

Building Foundations: Focusing on Key Result Areas



TARUN KAPOOR
CEO, KAPOOR AND KAPOOR
HOSPITALITY CONSULTANTS, INC.

MANAGING YOU CLUB STRATEGICALLY, THE PROCESS CONTINUES!

By this stage in the process, everyone in the club is beginning to understand what they want the club to become...as everyone begins accepting, if not embracing the club's new core values, mission and vision.

These cornerstones for any community (your club) are being institutionalized...seamlessly becoming an intrinsic part of the club's evolving culture, establishing the way for the development of more specific KRAs (key result areas) with clearly defined objectives essential to achieving the club's vision.

It's imperative before the board's approval of the club's new values, mission and vision, the strategic planning committee and the board of directors get that all-important membership buy-in.

Once approved, these tenets must become a part of the day-to-day life of the club, something lived by its leadership, management and members. To accomplish this it is imperative to make these a permanent part of the club's collateral membership material, the club's newsletter, whether it's printed or on-line, menus, catering packets and even the club's stationary...visual reminders.

They need to influence if not guide the club's governance by being included in the governing documents (by-laws, policies and proce-

dures, rules and regulations). Posters need to be strategically placed in the boardroom, the employee lounge etc.

This ensures the club's foundation is being reinforced in every way possible. Effectiveness of the board's development of policies and guidelines and management's delivery of the member experience will be based on and checked continually against the club's new mission, vision and values – its solid foundation.

If this isn't done, if the basis for the strategic plan isn't institutionalized, you will lose the basic principles of the lean mean planning machine, the premise of the building block approach to planning, connectivity, continuity and consistency.

If there's no connectivity between each...not only have you wasted your effort, but also the steps in developing a new culture won't sustain themselves. No continuity and the club's drive for a new culture is doomed to failure, the next board will decide the fate of the club – no consistency.

The litmus test for all collaborative governance (shared decision making by volunteer leaders and management) decisions must be how well the new foundation (mission, vision and core values) is being inculcated in the day-to-day operation. The vision statement takes us through another step in the strategic planning process, because while the mission defines the purpose of the club over

the long term, the vision enumerates what the organization should become and where it should commit its limited resources.

Sustained success mandates commitment, commitment to the plan and commitment to the process. The club must stay committed to the vision.

If it extends five years out, the next five boards have to be disciplined enough to commit to it and focus on it. While every board elected brings its own priorities, it cannot and must not waiver from the club's over-all vision. That's why the board's vice-president (president elect) must be chair or co-chair of the strategic planning committee – to maintain the focus and commitment necessary to make it work – to focus on the approved vision and not a new vision every year.

Although the club's vision is a moving target, the board, the strategic planning committee, the management and club members must stay focused on achieving it. This necessitates ensuring the current year's objectives and goals are achieved and on the tail end of the five-year plan adding a fifth year's objectives and goals.

Strategic planning creates continuity in direction and consistency in leadership, which is essential when dealing with transitional and volunteer leadership, while at the same time limiting the danger of a renegade board, president or members going off on a tangent, pushing their own personal agenda.

We know clubs have always been steeped in tradition, a dynamic often drawing new members into clubs – a factor that can be the club's strongest advantage or its weakest link. A rich heritage of customs and traditions creates a sense of belonging, a privilege for those fortunate enough to be a member and for those who appreciate them.

Often organizations rich in customs and traditions are unwilling to change with the times, all in the name of honoring the tradition. Of course, much of this is propagated by the fact many people perceive clubs to be the last bastion of the "old boy/girl's networks," even though it's less and less of a fact every day.

However, in an attempt to build and nurture community, clubs need to work at shattering that myth. Governing the club through strategic planning is an exceptional tool to drive this change.

