

This Book

Competencies: Private Club Food & Beverage Management

Synopsis: A learning program that spells out leadership, management skills, and best practices to professionally operate a private club food service operation.

Learning Objectives: To provide readers with holistic and fully integrated view of the necessary disciplines to achieve high levels of quality and service in their club food and beverage operation. The material in this book will provide the tools to:

- Organize and structure a club food service operation for maximum efficiency, consistency, and performance.
- Provide the necessary Service-Based Leadership to inspire the best from their service employees.
- Establish and foster the necessary culture of service to enhance the member experience in the food service environment.
- Find, screen, hire, onboard, and develop the best human talent for their operation.
- Design and deploy effective training programs covering a wide variety of necessary skills and knowledge for both line and management employees.
- Establish and institutionalize food service best practices in all areas of the food service operation.

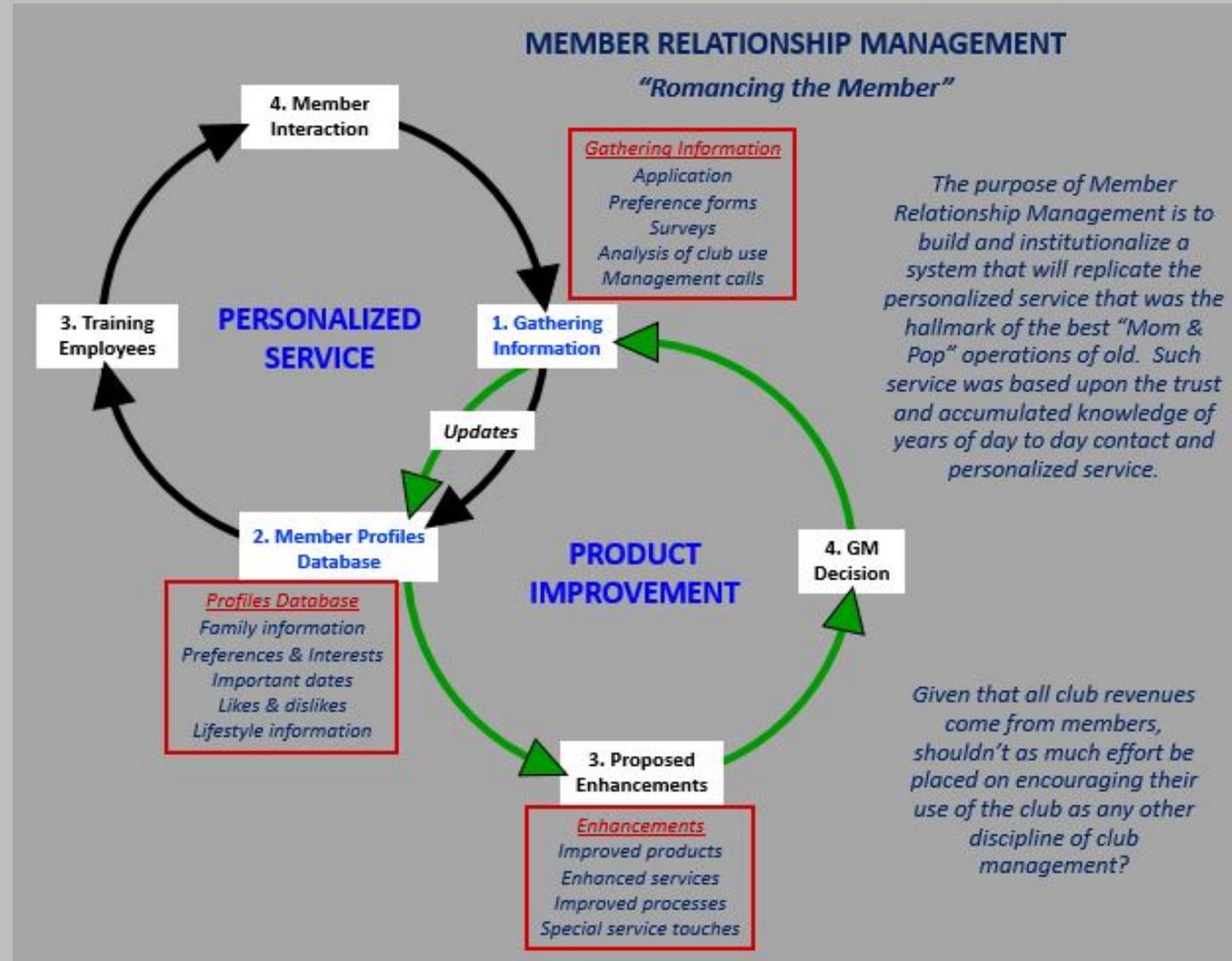
Index of Topics

- 1 Operational Challenges in Private Club
- 2 Food Service in Private Clubs
- 3 The Central Role of Club Food Service
- 4 Personalized Service
- 5 Member Relationship Management
- 6 Getting to Know Your Members
- 7 Cataloguing and Sharing Information
- 8 **Comprehension**
- 9 Characteristics of Food Service 1
- 10 Characteristics of Food Service 2
- 11 Characteristics of Food Service 3
- 12 Characteristics of Food Service 4
- 13 **Comprehension**
- 14 Basic Service Issues
- 15 Basic Service Issues , continued
- 16 Quality and Service
- 17 The Impediments to Quality and Service
- 18 Consistency is Key to Quality and Service
- 19 Consistency is Key, continued
- 20 Necessities for Success
- 21 **Comprehension**
- 22 **Reflections**
- 23 The Overarching Plan
- 24 It All Starts with Leadership
- 25 The Soft Stuff
- 26 What is Service-Based Leadership?
- 27 Knowing Your Constituencies
- 28 Serving Your Constituencies
- 29 The Hierarchy of Service
- 30 Leadership Growth and Adaptation
- 31 The 100/0 Principle
- 32 **Comprehension**
- 33 Employee Empowerment
- 34 Leadership and Employee Empowerment
- 35 Necessities of Employee Empowerment
- 36 Get the Best from Your Service Team
- 37 Handshakes and High Fives
- 38 **Comprehension**
- 39 **Reflections**
- 40 Organizational Values
- 41 Well-Defined Culture of Service
- 42 Continually and Consistently Reinforced
- 43 The Persuasion of Principles
- 44 **Comprehension**
- 45 **Reflections**
- 46 Who is in Charge of Your F&B?
- 47 **Reflections**
- 48 Performance Accountability
- 49 The Cost of Chaos
- 50 Organize for Efficiency
- 51 Continual Process Improvement
- 52 Disciplines of Continual Process Improvement
- 53 **Comprehension**
- 54 Spelling Out Expectations
- 55 Establishing Standards
- 56 Standards, Policies, and Procedures
- 57 Basic F&B Policies
- 58 Standards for F&B Staff
- 59 **Comprehension**
- 60 **Reflections**
- 61 Managers' Fiscal Responsibilities
- 62 Fiscal Responsibilities, continued
- 63 Internal Controls
- 64 **Comprehension**
- 65 Cost of Goods Sold
- 66 Cost of Goods Sold Analysis Checklist
- 67 Inventories
- 68 Investigation of Inventory Discrepancies
- 69 **Comprehension**
- 70 Labor Cost
- 71 Labor Cost Control Strategies
- 72 Labor Cost Control Strategies, continued
- 73 Departmental Staffing Guides
- 74 Steps to Labor Cost Control
- 75 Formal Forecasting
- 76 Nailing Your Pay Cost Budget
- 77 Why This Workweek and Pay Cycle?
- 78 **Comprehension**
- 79 Zero-Based Budgeting
- 80 Benchmarking and Revenue Forecasting
- 81 Benchmarking and Payroll Budgeting
- 82 Measuring Performance with Benchmarks
- 83 Reasons to Benchmark
- 84 Essential F&B Benchmarks
- 85 **Comprehension**
- 86 The Hedgehog Concept
- 87 Food Minimums
- 88 Growing Your F&B Revenues
- 89 *Post Mortems*
- 90 F&B Marketing
