

Club Technology ... Then and Now... And The Logical Next Step

WHEN I STARTED WORKING WITH PRIVATE CLUBS BACK IN 1988 THE TECHNOLOGY SCENE WAS VERY DIFFERENT FROM TODAY.

Huge advancements in almost every facet of technology have been made in the last 20 years. Let's take a brief look back at the past, and see what we can learn from our travels through time.

1988 – MINICOMPUTERS CREATE CENTRALIZATION

In the late 80s club technology was dominated by minicomputer (or mid-range) systems – IBM System 34/36, MAI Basic Four, Data General, NCR and Unisys were the dominant equipment platforms in play. Unlike today, where virtually identical computer equipment is available from numerous sources, the equipment manufacturers of 1988 called all the shots.

Application software, such as accounting and POS, was written specifically for each equipment platform. Change software and the equipment also had to change. That marriage of equipment and software encouraged clubs to hang on to systems for 10 or more years for fear of a major fiasco from a change to a new manufacturer.

The year 1988 was also a time of almost complete centralization of computer technology – into the accounting department. Other than a small POS system in the dining room and a few stray PCs on desktops, technology called accounting home in the private club industry. POS systems stood alone or offered minimal electronic posting of member charges to the billing software.

PCs were relegated to word processing and spreadsheet tasks.

Significantly, the club's controller managed the computer systems, and made virtually all technology decisions for the club.

1998 – PC NETWORKS DISTRIBUTE COMPUTING

By the late-90s, personal computers had gained enough processing oomph to run a small computer network. Microsoft was controlling the operating systems landscape, and computer equipment was becoming a commodity. Club software providers were not only offering accounting solutions that would run on most any manufacturer's equipment, they were also offering their own integrated POS solutions for F&B and pro shop (as well as supporting sophisticated interfaces to standalone POS systems). Computer technology was reaching into every club department, and users were connecting to each other through a local area network, and to the outside world through the newly emerging Internet.

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2008 – BUSINESS INTELLIGENCE SURGES FORWARD

Today the technology emphasis is moving away from production tasks such as accounting, inventory, POS and reservations, and heading toward information management. Clubs are



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seeking advanced data mining, customer relationship management (CRM) and business intelligence to increase member satisfaction and predict what members want.

Systems integration is the standard, and the Internet now plays a huge role in member communications – through the club's website and through email.

Significantly, the club's controller still manages the computer systems, and makes virtually all technology decisions for the club.

WHAT'S WRONG WITH THIS PICTURE??

During the past 20 years, the only thing that hasn't changed about club technology is who's running it. In the vast majority of clubs, the controller serves a dual role as chief financial executive and IT manager. Twenty, or even 10 years ago that could work, because computer technology was still relatively centralized and PCs were just making their way out to the desktops. Today, it's just not feasible. There really is no way one person can do both jobs adequately. Since accounting takes precedence in almost all cases, technology naturally suffers. Here's why that's a poor business strategy for most private clubs.

1. Most Clubs Are Totally Computer-Dependent: Back in the day, clubs could “go manual” if the computer systems were down, and make it through a day or more waiting for the systems to come back up. No more. POS, dining and tee time reservations, website access to member bills and activities information, and a huge dependency on email combine to make system downtime virtually unacceptable.

2. Member Expectations Are Increasing: Board and committee members are upping the ante on information requests. Today’s club members are increasingly computer-savvy, and expect club management to produce sophisticated analytical reporting at a drop of a hat. Those expectations are increasing with each passing day.

3. More Clubs Need Sophisticated Information to Survive: We’re not talking about running production jobs. Today’s systems are also helping club management to predict member behavior and increase the overall value of the club’s membership. At a time when retaining members is a key concern for a good portion of the private club industry, managing advanced computer technology - and extracting critical business intelligence - is fast becoming a must.

And yet, look who’s minding the store. In most cases it’s a financial executive with minimal technical training and little time to devote to technology management.

WHAT WOULD YOU DO?

Let’s look at this challenge in a different light. Say you were starting a new business (other than a private club) that had the following requirements:

- All key employees will need to use computers as a daily part of their job.
- All company departments will be dependent on computer systems for daily operations.

- Your management team will be dependent upon computer-generated information to make good operations and management decisions.

- Your customers will look to your company for information to do their jobs better.

- The quality and timeliness of your computer systems will directly affect the financial performance of your company.

Given that array of requirements, would you really leave IT management to a person with limited expertise and time availability?

WHO’S RIGHT - WHO’S WRONG?

In 1988, most club managers and boards were saying that computer systems were just for accounting, and that the members would never accept computerized POS and reservations systems. In 1998 they were saying that websites would never be a factor in clubs because the members wouldn’t use them. Now in 2008 they are saying that they don’t need professional IT talent because they can get by with part-time assistance from an overworked and under trained individual.

Guess what – most managers and boards were mistaken in 1988, they were again mistaken in 1998, and unfortunately they’re mistaken today.

THE LOGICAL NEXT STEP

Addressing this issue won’t be easy, and it won’t happen overnight. But the first step in the right direction is to get past the denial stage, accept the need as real, and begin deploying cost-effective methods for adding professional IT talent to club management teams.

Fortunately there are a number of relatively low-cost approaches that can work well for many clubs (part-time and shared IT personnel, student intern programs, and other methods that have been discussed in previous articles). An increasing number of club managers and boards are now insisting on the addition of professional IT talent (hired and/or outsourced) and are budgeting the funds needed for these initiatives.

As with any significant change in business operations, the first step toward progress requires *acceptance of the need to change*. Almost without fail, once the need is acknowledged, the wheels of creativity begin to turn and the solutions soon follow.

We’ve seen the club industry move from almost total centralization in 1988 to distributed processing just a few years later. We’ve also seen the industry move from virtually no acceptance of websites in 1998 to near-universal approval just a few years later. Now in 2008, it’s again time for a new beginning. **BR**

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