proportion compared to the actual issues or problems?

More related to poor procedures than the software itself?

An excuse for user lack of knowledge or just plain laziness?

Based upon unrealistic expectations?

But What If The Disenchantment Is…
Related to all 5 factors?
What if the Club buys a new system…

And it wasn’t really needed at all?

JH
Designed to make sure wholesale change is really needed.

In other cases, will prepare for replacement – the selection and implementation of new systems.

In some cases, will prevent management from making a huge, expensive mistake.

Assures that the contemplated change is cost effective.
**What Is Reengineering?**

- **User Training:**
  - Full, in-depth.
  - All key software users.

- **Reconfiguration of the system:**
  - Correct setups.
  - Activate features.
  - G/L chart of accounts redesign.
  - POS menu redesign.

- **Processing Enhancements:**
  - History archiving.
  - Setups to speed-up processing.

- **Procedure adjustments:**
  - Streamlining.
  - Eliminating.

- **Management information enhancements:**
  - Utilization of standard reports.
  - Creation of new reports.
How does reengineering compare to replacement?
The analytical work is the same...
But the assumptions are different.
Selection *assumes* that the legacy system:

- Is the root cause of the disenchantment...
- and cannot be salvaged.

Reengineering demands that you *prove*:

- That the legacy software is the root cause of the disenchantment.
- The legacy software cannot be salvaged.
Selection “Mindset”: Primarily focuses on identifying the “best fit” new system.
Reengineering “Mindset”: Starts by focusing on how to maximize the capabilities of the legacy system and existing personnel.

- Then evaluates the cost–benefit of retention vs. replacement, and:
  - Justifies the retention of the existing systems and initiates reengineering activities, or
  - Justifies replacement of the existing systems and shifts the focus to selecting the “best fit” new system.
How do you decide?

1. Conduct the analysis.

2. Determine if Reengineering or Replacement is the best course of action.

3. Carry out the best alternative.
Why New Systems Are Being Purchased

VALID
Decision Drivers:
- Single database integration.
- Advanced BI capabilities.
- Advanced member-centric solutions:
  - Online member services.
  - Mobile apps.
  - Beacons.
- More reliable performance and customer support.
Why New Systems Are Being Purchased

QUESTIONABLE
Decision Drivers:
• Existing software is deemed to be “outdated”.
• Newer software has a more “modern” look and feel.
• Newer software promises better functionality and information management.
Reengineering Analysis Steps

1. Dissatisfaction Analysis
2. Functional Requirements Analysis
3. Management Information Requirements Analysis
4. Comparative Value Analysis
Step 1
Dissatisfaction Analysis
Who?

General Manager/CEO

Board and Committees

Individual Department Heads/Users

How Realistic?

??

??

??
General Managers/CEO’s

May have unrealistic dissatisfaction because:

- Often have no first-hand experience with the software/support issues.
- Tend to listen to individual users who are complaining, and then extrapolate from there.
- Tend to assume that the existing software is being fully utilized.
Board and Committee Members

May have unrealistic dissatisfaction because:

- Usually have no first-hand experience with the software/support issues.
- Tend to over-estimate the capabilities of club/hotel software systems in general.
- Tend to assume that the existing software is being fully utilized.
- Tend to assume that the club/hotel has IT support similar to what they are accustomed to in their workplace.
Individual Users

May have unrealistic dissatisfaction and complaints because:

- May not know what the software is capable of (probably have not received any formal training).
- May be covering for their own shortcomings or laziness.
- May be chronic complainers.
- May be all of the above.
Discussion

Have you experienced unrealistic dissatisfaction as a decision driver?
Step 2

Functional Requirements Analysis
Same approach used in detailed new systems selection methodology.

- Interviews with key personnel in each club department.
- Software requirements checklist.
- Special problems and requests from club personnel.
Software Requirements Checklist.

- Typical list generated by club includes 25–50 items.
- Comprehensive checklist includes more than 1,500 items.
- We will provide you such a list for your use.
Analysis Process...

• Evaluate the capability of the **existing system** to satisfy the checklist.

• Evaluate the capability of the **replacement systems** to satisfy the checklist.

• Evaluate the **relative value** of any additional functionality offered by the replacement systems.
Evaluate the capability of the existing system to satisfy the checklist.

- Work with an experienced trainer to review all items on the list.
- Document any shortcomings.
- Look for easy workarounds – avoid customizations.
Evaluate the capability of the replacement systems to satisfy the checklist.

- Work with an experienced trainer (not a salesperson) to review (and see) all items on the list.
- Document any shortcomings.
- Look for easy workarounds – avoid customizations.
How to Use the Checklist:
23 Separate Specification Lists.

1,500+ specific features.
The Boothe Group, LLC

Club Master - Software Functional Specification

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95 distinct features.
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Compare the capabilities of the current and replacement systems to satisfy the checklist.