- 91 Menu Sales Mix Analysis
- 92 **Comprehension**
- 93 Real Time Accounting
- 94 Requirements of Real Time Accounting
- 95 The Case for an F&B Analyst
- 96 The Case for an F&B Analyst, continued
- 97 Monthly Review of Financials
- 98 **Comprehension**
- 99 Purchasing
- 100 Receiving
- 101 Expense Coding
- 102 Expense Coding Tips
- 103 Invoice Payment Certification
- 104 **Comprehension**
- 105 **Reflections**

Index of Topics, continued

106	Discipline	141	Routine and Habit	176	Be Prepared to Suggest
107	A Culture of Discipline	142	Time Management	177	Tips for Suggesting
108	Building a Disciplined Organization	143	Meetings	178	Menu Item Selling Sheets
109	Confront the Brutal Facts	144	Meeting Disciplines	179	Suggesting Alcoholic Beverages
110	Unimpeded Communication	145	Delegation	180	Suggesting Wines
111	Food Service Disciplines	146	Professional Development	181	Basic Wine Pairings
112	Food Service Disciplines, continued	147	Comprehension	182	Wine Selling Sheets
113	Details and Quality	148	Detailing Your Club Operations	183	Comprehension
114	Comprehension	149	List of Ten	184	Dining Service Tips
115	Why the Wrong People are Hired	150	Prioritizing Your Priorities	185	Dining Service Tips, continued
116	Damage Done by the Wrong People	151	Implementing with Incremental Progress	186	Engaging Members with Confidence
117	Disciplined Hiring	152	Mastering the ABCs	187	Service Recovery
118	Reference Checking	153	Comprehension	188	Service Issue Resolution Form
119	The Value of a Super Service Employee	154	Reflections	189	Are Your Service Apologies at Risk?
120	How to Attract Super Service Employees	155	What Price Poor Service?	190	Comprehension
121	Give Them More than Just a Paycheck	156	What Price Poor Service, continued	191	Reflections
122	Comprehension	157	The Foundation of Service	192	Training
123	A Discipline of Planning	158	The Principles of Service	193	Types of Training
124	Special Occasions	159	The Service Profession	194	Etiquette Training
125	Make Any Day a Special Occasion	160	A Service Attitude	195	On the Go Training
126	Managing Your Boss	161	The Club's Mental Environment	196	Training Requirements and Principles
127	Discipline of Reports	162	Rules of Engagement	197	Initial and Ongoing Training
128	Essential F&B Reports	163	Service Awareness and Responsiveness	198	Training Curriculum by Position
129	Sample Weekly Revenue Report	164	Teaching the Subtleties of Service	199	A Direct Line to Food Service Profits
130	Comprehension	165	Comprehension	200	Reminding and Reinforcing
131	Storerooms and Par Stocks	166	Touch Points	201	Comprehension
132	Shift Log	167	Managing the Dining Flow	202	Reflections
133	Pre-Shift Meetings	168	Managing the Dining Flow, continued	203	Food Service Summary
134	Safety	169	Wow Factors	204	In Closing
135	Heimlich Maneuver	170	Tips for Executing Wow Factors	205	Final Reflection
136	Fire Safety Training	171	Comprehension	206	What are Your Insights?
137	Emergency Evacuation Simulations	172	Suggesting with Knowledge and Enthusiasm	207	What is Your Plan?
138	Comprehension	173	Suggestive Selling	208	Key Terms and Definitions
139	Cleanliness and Sanitation	174	Suggestive Selling, continued	209	Key Terms and Definitions, continued
140	Personal Productivity	175	Enriching Members' Dining Experiences	210	Operational Resources

Member Relationship Management



By developing a body of information on each member over time, you can increase the degree of tailoring of your products or service and, in the process, strengthen the emotional bond between the member and the club.

Ultimately, Member Relationship Management builds strong brand by creating the right blend of **organization, systems, and processes** that allow employees to understand members as individuals, and tailor every interaction with each member to his or her specific needs.

Simply put, the more you know your members, the more you understand their needs, the better able you will be to provide the personalized service that members expect from a private club.

