

Top 10 Technology Issues Facing Private Clubs: *And How to Address Them!*

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#10 – ASP Solutions

- ◆ Recent articles in club industry
- ◆ Lots of activity in other industries
- ◆ What is ASP?
- ◆ What are the club vendors doing with ASP?
- ◆ When will we see ASP in clubs?

ASP Solutions – Explained

- ◆ Application Service Provider
- ◆ Programs and data files reside on external server maintained by software vendor
- ◆ Accessed via Internet

ASP Solutions – Why do it?

- ◆ Theoretically ...
- ◆ Reduces up front costs – monthly fee
- ◆ Reduces overall cost of ownership
 - ◆ No local server
 - ◆ Less need for local IT support
- ◆ Especially good for multi-location enterprises
- ◆ Allows access from any PC at any time

ASP Solutions - Viability

- ◆ Club vendors - survey
- ◆ Connection reliability
- ◆ Bandwidth still too costly
- ◆ Not a good fit for clubs in the near future
- ◆ Exception = club web sites

#9 – Data File Backups

- ◆ Still not taken seriously by many clubs
- ◆ Most managers not aware of club's backup routine
- ◆ Quick survey...

Data File Backups - Guidelines

- ◆ 31 tape rotation
- ◆ Offsite storage
- ◆ Complete, unattended backup
- ◆ Backup of desktop PC's
- ◆ Daily error checking & backup log
- ◆ Locked fire/water resistant storage
- ◆ Restoration testing

#8 – Real Time Labor Cost Control

- ◆ Labor is by far the largest cost
- ◆ Labor has the most room for reduction
- ◆ Labor cost information is not available soon enough to help management control
- ◆ Month-end financial statements

Real Time Systems

- ◆ Weekly labor budgeting
- ◆ Weekly labor scheduling
- ◆ Scheduled \$ vs. budgeted \$ reporting
- ◆ Daily actual \$ vs. budgeted \$
(from electronic time clock)
- ◆ Timely adjustments to schedule

Real Time Systems

- ◆ Costs have come way down
- ◆ Scheduling is easier to use
- ◆ Good integration with time clocks
- ◆ Once set up, can be managed with a few hours each week
- ◆ Multiple vendors serve the club industry

#7 - Biometric Time Clocks

- ◆ Biometric readers replace electronic or card punch clocks
- ◆ Hand geometry or finger print technology
- ◆ Eliminate "buddy punching"
- ◆ Control clock-in's and out's
- ◆ Warn of unscheduled activity
- ◆ Work with almost all scheduling and payroll systems
- ◆ Cost is way down - \$2,500 - \$3,500 per reader

#6 – Interactive Web Sites

- ◆ 2,500 clubs with web sites
- ◆ 2 years ago – less than 500
- ◆ Powerful advancements in functionality
- ◆ Many success stories

Web site features

- ◆ Static features
 - ◆ News and events
 - ◆ Photos
 - ◆ Calendar
- ◆ Must have – but not enough to keep members coming back

Web site features

- ◆ Interactive features
 - ◆ Reservations
 - ◆ Billing account information
 - ◆ Document retrieval
 - ◆ Niche group pages
- ◆ Keep members coming back
- ◆ Make the club's web site part of their routine

Benefits

- ◆ Easier member communications
 - ◆ club => member
 - ◆ member => club
 - ◆ member => member
- ◆ Timely information
- ◆ Stay close to your membership
- ◆ Stay up with member expectations

Decision Factors

- ◆ Cost = Reasonable
- ◆ Source = National Provider
- ◆ Security = Adequate
- ◆ Member Benefits = Outstanding

5 - Club Commitment to Web Site Maintenance

- ◆ Content Maintenance
- ◆ Web Site Expertise
- ◆ Staff and Member Participation
- ◆ Management Commitment

Content Maintenance

- ◆ What *is* Good Content?
 - ◆ timely (fresh)
 - ◆ targeted
 - ◆ professional

Content Maintenance – Web-Site Expertise

- ◆ What's Needed to *Maintain* Good Content?
 - ◆ dedicated talent
 - ◆ available time
 - ◆ creativity/professionalism
 - ◆ persistent
 - ◆ quality control

Content Maintenance – Dedicated Staff

- ◆ Who?
 - ◆ Existing staff
 - ◆ Membership marketing person
 - ◆ Communications professional
- ◆ How Much?
 - ◆ Minimum 4 hours per week
 - ◆ Could be 2 or more days per week

Content Maintenance

- ◆ Participation Produces Content
 - ◆ All club departments
 - ◆ Members
 - ◆ Web site committee
 - ◆ Intra-clubs
- ◆ Mandatory Participation

Management Commitment

- ◆ On-going involvement from:
 - ◆ Club manager
 - ◆ Department heads
 - ◆ Board & committees
- ◆ Brief contributions
- ◆ Sets expectation for participation

Does Your Club Have the Personnel and Commitment Needed to Maintain a Successful Web Site?