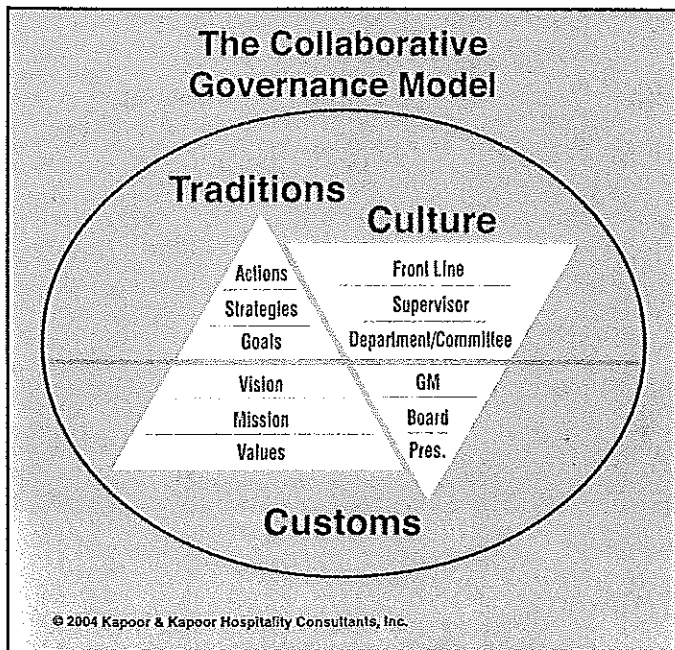
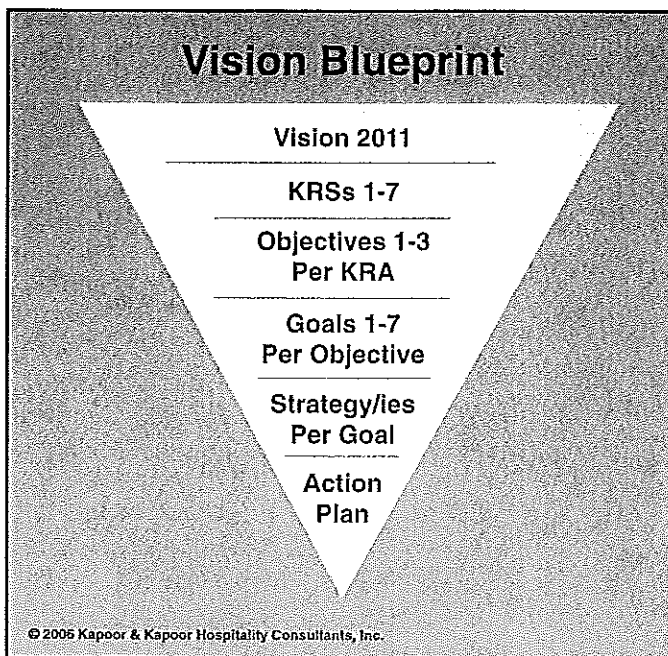
It's through overt efforts by the club's leadership to be transparent, opening up the decision-making process, being inclusive, increasing both access and participation, that continues to shatter the "old boy/girl's" myth.

As I've reiterated many times, foster the idea of the private club as the new neighborhood where members can see "their" club as a safe haven where they not only spend their discretionary money, but more importantly their valuable discretionary time, all the while enjoying its rich and continuously evolving customs and traditions. It's the job of management and staff to ensure that the club plays

a critical role in the lives of its membership by championing this "rich private club" culture.

Ultimately this task falls to the general manager who must create the environment that richly addresses and nurtures this modern dynamic of the "new neighborhood." It's incumbent upon the general manager to study members' needs for recreation, fraternity, safety and comfort and then address each in a very deliberate manner.

The important point: Members (and in the case of family clubs, their families) must feel really good about com-



ing to the club...about just being there...hanging out because they want to.

To feel good about being at the club members (and their families) must believe and honor the club's core values, agree and nurture its mission, visualize and work towards achieving the vision.

If we take excerpts of this whole process, for example core values...a golf club that has family memberships believes in among, other core values, *honoring the rules of the game of golf, couples and family golf and friendship.*

A part of the mission is: *Recognizing that the golfing experience is its highest priority, while being committed to providing superior dining, and social experiences for members and their families.*

The vision could include: *By 2011, becoming the premier golf club:*

- With a challenging, memorable, and conditioned course
- Having a full membership of 400 regular, with a waiting list of 50 prospective members
- Grossing \$8 million per year and a reserve of \$2 million
- Offering high quality food and beverage services fulfilling all the needs of the club community, and
- Be the employer of choice in XYZ County.