- Create a side-by-side comparison.
- Indicate which items are critical vs. nice-to-haves.
- Note any items that are based upon resistance to change.
- Look for easy workarounds – avoid customizations.
- Here is a sample comparison for your reference…
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Step 3

Management Information Requirements Analysis
A common reason given today for replacing legacy systems.

The “promise” of advanced information management:

- Data Mining.
- Business Intelligence.
- Key Performance Indicators (KPI’s).
- Projections.
Review each department’s “wish list” for improved information management:

- Existing reports that are not satisfactory.
- Reports/information that are not available at all.
Determine if the “wish list” is valid:

- Demand that users be specific in their requests.
- Determine how the information will be used.
- Determine the value of the requested information.
Determine if “wish list” reports can be produced through the system’s “standard” reports:

- Work with an experienced software trainer.

  Review all available options:

  - Filters
  - Export to Excel
  - Combining multiple reports into one
Determine if the “wish list” reports can be produced with the system’s “ad hoc” query and reporting tools.

- Work with an experienced software trainer.
- Work with the reporting tools that are part of the enterprise management system.
- Explore accessing the database directly to create the required queries and reports.
- Explore having the software vendor write custom reports.
Is it the software – or the people?

Evaluate the capability of the club’s personnel to extract data from the existing systems.

Determine if a user skills upgrade is the answer rather than a system replacement.
How to Decide

Replace or Reengineer?
Reengineering Analysis Steps

1. Dissatisfaction Analysis
2. Functional Requirements Analysis
3. Management Information Requirements Analysis
4. Comparative Value Analysis
Comparative Value Analysis

You need to determine:

• The *functional improvement potential* of reengineering vs. replacement.

• The *cost* (dollars, time commitment and business interruption) of reengineering vs. replacement.
Decide which method offers the *best overall value* for your club!

\[
\text{Value} = \text{Improvements} \text{ minus Cost}
\]
Our recent experience?

1. Last 10 “replacement” engagements.

2. Conducted full analysis.

3. 7 of 10 went with reengineering.

4. Replaced systems were Abacus 21, Clubsystems Group and ClubTec.

5. Reengineered systems were Clubessential, Jonas JCM and Northstar.
The assessment identified 52 items for improvement with the various Clubessential software modules currently being used by the Club.

45 of those items could be successfully addressed through re-engineering (87%).

7 items could not be successfully addressed by Clubessential. Of those 7 items:

- 5 items could be addressed by one or more leading competitors.
- 2 items could not be addressed by any leading vendor.
- None of the 7 items were deemed critical by the Club’s personnel.
Recent Software Assessment Results – Northstar

- The assessment identified 62 items for improvement with the various Northstar software modules currently being used by the Club.
- 53 of those items could be successfully addressed through re-engineering (86%).
- 9 items could not be successfully addressed by Northstar. Of those 9 items:
  - 5 items could be addressed by one or more leading competitors.
  - 4 items could not be addressed by any leading vendor.
  - None of the 9 items were deemed critical by the Club’s personnel.
Recent Software Assessment Results – Jonas

- The assessment identified 126 items for improvement with the various Jonas software modules.
- 106 of those items could be successfully addressed through re-engineering (85%).
- 20 items could not be successfully addressed by Jonas. Of those 20 items:
  - 13 items could be addressed by one or more leading competitors.
  - 7 items could not be addressed by any leading vendor.
  - None of the 20 items were deemed critical by the Club’s personnel.
Keep in mind:

• Legacy software is generally operating at a fraction of its full potential.
  • Little or no formal user training since inception.
  • Lack of awareness of new features and capabilities.

• Newer software is generally operating at a higher level of its potential.
  • Recent formal training.
Newer software – 80–90% of its potential.

Legacy software – 60–70% of its potential.
“Potential”
Performance

Newer software
– 90% of its potential.

Reengineered Legacy software
– 90% of its potential
Potential Replacement Advantages…

Can be substantial with more demanding clubs.

Is often minimal with less demanding clubs.
Once your choice is made...
If you’ve decided to Reengineer....
Reengineering

Execute all suggested improvements from the analysis:

- Address/resolve any unrealistic expectations.
- Maximize the utilization of features and functions (reconfiguration and user training).
- Enhance management information (queries and report generation).
- Establish ongoing refresher user training.
Review Sample Reengineering Action Plan....
If you’ve decided to Replace....
Replace

Conduct a formal systems selection project:

- Features and functions analysis.
- Management information analysis.
- Functional checklist.
- Vendor demonstrations.
- Software functions comparison.
- Vendor capabilities comparison.
- RFP.
- Proposal comparison.
- Selection of the “best fit” solutions.
Average Costs

Replacement

$0–$30,000 and up – Software

$20,000 and up – Training, Data Migration

Significant Business Interruption

$10,000 – $15,000 – Reengineering Work (Configuration, Training)

$?? Additional Software Modules

Reengineering

Minimal Business Interruption

2019 HFTP Club Summit
Questions & Discussion

Has your club considered software reengineering?
Pros & Cons of Software Reengineering... and How to Actually Reengineer Your Club Management Software