- ◆ **Content Maintenance**
- ◆ **Web Site Expertise**
- ◆ **Staff and Member Participation**
- ◆ **Management Commitment**

"Bottom Line"

- ◆ 3,000 clubs will have a web site by year end.
- ◆ Will your club be one of the *best*?
- ◆ Don't get left behind.
- ◆ No site – get one.
- ◆ Bad site – get a better one.
- ◆ Staff properly.

#4 - Network Security

- ◆ What is Network Security?
- ◆ Why would someone want to attack us?
- ◆ How great is the risk?
- ◆ What can happen if we are attacked?
- ◆ What can we do to protect our network?

What is Network Security?

- ◆ Preservation of confidentiality.
- ◆ Preservation of data integrity.
- ◆ Preservation of system availability.

Why would someone attack our club's network?

- ◆ To cause harm.
- ◆ To steal valuable information:
 - ◆ Member names, addresses, phone numbers (unlisted), e-mail addresses.
 - ◆ Credit card account information.
 - ◆ Other information of interest.

Who would attack us?

- ◆ To cause harm:
 - ◆ Usually hackers-in-training (script kiddies, wannabes, packet monkeys and cyberpunks).
 - ◆ Very likely to happen.
- ◆ To steal valuable information:
 - ◆ Usually experienced hackers.
 - ◆ Less likely to happen.

Have you been attacked?

- ◆ Verified attacks?
- ◆ How many have DSL or cable modem access to Internet/e-mail?
- ◆ How many have a firewall on site?

How great is the Risk?

- ◆ Hundreds of security bulletins and patches for NT – lots of vulnerabilities.
- ◆ Thousands of hackers worldwide.
- ◆ Hacker web sites to teach novices.
 - ◆ numerous sites that allow downloading of hacker tools.
 - ◆ pre-built attack scripts require minimal expertise
 - ◆ most hackers are teenagers “having fun” at your expense

How great is the Risk?

- ◆ Constant scanning of IP address ranges.
 - ◆ non-selective scanning
 - ◆ random searches for accessible sites
- ◆ Average = 5 scans a day if "always on".
 - ◆ the longer you are on-line, the greater the risk
 - ◆ much less risk if dial-up – but "always on" is trend
 - ◆ closing Explorer doesn't turn off outside access

Most likely attack scenario

- ◆ Most hacker attacks follow this sequence:
 - ◆ Scans for vulnerabilities/open port(s).
 - ◆ Exploits a vulnerability and establishes an entry point.
 - ◆ Gains access – looks around.
 - ◆ Decides on strategy - carries out mission.
 - ◆ Hides or removes evidence of the visit; may leave a doorway open for return.

What can happen if you are attacked?

- ◆ Hacker "payloads" might include:
 - ◆ Viruses
 - ◆ Worms
 - ◆ Trojan horses
 - ◆ Sniffers
- ◆ Hacker might also:
 - ◆ Use your network for illicit purposes.
 - ◆ Use your network to attack others.

Virus

- ◆ **Non-destructive**

- ◆ Joke/humorous
- ◆ Mean-spirited/embarrassing

- ◆ **Destructive**

- ◆ Destroy or delete files
- ◆ Make files unusable
- ◆ Destroy boot file so system cannot reboot
- ◆ Crash the system (repeatedly)
- ◆ May not be able to recover – could be down for days, or weeks – reconstructing files

Worm

- ◆ Makes copies of itself
 - ◆ May attack e-mail address book and send itself to all addresses.
 - ◆ May contain a virus.

Trojan Horse

- ◆ Destructive program
- ◆ Masquerades as a benign application
- ◆ Attack may be delayed (timer)
- ◆ May carry viruses or worms

Sniffer

- ◆ Legitimate network tool
- ◆ Can see everything on the LAN
- ◆ Comes attached to an e-mail
- ◆ Can see passwords and other confidential information
- ◆ Can stay on system for hours, days, weeks

Illicit Activities

- ◆ House objectionable material
- ◆ Store illegal music
- ◆ Attack other systems

Attack Other Systems

- ◆ Send viruses, worms, Trojan horses
- ◆ DoS – Denial of Service
 - ◆ constant pinging
 - ◆ repetitive e-mail
- ◆ DDoS – Distributed Denial of Service
- ◆ Possible Legal Liability
 - ◆ “intermediate” source of damage
 - ◆ insufficient due diligence

How can you protect your club's network?