Impediments to Quality and Service



We frequently talk about those steps that a club operation must take to promote excellence. As an alternative let's examine those things that act as impediments to quality and service. Think about each of the following obstacles to a smooth-running operation where quality and service are paramount; then assign the responsibility for removing the impediment where it squarely belongs by checking the appropriate block:

<i>Whose responsibility to fix?</i>	<u>Employee</u>	<u>Management</u>
➤ Lack of culture or failure to consistently reinforce the culture	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of standards (stated expectations)	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of communication	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of leadership, leadership consistency, and example	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of organization; toleration of a chaotic work environment	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of disciplines to hire the best staff	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of planning, operational review, and process improvement	<input type="checkbox"/>	<input type="checkbox"/>
➤ Failure to remove obstacles to efficiency	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of training or training consistency	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of teamwork, morale, and enthusiasm	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of understanding about what members want/expect	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of a member relationship management plan	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of employee empowerment	<input type="checkbox"/>	<input type="checkbox"/>
➤ Lack of accountability	<input type="checkbox"/>	<input type="checkbox"/>

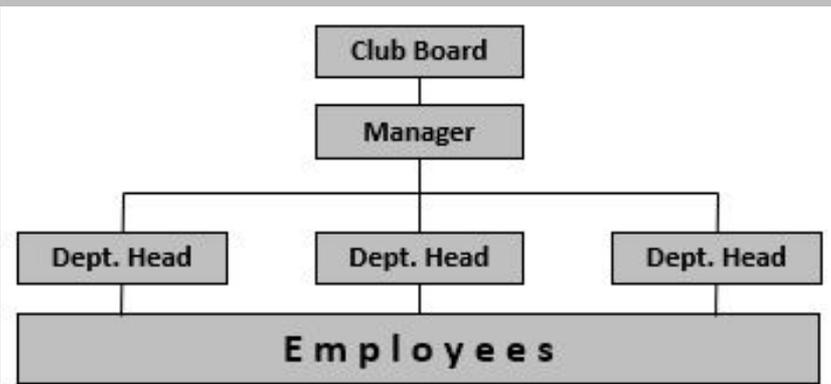
If you have a true understanding of the responsibilities of leadership—that a leader is responsible for everything his or her operation does or fails to do—then correcting every one of these impediments is a function of management. Intrinsically understanding this validates that W. Edwards Deming was right when he said, “*The worker is not the problem. The problem is at the top! Management is the problem!*” and “*There is much talk about how to get employees involved with quality. The big problem is how to get management involved.*”

The Hierarchy of Service

We stress that a leader must serve the needs of his or her constituencies, but not all constituent needs have equal weight or importance.

Owners or Boards are usually the smallest constituent group in numbers, but their needs are paramount. Why? Because it is their capital that has been invested in the enterprise and their need for return on investment that permits the continuation of the business. If it is not making a profit, if it cannot gain credit based on a potential for future profit, if it cannot meet its cash needs for payroll or to pay vendors, it will quickly go out of business and the needs of all other constituencies will become irrelevant.

The basis for the traditional hierarchical organizational model is the military concept of “chain of command.” In this model, management is represented as the sequence of authority in executing the will of the owners – and certainly management plays that essential role. But in addition to not representing the importance of members, it also places the employees at the bottom of the chain – thereby visually relegating them to the position of least consequence.



Traditional Top-Down Organizational Chart

It properly emphasizes the place of owners, but where are the members?

Next in order of importance are the needs of members. Without sufficient member patronage of the club, it will not be profitable or viable. If not viable, it will not last long – and all constituencies lose.

Members are attracted by price and the quality of products and services. Taken together, quality and price create a sense of value – the value members perceive. If enough of them perceive value, they will frequent the club to spend their money and will make it successful. If not, it will ultimately fail.



This statement brings us to our third constituency – the employees. They are the ones who execute the Board’s vision for quality of product and service. They are the ones whose daily interaction with members creates the value members perceive. Properly led, valued, and supported, employees will enthusiastically commit to serving members, thereby fostering levels of business that enable the club to thrive.

Performance Accountability

The greatest failure in performance management in any enterprise is the failure to hold managers accountable for their performance. Many private club operations do a poor job in the area of accountability. This failure is crippling to the long term health and viability of the enterprise. Here are some steps to help measure performance and hold managers accountable:

- 1. Work Plans.** Have each manager prepare an annual work plan spelling out expectations and goals, proposed accomplishments, and timelines for completion of each item. It's always a good idea to involve managers in preparing their own work plans though these must be based upon broad guidelines from the board and general manager. While their buy-in is important to their commitment to their individual plans, ultimately plans must meet the needs and desires of the board and general manager.
- 2. Zero-Based Budgeting.** In order for managers of profit or cost centers to be held accountable for meeting budgets, they must participate in developing their own zero-based budgets.

Zero-Based Budgeting is distinct from the common practice of taking last year's operating results and adding a percentage inflationary increase thereby incorporating last year's operating inefficiencies and plan requirements into the financial plan for the coming year. This problem merely compounds erroneous and often "fat" budgets year after year.

One of the best ways to zero-based budget is to use volume and average sale/hourly wage benchmarks to build the revenue and payroll parts of the budget (see topics 79-81). Not only do historical metrics make for more accurate budgets, but analyzing these benchmarks on an ongoing basis makes for a better understanding of shortfalls in revenue or overages in payroll costs.

- 3. Benchmarks.** All departments must be benchmarked in detail—at a minimum revenues, cost of goods, payroll, and other operating expenses should be benchmarked monthly. These and other benchmarks are the most objective measures for holding managers accountable (see topics 82-84).

- 4. Real Time Accounting.** When managers with bottom line responsibility track their revenues and expenses in real time, they exercise greater control over their budget and financial performance. Properly maintaining the Real Time Accounting binder provides all the information necessary for in-depth monthly reviews of performance by the general manager and other interested parties (see topics 93-94).
- 5. Monthly Review Meetings.** The general manager should hold monthly meetings with department heads to review progress on annual plans, actual to budget performance, benchmarks, and efforts to correct operational and performance deficiencies. These meetings permit ongoing review and course corrections or added emphasis as necessary (see topic 97).
- 6. Performance Reviews.** Base periodic performance reviews for each manager on specific accomplishments and meeting well-defined performance measures. Meaningful reviews are directly dependent upon the effort put into defining expectations, establishing specific work plans, and creating objective measures for accomplishment and performance. While it takes some effort to set up a system of objective measures, the rewards for doing so are immense and well worth the effort.

