

Back of the Cup

A NEWSLETTER CONCERNING THE BUSINESS OF GOLF

What are you measuring and is it actionable

Some of you will know that I have a thing for annual reports and newsletters. I now have quite a collection as they reveal much about a club. Given the heading of this article, imagine the small thrill I got when I read the following few lines included as part of a General Managers Report in a bi-annual printed newsletter produced by a private club in Victoria.

"...I am pleased to report that the organisation enjoyed another strong performance throughout the last financial year, and although participation (rounds) was 1.5% down on last year, the X playing rounds recorded was still the second most ever recorded at the Club. The slightly reduced numbers can directly be attributed to the number of inclement days that were experienced throughout the year, particularly on Saturdays which represents the most frequented day for golf at the Club..."

As simple a statement that this was, it told me a number of things. Firstly, they understand that there is direct and unquestionable link between rounds played (frequency) and club revenue and profit realities. Secondly, they religiously track rounds played every day across all of their courses (the above extract went on to detail exact rounds played). Thirdly, they can compare current annual results to past results, indicating that they have counted rounds for a long time. Finally, they track weather by day, and when assessing annual results are able to identify not only know how many rain days it had but the day of the week when they occurred.

The point being made is that there was a level of analysis behind the numbers that enabled the Club to join the dots to financial outcomes and report on the consequent trends in and impact to its business. This is the basic premise of actionable analytics, measurement of certain areas of a business undertaken in a way that allows direct reaction to the outcomes being achieved.

A recent article I read concerning this issue put it best when it said "...Clearly, the intent of any approach to business measurement is to achieve two general aims. One, it should provide feedback on actual performance in relation to a particular target or goal, and second, the data generated should facilitate decision-making which then enables improvement or corrective action where required..."

If no business decision can be made based on what you are tracking, or there is no problem that can be solved, then you aren't tracking what you should be.

In undertaking my work, what is often very revealing is what isn't being measured and is not available for analysis in one form or another. Often these are key metrics to performance of operating departments, denying real support to actionable future decision making.

The key tenants to actionable analytics are:

- the right analytics have been identified
- the data required is readily available via chosen software/reporting system
- it gets to the right people in a timely manner

In order to make this practical, let's look at how actionable analytics would be applied for the function/event component of your business.

The right analytics

In this area I have seen a number of clients getting hung up on data that doesn't actually tell them the full story about this part of their business. Examples would be looking at straight revenue outcomes, profitability. Nice numbers but they don't point to anything.

So what if you were asked to improve revenue of the functions/events area how would you do it?

There are four key actionable analytics that you'd need in this area of business. They are average event size, average spend per event, average spend per person, and the pre event measure of event enquiry sales conversion, as outlined in the following table.

Measure	Directly Actionable?	How?	Analytic
Number of events	No	More events	Same
Total event income	Yes	Increase spend, adjust packaging	Average spend per event
Total persons attending	Yes	Increase / decrease size	Average event size
Spend per person	Yes	Increase / decrease spend	Average spend per person
Event enquiries	Yes	Increase conversion	Event enquiry sales conversion

Data required is readily available

Save revenue data, other information required for input into the above table is total events, total persons attending, and enquiries. I often hear "our reports don't tell us that information" or "our system doesn't provide for easy tracking of such information."

Put simply, it needs to. Most facilities have improved financial information/reporting systems in place, but in many cases the built in reporting available is not as operationally relevant as it should/needs to be. (As an example one of the most valuable and thus important reports available in a current major system being used is buried five layers down the membership channel and it still requires significant manipulation to make it meaningful.)

For now, some of the above requirements will need to be tracked via a spreadsheet, but as you discuss or look to renew information systems, look at what they reporting systems give you and ask for modifications up front.

Information to the right people in a timely manner

The final key tenant is timely information to the right people. Using this function business example it is a bit difficult to ask a Function or F&B Manager to be responsible for management of wage costs if actual costs incurred aren't available in a time period that would allow meaningful adjustment to be made. This information or reliable estimates should be available daily allowing for a cumulative monthly number to be tracked.

Timely shouldn't be only be seen as quickly, it also implies regularity. In a department where daily numbers can vary wildly, the cumulative numbers can also change quickly. This would certainly mean a weekly assessment of wage cost in this department. The actionable analytics above would be monthly, with cumulative annual numbers being tracked.

There is one final question to this process, that being are the right decisions being made with the information you have. This is the \$64 dollar question which you won't know the answer to until the impact of your decisions have played out. Suffice to say the impact will be relative to the process you went through to reach your decision.

What actionable analytics do you use?

About Golf Business Advisory Services (GBAS)



Jeff Blunden
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GBAS is an independent advisory company offering dedicated, professional advice to the golf industry and is Australia's leading provider of golf industry advisory services.

Offering unrivalled experience and industry insight, our approach is grounded in research with a belief that data analysis always reveals the insights required to drive your business.

Specialist services offered by GBAS include:

- Strategic planning
- Operational reviews
- Financial health check
- Member surveys
- Board presentations
- Technology reviews
- Insource / outsource strategy
- Executive recruitment
- Consumer research
- Market research
- Asset oversight
- Due diligence
- Asset valuation
- Facility design
- Expert witness services

If you have a need in the golf industry GBAS is able to provide you with all of the necessary knowledge and experience required to help ensure you achieve your goals.

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