



BILL BOOTHE

Club Software

Finding Your 'Best Fit'



AS THE GENERAL ECONOMY CONTINUES ITS GRADUAL IMPROVEMENT, PRIVATE CLUBS ARE RELEASING THE PURSE STRINGS ON A VARIETY OF INITIATIVES. CLUB SOFTWARE IS ON THAT LIST.

Vendors report a decided uptick in sales, and with good reason. Since the recession hit in 2008 software sales have been in the tank – less than half of normal for the club industry as a whole.

But now clubs are making up for lost time by allocating funds to replace their legacy accounting and POS software with newer, more robust solutions.

You may think that the task of selecting new software shouldn't be that difficult. After all, the major players serv-

ing the private club industry have been at it for a number of years, and they've had time to add the functions their club customers really need. So other than cost, there probably aren't many important differences between the leading systems. Right?

Not so. There are plenty of differences and many of them may be important to your club. To help put these differences into perspective, we first need to understand two basic concepts: functionality and appearance.

When reviewing new software, consumers often focus on how the software appears on the screen, and not on what it actually does.

They get wrapped up in the fact that the new software looks and operates differently from their legacy solutions,

and they tend to rate new software more favorably if it offers a familiar 'look and feel.'

This focus on cosmetic factors can lead clubs down the wrong decision path and miss the whole point of acquiring new software – that is, to get something different and better – not something that mimics the old software.

Important product differences are those that involve actual functionality. If the club needs a particular function, then your evaluation should ask, "Does each product provide that function?" The answer for each will be 'Yes', 'No' or 'Partially.' But those answers should be based on the specific function required, not on whether the software looks and feels like the legacy system.

FUNCTIONALITY DIFFERENCES

Functionality is the true measure of a software product's value to your club. The product that satisfies the greatest number of your club's required functions is normally the 'best fit' solution.

But there's more to it than that. Some functions are required, while others are desired.

Required functions should receive a higher value than functions that are simply desired. So simply adding up the number of 'Yes' and 'No' answers for each product doesn't tell the whole story. It's the relative importance of those 'Yes' and 'No' answers that makes the difference.

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THE IMPORTANCE OF WEIGHTING

To help you get to a true ‘best fit’ product for your club, you need to make some decisions well before you start evaluating different software systems. Namely, which software modules are most important, and which are less important.

Here’s a simple method you can use. Start by making a list of all of the modules you will be purchasing: F&B POS, retail POS and inventory, membership, accounts receivable, accounts payable, general ledger, banquets/catering, member website, etc.

Then allocate 100 points among these modules based upon their importance to the club’s member service and internal operations.

One module may be assigned 20 points, another 10, and another just a few. The total must add up to 100.

These point assignments should reflect management’s judgment of the relative importance of the various modules to be purchased, and should not be shared with the staff or vendors during the evaluation process.

RATING PRODUCTS

Following your team’s review of the various products and modules (usually through detailed software demonstrations), you should convene a final staff evaluation meeting of those who were involved in the review process. A simple chart can be constructed which lists the modules down the left-most column, and allocates columns to the right for each product being considered.

Then in a methodical manner, each module should be discussed and rated - by the group members who will be using it. A simple scale of 10 = highest and 1 = lowest will do. Focus the discussion on functions, and not on ‘look and feel.’ Again note that at this point in the process the staff *should not* be aware of management’s weighting of the various modules.

CALCULATING PRODUCT SCORES

Once the review team completes the ratings assignments for each product’s modules, a final product score can be derived. Simply multiply each module’s rating by the weighting number assigned by management.

For example, if Vendor A’s F&B POS module received a rating of 8, and that module had a weighting of 10, the score for that product’s F&B POS module is $8 \times 10 = 80$. And so forth throughout the modules for each product being evaluated. Finish up by totaling the scores for each vendor’s modules to derive an overall vendor product score. The highest score should represent your club’s ‘best fit.’

OTHER CONSIDERATIONS?

While the product scores should be a compelling factor in your evaluation decision, they are not the only factor to consider. Here are a few others:

- **How implementation and support services are provided:** There are some important differences between the vendors in the way they implement and support their software. Checking customer references is a good way to learn how each vendor performs in those areas. Tip: try to call clubs that are not provided to you by the vendors as references.

- **The amount and number of implementation services provided:** There are significant variations between the vendors in the amount and number of user training and implementation services proposed. Some vendors underbid these services to lower their sticker price. Others provide a reasonable estimate for these fees. The key is to ‘true-up’ the bids by adjusting the number of implementation hours/days to be the same for all vendors, using their standard rates to calculate the cost. Tip: all of the systems take about the same amount of time to implement properly.

- **User license fees:** There are significant differences between the vendors in the relative cost of application and network user licenses. Tip: make sure you understand exactly what is needed, and exactly what the costs will be for the licenses your club’s users will need.

WHAT ABOUT OVERALL PRICE?

If you’ve done your work properly, all of the proposals should be similar in overall price. If not, do some negotiating to bring them in line. All of the major players are priced about the same when you include everything – software, installation, data conversion, user training, maintenance and support. Tip: always calculate a 10-year total cost of ownership (TCO) for each vendor to make sure that the long-term costs are not obscured by a low initial cost.

Following these suggestions will help you perform an effective software review, evaluate the relative capabilities of each vendor’s products, understand all of the related costs, true-up the proposed services, and compare prices in a meaningful way. While there are many significant differences between the various vendor offerings, this approach should provide you a framework for finding your ‘best fit’ club software. **BR**

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