This isn't definitive but it certainly stimulates discussion.

To achieve this vision, this club needs to "keep its eye on the ball," which involves focusing on key areas where results have to be achieved in five years, a relatively short period of time.

The vision statement is not all-inclusive. It's just sexy enough to get everybody excited and broad enough to be all-inclusive. Imagine if this club was receiving a rendering for a new clubhouse...its gives people a flavor of what the clubhouse will be, but not the detail of what's in the locker room or the pro shop.

If you want to be the premier golf club, it's not just the course, it's also the locker room. People normally consider the course and the pro staff and training program. The course falls with jurisdiction of the superintendent and the golf instruction, under the club pro.

However, these factors alone do not make a premier golf club...it's the amenities, facilities and just as important, the services that make it a premier club. There may be marble floors in the locker room, but it's the services and attention the locker room attendant shows me and the subtle things they do for me, such as polishing my shoes that helps make it a premier club.

The locker room attendant might anticipate the fact I sometime fail to lock my locker and lock it up for me. He may anticipate that I need a drink of water after my golf game, so there's water waiting by my locker. These are the subtle factors and amenities that reinforce the idea of a premier golf club.

KEY RESULT AREAS (KRAS)

Identifying the key result areas (KRAs) that will deliver the vision is the single biggest requirement for staying focused. KRAs demand focused and intense effort where the club has to dedicate resources to achieve success. These are additional efforts, over and above the day-to-day efforts, to ensure smooth operation of the club. These efforts will help raise the club to the next level.

The vision needs to be broken down into workable pieces, into key areas of desired results. In our example, the KRAs are: golf, membership marketing, food and beverage, accounting and finance and human resources. Each area needs focused, dedicated attention from the leadership. They need clearly defined objectives, *SMART* goals, creative strategies and actionable plans.

While KRAs address pieces of the vision and what needs to be accomplished, the priority of each KRA must be established. Each KRA is critical to successfully achieving the club's vision, yet it may not be urgent or time sensitive. Given that most organizations are strapped by limited resources money, human (work hours), systems,

knowledge (expertise) etc. setting the priority for each KRA over the next five years is sound practice.

How critical are the priorities and timelines? For example, if the vision is to create a reserve fund of \$2 million, the accounting and finance KRA, it may not be critical for the next 12 months. However, fixing the bunkers on the golf course as part of the golf KRA may warrant a quicker requirement for resources.

So within the KRAs, a list of priorities must be developed, timelines established and resources dedicated to achieve success. Everyone has a wish list but the club just may not have the resources to do everything at one time. As the lists of priorities unfold, each KRA ultimately will receive needed resources. My point is: Don't throw out the baby with the bathwater just because something cannot be achieved in a KRA immediately.

Effectively managing the KRA process, warrants focusing on the limited resources, the realizable time lines, and balancing what is needed now with what is needed later. All this of course, requires leadership from the board and general manager and the mettle to make the tough decisions. Some boards and GMs fail because they don't bite the bullet and make decisions about what resources to allocate to what KRA when. Boards and GMs become fence sitters.

This of course, reinforces the concept of the chief executive officer and if the general manager wants to be more than executive assistant to the board, then the general manager or CEO must be willing to make these tough decisions and stay focused on the strategic plan.

What we're now doing is creating more context to the vision statement and as we create more context, we get more clarity for all. The clarity and the buy-in are critical because as we start to develop the plan, more and more people will start to "touch" the plan, impact the plan and ultimately influence the plan. For example the green committee will influence the golf course objectives over and above whatever the strategic planning committee might do, and the same goes with the golf committee on the pro shop, locker rooms and the game itself.

Many of these people will not have the understanding of the lean mean planning machine and its underpinning, so using the vision blueprint to orient newcomers to the strategic planning process is essential.

All of which leads us to objectives, goals and strategies in the blueprint, and that's what we'll discuss next time. **BR**

Tarun Kapoor. CHA, CHE is managing director and CEO of Kapoor and Kapoor Hospitality Consultants, Inc. and professor, Collins School of Hospitality management, Cal Poly, Pomona, CA. He can be reached at (626) 975-1486 or via email: tarun@kapoorandkapoor.com