Unless a general manager does everything herself, she must rely on the efforts and performance of her subordinate managers. But without measurable accountabilities she has no real means to drive her agenda, performance, and other initiatives to improve operations. When department heads aren't held accountable, only the general manager will be.

Spelling Out Expectations

Unless your club's employees inhabit some alternate reality, one in which every person intrinsically understands the multi-dimensional requirements of service and has telepathic powers to know how they should function at all times, managers must spell out expectations for them.

This is particularly so for the management team. Regardless of background, education, and work experience, managers must know what is expected of them in all situations. Further, to ensure consistency in the operation and how employees interact with members, everyone must have a common understanding of the club's standards, policies, and procedures. This means that the club must communicate in detail its expectations for the following:

- Leadership,
- Values,
- How members and employees are valued and treated,
- Club and departmental organization,
- Operational disciplines,
- Training, and
- Performance.

Without making the effort define expectations in these critical areas, the club will operate as a collection of tribes, each reflecting the dedication, performance, and example of its manager. Such an operation will be disorganized and conflicted—incapable of rendering consistent service and value to its members.

Any manager with any length of experience and time to reflect upon the realities of our industry will know this to be true, yet who has the time to spell out such a large, complex, and interconnected set of expectations while dealing with the day-in, day-out challenges of a busy club operation?

There are a number of tools that, when used routinely, can be used to communicate expectations for all employees, but they must be fully integrated in content and description so that they are self-reinforcing and consistent in message across all departments. These include:

- New hire onboarding process
- Employee handbook
- Managers handbook
- Organizational values and culture
- Initial and ongoing training
- Review of job descriptions and performance review criteria by immediate supervisors
- Establish and share standards for dress, grooming, job performance, and member service
- The consistent example of leaders throughout the organization

When expectations are fully, routinely, and consistently communicated to staff, there is no mistaking what must be done and who's responsible for doing it and this is a critical element in providing quality and service.

Leadership on the Line – The Workbook

Standards for F&B Staff

Quint Studer in his important book, *Hardwiring Excellence*, speaks of the importance of establishing a code of behavior for employee service teams. The purpose is to communicate to employees the basic standards of interaction with members and fellow employees. Further, Studer expects each employee to acknowledge and commit to the standards by signing a written copy.

With this in mind, here are some basic standards for food service teams:

- Arrive on time according to the work schedule.
- Meet all requirements of the dress or uniform code and personal grooming standards.
- Have a complete dedication to member service at all times; fully and consistently embrace the club's organizational values and culture of service.
- Maintain a pleasant and positive attitude at all times.
- Provide personalized service by learning and using member names, as well as learning and acting upon their individual habits and preferences.
- Greet and assist all arriving members; introduce yourself by first name and let them know you are there to help them in any way possible.
- Provide relevant information to members, such as location of events; walk guests to events or functions when possible.
- Provide special service touches and "wow" factors.
- Interrupt personal conversations at the approach of members; give them your undivided attention.
- Solve any problems encountered that are within your authority and ability to do so.
- Report any problems you can't solve to management.



- Maintain the cleanliness and order of your work areas as you go; clean and straighten up work areas prior to departing as a courtesy to the next shift.
- Work together with other staff to provide a seamless service experience for members and their guests.
- Thank fellow workers for their help and assistance. They appreciate it as much as you do when you are thanked.

When employees understand and commit to expected standards of behavior and service, members and other employees have a richer hospitality experience.

Departmental Staffing Guides

Clubs will typically create well-defined employment categories for employees to make benefit determinations based on the number of hours worked. As an example one club created the following definitions:

- “Full time – employees who work not less than 32 hours per week on a continuous basis and employment is anticipated to last 11 months or more.
- Part time – employees who work less than 32 hours per week on a continuous basis and employment is anticipated to last 11 months or more.
- Seasonal – employees whose employment is expected to last less than 11 months regardless of the number of hours worked per week.”

In this instance, full time positions were eligible for full benefits, the part time staff received more limited benefits, and the seasonal positions received no benefits.

Given the seasonality of most club operations, clubs have a need to expand and shrink their labor force to meet the needs of each seasonal business levels. The ability to do this in a timely manner will save the club significant amounts of unnecessary cost. Further, most club managers recognize the benefits to member service and organizational continuity of having a stable work force. Lastly, clubs should avoid full time staff layoffs as much as possible for both the cost and morale impact they create. The challenge then is to balance the need for a stable staff with the cost-saving ability to shed excess positions when business levels warrant.

The solution to these competing needs is to establish staffing guides for each department made up “core” and seasonal positions. The core positions represent those staffing needs for year-round minimum function and service needs and can be either full or part time depending upon the needs of both the club and employees. Seasonal positions are those that are added and reduced as business demand warrants.

Each department head, by creating a staffing guide of core and seasonal positions, determines optimal year-round staffing. These core positions, then, are “protected” from seasonal adjustments in all but extreme situations. Once the staffing guides are determined for each department, no new hires should be made for core positions without an existing vacancy or the express approval of the general manager.

Zero-Based Budgeting

Budgeting is the process of establishing a financial operating and capital plan for a future fiscal year. Budgets are formulated using past history, benchmarks, knowledge of upcoming events or trends, and one's best professional judgment. Most managers are familiar with the concept of budgeting, but here are some observations and disciplines that will organize and streamline the process:

- First, those individuals responsible for financial performance of club departments must prepare the budgets for which they are accountable. In some organizations budgeting is a top down process and this robs the very people responsible for performance of the incentive to meet or exceed budgets.
- The budgeting process can be streamlined by having the controller and individual department heads collaborate in preparing standard spreadsheet formats for budgeting. Each department head is then given the blank spreadsheets for his or her department. When completed, department heads return the spreadsheets to the controller in both paper and electronic form. The controller reviews the paper copy and then copies and pastes the electronic copy into the club's master budget file (made up of the previously developed departmental schedules). When all departments have been entered and the master file recalculated, the draft budget is finished and ready for the general manager's review.
- The budgeting process starts with the board and the general manager deciding upon strategic direction and specific goals for the coming fiscal period. These goals have a direct impact on departmental budgets and therefore must be taken into account during the budgeting process.
- The concept of zero-based budgeting calls for each year's budget to be built from scratch. The first step is to project revenues for the coming year since the level of business will have a direct impact on expenses, both payroll and other operating expenses. Accurate revenue projections are far easier to develop if managers have benchmarked their revenues and the interplay of business volume and average member expenditure that underlies all revenues. When previous year benchmarks for revenues are available, all the manager has to do is to create data entry cells in the budget spreadsheet for projected volume of business and average member expenditure for each revenue category (see the next page for more detail). These then automatically calculate revenues by category. The added advantage is that reviewing parties can easily see the assumptions underlying revenue projections.
- Payroll projections can be calculated similarly when payroll benchmarks are kept. Here the data entry cells are for payroll hours and average hourly wage (see topic 81). Again, the reviewing parties can easily see the assumptions underlying wages and related payroll expenses.
- Cost of goods sold for resale departments can easily be calculated by multiplying monthly retail sales projections by the target cost of goods sold percentage.
- Lastly, other operating expenses are easily projected when managers have maintained a discipline of Real Time Accounting (see topic 93) in prior years.

The Hedgehog Concept

In his book, *Good to Great: Why Some Companies Make the Leap . . . and Others Don't*, Jim Collins said that all good to great companies had a deep understanding of their Hedgehog Concept which guided all their efforts. For those of you who have read *Good to Great*, you know that a company's Hedgehog Concept is "the piercing insight into how to most effectively generate sustained and robust cash flow and profitability"—"a single denominator that has the greatest impact on the company's financial performance."

After much deliberation my candidate for the single denominator for club success is the level of member discretionary spending and the benchmark is Average Member Discretionary Spend per month and annually (computed by dividing non-dues revenue by the number of members). Here is my reasoning:

1. To be viable a club must be profitable and even non-profit clubs must break even with sufficient set asides for replacement.
2. A club with robust member discretionary spending is by a combination of facilities, programming, and service levels not only satisfying their members, but exceeding their expectations, as evidenced by members supporting their club, that is, frequenting the club and spending their money there.
3. As every club manager knows, having a full membership promotes financial health for the club. But what factors lead to strong membership numbers and a waiting list to join? Simply put, it's the same factors that promote frequent use of the club—the quality of facilities, compelling programming, and high levels of service. With these in place, the club's word of mouth reputation will do more to strengthen and expand the membership than any amount of marketing.

By laser-like focusing on the Average Member Discretionary Spend benchmark and fanatically using member discretionary spending as the basis for business decisions, a club will be on the path to success, even greatness. In focusing on this Hedgehog Concept as the prime Key Performance Indicator for both the club as a whole and each revenue-generating department, managers will have reduced the club's success factors to the single requirement for transformative performance—the frequent, sustained patronage of the club by its membership.

Whether or not your club is on a good to great trajectory, tracking the Hedgehog benchmark will help you monitor your members' spending habits. If in decline you know something is amiss. If robust and growing across all departments, you can be confident you're on the right track.

Notes:

- We recommend using the month end membership count for each month and the sum of month end memberships for all months divided by 12 for the annual computation.
- Food minimums present a problem in that they can be coercive. Regardless of whether members feel good about the food service, they have to spend a set amount per period or be dunned for their shortfall (unspent minimums). Our solution to this issue is to include all food and beverage revenues regardless of whether it was truly discretionary spending by members or unspent minimums. But, and this is a big but, we would separately track the average unspent minimums per member per period as a reality check for the Hedgehog benchmark.

Requirements of Real Time Accounting

So what does the concept of real time accounting encompass?

- **Revenue Tracking** is perhaps the easiest performance indicator to monitor. Point of sale and club management systems summarize daily sales by category. All that is necessary is for the department head to extract the sales data from the club management system and enter the daily data into a monthly spreadsheet while noting if the department is on track to meet its budgeted revenues. If not, steps must be taken to stimulate greater activity and sales. The Weekly Activity Reports is a good example of this summary (see topic 129).
- At the same time the department head must utilize **Revenue Benchmarks** to gain a clearer understanding of the interplay of volume of business and the average member spend that underlies gross sales. This is incredibly important in that it points directly to the reason for missing budgeted revenues—either not enough member traffic or less member spending during each visit. Since the solution to either of these conditions is different, it helps the department head formulate the appropriate corrective action.
- **Pay Cost** should be monitored on a daily basis and tracked for each pay period. The Departmental Payroll Analysis Summary, [HRI Form 230](#), (or some variation of this specifically designed for your operation) is an excellent tool to do this. Not only does it compare actual cost to budget, but it also computes year-to-date variance, summarizes payroll hours by type, and computes the average hourly wage for non-exempt employees. This data will clearly show if out-of-line payroll cost is the result of too many hours or a higher than budgeted average hourly wage.
- A **Quick and Easy Cost of Goods Computation** can be made at any time during an operating period by making the assumption that beginning and ending inventories will be roughly equivalent. Simply track the amount of resale purchases and divide that amount by sales to provide a quick

check on cost of goods sold. It is also helpful to benchmark the monthly variations in cost of goods sold using the Cost of Goods Sold Analysis, [HRI Form 244](#).

- **Up-to-Date Other Operating Cost Expenditures** can be tracked by using two forms—the Expense Log, [HRI Form 233](#), for each expense account, and the Expense Log Summary, [HRI Form 234](#), of all operating expense accounts. These forms provide a convenient location to record all purchases as they occur during the operating period and compute the remaining budgeted but unspent amount for each expense account. Since most departments have a relatively modest number of expense accounts, this up-to-date recording of purchases will not overburden the manager while closely monitoring expenses.

In tracking a department's numbers in real time, a manager must understand that this data will provide an approximation of actual performance, not the exact accounting of double-entry bookkeeping used by the controller to balance the general ledger and prepare financial statements. This approximation in no way detracts from the benefits of real time accounting and the ability it provides to make timely interventions.

