The Boothe Group, LLC

Club Management Software Selection:
Here's What Makes Our Process Superior to the Competition.

Most private clubs select new club management software with little or no outside assistance. When they do hire a consultant to help them, clubs often have a difficult time determining exactly what the consultant will be doing, and if the work to be performed will be worth the consulting fee. The process we use is comprehensive, well-tested (with more than 350 clubs), and superior to that used by other firms in the private club marketplace. *As you evaluate proposals from other consulting firms, we encourage you to question their engagement process, and compare their work scope to ours.* Here is a step-by-step description of the tasks we typically perform when we assist our club clients with the software selection process:

1. Club Software Survey. Before we submit a consulting services proposal, we conduct a complimentary 60-minute on-site or telephone survey with the General Manager and CFO to learn the basics of the club's amenities, operations and membership. We use our exclusive *Club Software Survey* tool to guide the survey discussion. Based upon the survey information gathered, we submit our proposal with *not-to-exceed fees*, so there are no surprises as to what our services will cost.

2. Software Requirements Analysis Schedule. Once the consulting engagement contract is approved by the club, we draft a proposed onsite analysis schedule that lists all club departments/operations and the amount of time needed with each. We also provide schedule dates for the club to choose from. With that data in hand, the club is able to put together an analysis schedule that is most convenient for departmental/staff schedules. In most cases, the onsite analysis is completed in either two or three consecutive days.

3. How-To Video. Prior to our analysis site visit, we provide the club with our exclusive video course - *How to Select Club Management Software*. This 55-minute course presents all facets of the analysis and selection process, and reviews all of the key tools that will be used during the engagement. We discuss with management the importance of involving all key staff in the engagement process. And we encourage the club to have all key staff watch the video before we arrive onsite, so they will have a clear understanding of what we will be doing, and what will be expected of them. We conclude our discussions by jointly formulating a list of Software Champions – key staff from each club department – who will comprise the Evaluation Team.

4. Software Requirements Analysis. When we arrive onsite for our analysis visit, our primary mission is to determine the key software and operations requirements of each club department. This is accomplished through the scheduled analysis meetings with key departmental personnel and executive management (as well as IT Committee members, Board members or other individuals involved in the engagement if appropriate). To drive the analysis process, we use our exclusive *Club Management Software Functional Specification* – which covers all club departments with more than 1,500 software features/functions. This Specification has been developed from our use with more than 350 private clubs and is designed to make sure that nothing is missed in the analysis process.

5. Selection of Vendors to Include in the Evaluation. Based upon the onsite analysis results, we conclude our visit by meeting with executive management to discuss which software vendors should be invited to participate in the evaluation exercises. This discussion is based upon our deep knowledge of the software vendors serving the club industry. We generally recommend the inclusion of at least three vendors, but rarely more than four.

6. <u>Software Demonstration Documents</u>. When we arrive back at our office, we begin the preparation of several documents that will be used during the next step – the onsite software demonstrations by the software vendors. These documents are provided to the software vendors for their preparation prior to the demonstrations and include:
   a. <u>Customized Club Management Software Specification</u>. We fully customize the Specification to reflect the analysis information gathered while onsite. Many items that do not apply to your club are removed. Those items that do apply remain, and the ones that are especially important to your club are ==highlighted==, to assure they will receive special attention during the software demos. Items not on the list that are unique to your club are also added and ==highlighted==.
   b. <u>Software Module Weighting</u>. We work with club management to determine the relative value of each software module to be evaluated. A weighting factor is assigned to each module. This weighting factor is used later in the Software Evaluation Meetings.
   c. <u>Club Demographics Report</u>. We provide the vendors with an overview of the club, its demographics and operations. This report gives the vendors a good idea of the scope and magnitude of the club's operations prior to their visit.
   d. <u>Club Existing Software Report</u>. We provide the vendors with a listing of the club's existing software. Every program is listed, which gives the vendors a good idea of how the club is operating currently.
   e. <u>Onsite Software Demonstration Schedule</u>. We prepare a detailed demonstration schedule that works with the club's operational schedules. Time slots are assigned to each club department for the demonstration of the module(s) that pertain to that department. To assure a thorough demonstration of each vendor's solutions, ==we schedule a full day for each vendor==. (Many clubs make the mistake of scheduling only an hour or two to review each vendor's software. We learned long ago that a full day is barely enough time to see the key elements of each vendor's offering.) The vendor demonstrations are generally scheduled on back-to-back days to keep information fresh in the Evaluation Team's mind as the systems are discussed, compared and rated.
7. <u>Onsite Software Demonstrations</u>. We attend and manage every aspect of the demonstrations, including:
   a. Recording the results for each ==highlighted== item on the Specification.
   b. Recording notes for many other items on the Specification that are demonstrated as a matter of course.
   c. Keeping the demonstrations on track. Guiding the discussions to focus on items that are important to the club, rather than "bells and whistles" that the vendor wants to highlight.
   d. Keeping the Evaluation Team focused on items of importance, rather than spending valuable time on unrelated discussions or tangential items that are out-of-scope.
   e. Making sure that the demonstrations stay on schedule so each department receives the attention they deserve.
   f. Making sure that questions by the Evaluation Team are fully answered by the vendors.
8. <u>Software Evaluation Meetings</u>. We manage a detailed evaluation meeting following each day's demonstration. The entire Evaluation Team participates in this meeting. We use our exclusive ***Software Ratings Template*** to record the Team's ratings while the demonstration results are fresh in their minds. At the conclusion of the last demonstration, the ratings of the vendors are compared and contrasted, and a score is derived for each vendor by multiplying the ratings for each software module by its