All of the completed documents and forms mentioned above should be kept in a Real Time Accounting binder for easy reference at the Monthly Review of Financials and for use in preparing the departmental budget for the next year.



The Value of a Super Service Employee

For those of us who eat out with any regularity, we've all had the experience, unfortunately too rarely, of being waited on by what we call a "super server." From the moment she approaches the table we know we're in for a treat. Sparkling with personality, she overflows with knowledge about the food, beverages, and accompaniments. She immediately sizes up our interest in engagement and calibrates her contacts accordingly. She speaks with confidence and authority, questioning us regarding our preferences and without hesitation recommending what she thinks we'll enjoy. The best of the best can even unerringly take and serve orders without benefit of pen and dup pad—an ability that never ceases to amaze.

Such extraordinary individuals are worth their weight in gold. Not only do they serve with flair and expertise, but they sell, thereby increasing the average check, while making a distinctly favorable impression of competence and professionalism that brings diners back again and again. This is true in restaurants as well as private clubs where members appreciate the recognition and special touches that a super server adds to the dining experience.

Far more frequently, we've experienced the norm of service—undertrained, inexperienced employees who may understand the basics of service, but little more. Often lacking in knowledge, personality, and attitude, their service may meet minimum expectations but seldom inspires the diner to sample the extras—appetizers, desserts, wines, and specialty drinks—that the kitchen works so hard to create and which enhances the dining experience. If truth be told, these employees are doing no service to their employers and in many cases are doing outright harm by driving customers away.

The often repeated maxim for employers to hire for personality and train for technique and competence encompasses a basic truth. Attitude, personality, and engagement seem to be inborn skills and are difficult to teach. While training can provide service skills and knowledge, thereby increasing a server's confidence and maybe even engagement skills, the best service employees possess an indefinable quality that is difficult, if not impossible, to replicate.

Given the dearth of these extraordinary service employees, they should be recognized and compensated for the rare skills they possess. Too often though, their presence on an employer's staff is viewed as simple good fortune with little or no effort made to differentiate them from the common herd. The result is that in short order they move on to greener pastures where their talents are more fully appreciated. When this happens the loss to the establishment is often more than can be appreciated at the moment. Not only has the employer lost a super server, but a money-maker, an ambassador, and an example for other less accomplished workers.

So why don't we recognize and reward super service employees for their special abilities. We suspect it's a combination of cost consciousness, an unwillingness to go beyond the status quo, and a fear of exchanging known costs for unmeasured benefits.

Discipline of Reports



Imagine a pilot of a commercial airliner. At any moment of the flight from pre-flight preparation, take off, cruising to destination, to approach and landing, she has a host of dials, gauges, and indicators that keep her informed of the status of all operating systems and external factors affecting the plane, thereby assisting her in taking the appropriate action to assure the safe and timely arrival of plane and passengers.

It may be argued that club operations are just as complex with thousands of details that must be attended to daily (though without the serious safety implications). Yet the person with overall responsibility for club operations—the general manager—has limited mechanisms to gauge the health and vitality of the enterprise in anything approaching real time. In some clubs the only indicator of developing problems is the monthly financial statement that becomes available weeks later. Even then, the summary information in the club's operating statement provides only a limited assessment of performance at best.

Modern point of sale and club management software systems have come a long way in providing the underlying detail of the operations with drill-down capabilities and custom reporting, yet how many general managers avail themselves of this trove of information or make a formal effort to analyze the detail in the longer term context of goals and budgets?

This brings us back again to reports. A discipline of formal reporting can and does provide a means of monitoring specific information on a regular basis. As such, reports are an important mechanism for the general manager, as well as department heads, to monitor performance in a timely and efficient way. For the department head tasked with preparing the report, it is a disciplined means of focusing on the important details of departmental operations while creating a record of ongoing initiatives, progress toward goals, and departmental performance. Once established, the discipline of routine periodic reports is the best way for a subordinate manager to influence the boss's perceptions about his or her performance.

For the general manager, regular reporting of key information from department heads is the best way to monitor departmental performance with the least investment of time. For department heads, once the initial decisions about what to report and reporting formats are made, completing the reports will take but a short time to prepare.

Lists of Ten

David Letterman was famous for the Late Show Top Ten, a humorous compilation of 10 items usually relating to some prominent topic of the day.

Club managers can also use lists of ten to uncover issues and opportunities as part of a process of continual improvement in their operations. It's a simple matter of asking employees to list their top ten "whatevers." Recognizing that employees are often the people most familiar with an organization's challenges due to their intensive laboring in the details of the operation, I have found that asking for anonymous submissions will yield the most truthful and helpful information about what needs fixing or improved.

Managers must make it clear that it's not required to list 10 items. The purpose is not quantity, it's to get answers regarding what's troubling staff or members. Here are some lists of ten examples:

- Ask food servers for a list of their top ten complaints from members.
- Ask the concierge for the top ten questions from members and guests.
- Ask housekeeping and maintenance staff for their top ten obstacles to completing their tasks efficiently.
- Ask all employees for their top ten frustrations about working at the club.
- Ask employees for their top ten ideas to wow members.
- Ask turn house and beverage cart attendants for the top ten snack items requested by golfers that aren't carried in inventory.
- Ask the accounting and HR staffs for their top ten frustrations with employee work and departmental submissions.



As can be seen, the list of ten questions can be far-ranging and cover any aspect of employees' jobs and the challenges of service and service delivery. The real benefit in posing such periodic questions to employees is that they often reveal unspoken issues and obstacles that make their jobs more frustrating. It's a simple matter to take the submitted lists, collate the results, and review for any consensus of opinions. Often some of the issues raised are easily solved by a change in policy and procedures or some minor purchase.

Managers must always thank employees for their input and get back to them about any proposed action to address issues raised or ideas given. It's also important to let employees know if any of the issues will not or cannot be resolved and give the reasons why.

The ultimate purpose of the lists of ten is to discover issues and opportunities in the operation. Using periodic lists of ten and acting on the responses sends a powerful message to employees that their ideas and concerns will be listened to and, if possible, addressed.

What Price Poor Service, continued

Sixth, members begin taking their complaints to board members and when sufficient similar complaints are heard, the board can become fixated with solving service issues, even to the exclusion of other important club business.

Seventh, when board and member concerns about service are not quickly addressed, it's not unheard of for some members to take it upon themselves to address these issues directly with the general manager, department heads, or even line employees. This involvement is seldom helpful in fixing the problem, and in many cases, only makes matters worse.

Eighth, when service is sufficiently bad or uncorrected over time, some members may resign, further damaging the club's finances.

Ninth, the club's outstanding employees—those who take pride in their work and their place of employment—become discouraged by the failures around them and morale suffers. Reduced morale is the start of a downward spiral that is challenging to turn around. In the worst case, good employees leave for greener pastures. There is great cost in such turnover, including lost continuity and knowledge of members and their habits.

Tenth, members pick up on the declining morale which only compounds their unhappiness with the club and its service. This is especially critical when long-term employees who are well-known and beloved by members let their sagging morale be known.

Eleventh, a group of influential or vocal members begins calling for the replacement of certain department heads, or even the general manager.

Twelfth, at this point the focus of member dissatisfaction, whether general manager or department head, is so severe that it is difficult to turn around. Many members and even the board will conclude that the only solution is a change in management staff.

The above scenario usually plays out over a period of many months and creates havoc in the smooth functioning of the club. The turmoil and emotion impacts all involved in a most profound way and can be avoided if management simply recognizes that, despite all the other management disciplines necessary for success, service and service delivery are first and foremost in the service business.

As the first principle in Principles of Service (see next topic) states, *"Service is our only product."* Everything else is just the details of how to consistently make it happen. To paraphrase the old safety slogan, *"Service is job one!"*



Teaching the Subtleties of Service

High levels of service in a food service operation are so much more than knowing service techniques, smiling, and greeting members. To do service well requires people who are sensitive to the needs and desires of others and who understand a wide range of the customs and courtesies of human interaction. They need to recognize the subtleties of service. But what do we mean by subtleties?

Subtlety is the awareness and ability to make fine distinctions in how one engages with others or a well-calibrated sense of how to respond to or engage a particular person in a particular situation.

So, as a leader how do you go about teaching employees the subtleties of service? It certainly takes more than telling them to smile and be nice to members. They need to have a basic understanding of the underlying customs and practices of service, manners, and gracious behaviors, as well as an awareness of the signs and signals of unspoken needs. Not only do they need to know what to do, but they need to have the sensitivity and perceptiveness to recognize members' needs even before these are expressed.

Such sensitivities improve with knowledge and experience, but unless a new hire naturally possesses these abilities (which experience has shown that few do), food service managers have to start somewhere in training employees in the subtleties of service. Here's a list of requirements:

- The club must have well-defined organizational values and a constantly reinforced culture of service. When employees are immersed in such a culture, service becomes second nature to all.
- Daily engagement and consistent example of service-based leaders.
- Empowerment training that spells out the limits of employee initiative and discretion in resolving issues and problems.

- Etiquette training—employees must understand the appropriate behaviors for a private club setting.
- Make employees aware of the rules of engagement. Different members will want to engage differently with employees at different times and in different settings. Understanding the issues of engagement is critical to service and service delivery.
- Ensure that all staff are aware of the mental environments for each area of the operation. Different areas have different mental environments at different times of the day.
- Teach service recovery and how to apologize. This is so basic it hardly needs stating, but experience has shown that a consistent approach must be taught to ensure employees understand the importance of recovering from bad situations and the need for a sincere “we accept all responsibility” apology.
- Make sure employees understand the importance of the Three A's of Service—that is:

Be Alert, Aware and Anticipate member needs.

As with everything else demanding quality, service behaviors and delivery must be defined and taught consistently to all employees . . . otherwise how would they know what you and your members expect?

Suggestive Selling, continued



- **Teach Servers to Suggest.** Use your pre-shift meetings (you should always have a pre-shift meeting!) to continually train your servers about the food and beverage products you offer. This means appetizer and dessert tastings; teaching them about wines, liqueurs, and spirits in general; and introducing them to those that you carry in particular. Equipped with this knowledge they will be far more comfortable in suggesting accompaniments to members. Coach them in appropriate ways to use their new knowledge to make suggestions to members.
- **Provide Servers with Product Knowledge.** Use Menu Item Selling Sheets, HRI Form 484, prepared by the chef to educate servers about all items on the menu. These selling sheets should include ingredients; flavorings (herbs and spices); cooking times; portion sizes; special distinguishing characteristics such as vegetarian, organic, farm fresh, kosher, heart healthy; country or locale of origin; presence of dairy products or possible allergens such as peanut oil, shellfish, etc.; method of preparation (e.g., sautéed, pan fried, roasted, deep fried, etc.); types and preparations of sauces; and

any other pertinent information of interest. Lastly, the chef should include his suggested wine accompaniment for appetizers, entrees, and desserts (see topic 178). Servers should also be coached as to the timing and best tone and manner in which to deliver suggestions.

- **Continue Tracking Daily Sales against Goals.** Design contests or offer prizes to those who sell the most. At minimum publicly recognize those who are most successful and share the methods of their success with others.
- **Continue Benchmarking Your Sales.** Not only is this historical data helpful in setting goals and projecting future business, but the detailed benchmarks you keep this year will help you budget your sales for next year. Lastly, there will be a clear record of the progress made in increasing sales— certainly a nice thing to have when you meet with your boss at your next performance review.

Increasing your average check is one of the most basic things a club can do to improve its food and beverage bottom line. The additional revenue helps overcome the high fixed cost in food operations, will bring more margin to the bottom line, and most importantly will enrich your members' dining experience.