corresponding weighting. This process provides a "best fit" evaluation score for each vendor's suite of software modules.

9. <u>Request for Proposal (RFP)</u>. We prepare and issue our exclusive ***Club Software & Services RFP*** document to solicit vendor proposals for software, implementation services (project management, installation, configuration, data conversion, user training, go-live support), software maintenance and user support. The RFP is designed to facilitate an "apples-to-apples" comparison of the various vendor proposals. We request pricing for both "traditional purchase" and "subscription" acquisition methods. And we include a listing of any software enhancements that will be needed to satisfy the club's specific requirements.

10. <u>Customer Reference Checks</u>. While waiting to receive the vendor proposals, we work with the Evaluation Team to schedule customer reference calls for each of the vendors being evaluated. We provide to the Evaluation Team our exclusive ***Vendor Reference Checklist*** template for their use during calls/visits to reference clubs. This checklist contains key questions to be asked for each club department, as well as general questions regarding software performance, implementation and training services, software maintenance and user support.

11. <u>Vendor Proposal Analysis</u>. We perform several types of financial analysis including:

    a. 1st Year Cost Analysis/Comparison. We use our exclusive ***1st Year Cost Template*** to compare and contrast the line item costs of all RFP items. This provides club management with a detailed accounting of the first year costs that are associated with each vendor's proposal.

    b. 10-Year Total Cost of Ownership Analysis/Comparison. We use our exclusive ***10-Year TCO Cost Template*** to compare and contrast the total cost of ownership over ten years for each vendor's proposal. This is the key financial measure used in comparing vendor costs, since the average tenure of a club management system is 10 years.

    c. <u>"Traditional Purchase" vs. "Subscription" Pricing Comparisons</u>. Our 1st Year and 10-Year TCO cost templates are prepared for both acquisition methods.

12. <u>Final Vendor Selection</u>. We work with the Evaluation Team and executive management to choose the "best fit" solution. Factors considered include the software ratings/scores, the extent and cost of software enhancements needed, customer references and pricing.

13. <u>Contract Negotiations</u>. We negotiate pricing, terms and conditions and other items of the selected vendor's contract(s). We know what fair pricing is because we review contracts from all of the leading club management software vendors on a continuing basis. We demand that pricing be competitive, and that payment plans and other contract items be reasonable and in-line with previous proposals.

14. <u>Contract Addendum</u>. We require the selected vendor to verify our answers on the Customized Club Management Software Specification, and we require that the Specification be made an ***Addendum*** to the final contract. In this way, the club is assured that there is a clear understanding of what the selected vendor claims their software can – and cannot do – and that weeks or months later there is no confusion as to what was promised by the vendor.

15. <u>Implementation Assistance</u>. We provide assistance to our clients during the implementation of the selected software. That assistance includes:

    a. <u>Systems Implementation Assistance</u> - we assist management and staff to successfully implement the selected software systems. Our work includes the review and monitoring of key activities including installation and configuration, staff training, data conversion, and initial live operations.

    b. <u>Pilot Testing</u> – We structure and oversee the on-site simulation testing of the selected provider's software with key club departments. This pilot testing is designed to enhance the learning environment for the club's personnel, and to

identify any software or operations issues well in advance of the go-live date. We use our exclusive **Pilot Testing Checklists** to guide the testing procedures, and to document issues discovered during the testing.

c. Software Enhancements Management – if software enhancements are needed and contracted for, we work with the vendor's development team and the club's representatives to review, test and deploy the various enhancements.

As you can see, the process we use is very comprehensive. **When you evaluate proposals from other consulting firms, we encourage you to question their engagement process, and compare their work scope to ours.**

Note: To accomplish the work described above, we budget 90-100 consulting hours for the typical private club. We do not include travel time in those hours, and travel time is not charged. We do charge for out-of-pocket travel and related expense reimbursement.