Engaging Members with Confidence

Most club employees will interact with members on a regular basis as part of their jobs and there are a number of things they must do to ensure that they engage members properly and successfully:

- **Be Prepared.** No matter what their job is they must be prepared to meet, greet, and serve members professionally and efficiently. This requires that they be prepared for each and every member encounter. For food servers this means that they know and efficiently execute all requirements of their positions and that they are thoroughly familiar with service techniques, as well as all F&B items the club serves.
- **Mental *Mise en Place*.** *Mise en place* is a French phrase defined as “everything in place.” The phrase is used in a culinary sense to refer to organizing and arranging all ingredients required to prepare menu items. In a broader sense it is taken to mean that all employees, both front and back of house, have done the work necessary to be ready to prepare and serve food. But being prepared mentally is just as important as gathering all ingredients and completing all sidework. Mental *mise en place* means that servers are familiar with all F&B products offered and have the right attitude and enthusiasm to deliver high levels of service to members.
- **Smile and Desire to Help.** A winning smile and desire to help are bedrock requirements of service.
- **Know Names and Preferences.** As we have said repeatedly, knowing members' names and dining preferences is a major reason people join clubs. As the theme song for the hit sitcom Cheers said, “A place where everybody knows your name.”
- **Stand Erect.** Posture and body language say a lot about employee confidence and service attitude. When interacting with members, they must stand confidently erect with head held high. Providing quality service is something they should be proud to do.
- **Be Confident.** Members are not impressed by retiring, servile, subservient, fawning, obsequious, toadying (look these words up in the dictionary) people. They'd much rather interact with confident and competent individuals who take professional pride in what they do.
- **Make and Keep Eye Contact.** Servers must make and keep eye contact while speaking with members.
- **Speak Slowly, Distinctly, and Confidently.** When speaking with members, particularly when reciting daily specials, servers must speak slowly, distinctly, and with confidence. While they may refer to notes, they should not read them verbatim. By spending some time rehearsing the particulars of each special, they can describe them confidently while making eye contact with everyone at the table. Speaking too fast is a clear sign of nervousness and will often require members to ask servers to repeat what was said because they didn't understand.
- **Gauge Level of Engagement.** Servers should always take their cue from members as to how much engagement they want. Servers should never presume familiarity no matter how often they've served a particular member.
- **Demonstrate Knowledge and Competency.** When servers demonstrate both knowledge and competence in all they do, they favorably impress those with whom they interact. This is true not only at the club, but also in life.

A Direct Line to Food Service Profits

Several years ago, our club was selected to implement the F&B Training on the Go (TOG) Program. Initially, the program was met with some resistance from the front of house staff. They felt that the program was another monotonous program whereby the dining room managers preach F&B mechanics to them for what seemed like hours. Upon the staff's recommendation, I changed the program's delivery and made it involve the servers and bartenders more than the dining room managers.

In this new delivery, the servers studied a pre-determined module and then they were charged with presenting it to the rest of the staff. This was the key to making the program work. Now, servers would become teachers and would instruct their "class" in the pre-shift meetings. There was no way to avoid having to teach a module as we required busboys, hostesses, servers and bartenders alike to instruct a class twice a month.

At first, the restaurant staff was enthralled by the alcoholic beverage information, especially the histories of liquors and wines. This is the easiest part to teach because the 18-24 year olds seem to have an interest in learning about alcohol. After they taught the beverage portion, we focused on foods and specifically our restaurant's menu. With the help of our chef, we were able to discuss the history of our menu choices, which wines would complement which entrées, and how to sell the daily features. After the beverage and food modules were taught, we moved on to other important issues such as the steps of service, flow of the dining room, recovery techniques, etc. In the end, 94 modules were taught over a 16-month period. Some of the more important modules were repeated. After completing the modules in order, we have now begun to teach them in random order and allow the staff to choose the module they wish to teach.

Once the TOG program was instituted and the bugs were worked out, several amazing things happened in our restaurant. The first noticeable change was in the demeanor and confidence of the front of house staff. Almost instantly, they became more comfortable discussing foods and beverages with members and guests and with making recommendations. Their newly gained knowledge of the preparations and histories of the food and beverages helped them to become more confident in their ability to answer members' questions. They looked forward to being asked about the history or preparation of certain items and the social interaction that was created when these questions were asked.

The second noticeable change was that our front of house staff turnover rate declined. Our servers enjoyed coming to work and were not as apt to move on to other restaurant opportunities. The staff felt more a part of the club and they enjoyed getting to know members more personally through their social interaction. The staff no longer felt they were going through the motions while waiting for the next new restaurant to open in the area.

The third and most noticeable change was in the number of appetizers, desserts, and after-dinner drinks sold during the dinner shifts. Just by gaining knowledge of these items, servers were able to discuss daily specials, make suggestions at every table they were serving. The increase in the *à la carte* average check was immediate. The servers' confidence created an aura of professionalism and also caused a competitive nature in the restaurant. Personal bets were being made to see who could sell the most wine or desserts. Managers started offering a complimentary dessert to the server who sold the most after-dinner drinks. The front of house staff loved the competition and it drove our sales to levels not seen in the past.

Chris Conner, General Manager, The Peninsula Yacht Club

Operational Resources

Throughout this course we have referenced various club operational resources and shown samples of specific forms. These materials can be found on the Hospitality Resources International website which may be accessed at www.myclubresource.com. This website offers a wide range of club management resources, some downloadable at no cost and others that can be purchase on the website's Marketplace Store. The site is free to join and a wealth of operational material can be accessed simply by registering on the site.



Hospitality Resources International
website

Here are URLs for some of the specific materials mentioned in this course:

- Quest for Remarkable Service: <http://www.hospitalityresourcesinternational.com/media/170853/quest%20for%20remarkable%20service.pdf>
- Forms: <http://www.hospitalityresourcesinternational.com/operations/resources/forms.aspx>
- Benchmarking : <http://www.hospitalityresourcesinternational.com/operations/resources/benchmarks.aspx>
- Training : <http://www.hospitalityresourcesinternational.com/training/resources.aspx>
- Marketplace Store : <http://store.clubresourcesinternational.com/training.html?limit=all>



Quest for
Remarkable Service



Forms



Benchmarking



Training



Marketplace Store

About the Author

Ed Rehkopf is a graduate of the U.S. Military Academy and received a Masters of Professional Studies degree in Hospitality Management from Cornell's School of Hotel Administration. During his long and varied career, he has managed two historic, university-owned hotels, managed at a four-star desert resort, directed operations for a regional hotel chain, opened two golf and country clubs, worked in golf course development, and launched a portal web site for the club industry.

*To purchase the full copy of this document,
please visit the [HRI Marketplace](#).*