- ◆ Prevent Unwanted Network Access
- ◆ Prevent Virus Attacks
- ◆ Employ Good Backup Procedures

Prevent Unwanted Network Access

- ◆ Install a Firewall
 - ◆ You determine who gets in and out
 - ◆ Can control Internet sites accessed by club's users
 - ◆ Enforces security policies
 - ◆ Software on a PC – Free, or \$250 and up
 - ◆ Hardware box - \$500
 - ◆ Pricing based on number of connections
 - ◆ **Generally does not come with ISP router**

Firewalls

- ◆ Like having locks on the exterior clubhouse doors.
- ◆ **MUST HAVE** if using DSL or cable modem.
- ◆ Not having means you are open to easy attack.
- ◆ Not having means a lack of due diligence in safeguarding the club's electronic assets.

Prevent Unwanted Network Access

- ◆ Intrusion Detection Systems (IDS)
 - ◆ Used with a firewall
 - ◆ Notifies of "unusual changes" in the system
 - ◆ Looks for "attack signatures"
 - ◆ Advanced IDS drops the intruder session and reprograms firewall to block intruder
 - ◆ Not needed by most clubs – firewall is sufficient

Prevent Virus Attacks

- ◆ Anti-virus scanning
 - ◆ Automatic scanning of all files being added to PC's and server(s)
- ◆ User Diligence
 - ◆ Don't open unknown sender e-mail attachments

Insist on Good Backup Procedures

- ◆ Tape rotation with backup log
- ◆ Regular restoration testing

#3 – Annual Technology Budgeting

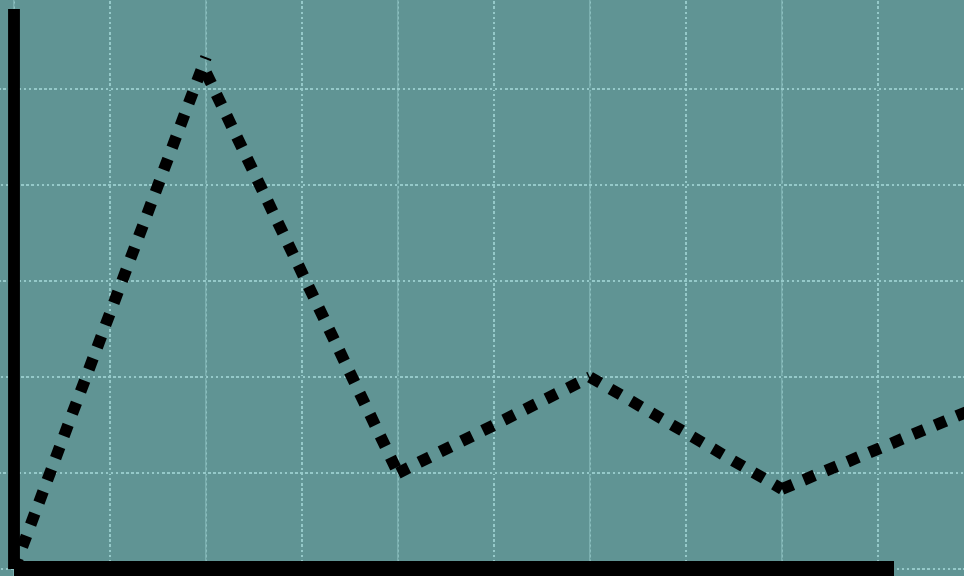
- ◆ New equipment
- ◆ Equipment replacement and service
- ◆ Software updates and support
- ◆ On-going user training

What clubs have done in the past

Periodic Systems Investment (Spike or Intermittent Spending)

- » Equipment
- » Software
- » Training

Spike/Intermittent Spending



Dangers

- ◆ **Diminishes Long-Term Value of Club's Systems**
- ◆ **Decreases Relative Effectiveness as the Computer World Continues to Advance**
- ◆ **Requires Approval of Major Expense**

Benefits of Continuous Systems Improvement

- ◆ Maintains Maximum Productivity
- ◆ Spreads Learning Curve Over Time
- ◆ Spreads Investment Over Time

What Clubs Must Do To Stay Current

Continuous Systems Improvement

- > 3 - 5 Year Rolling Budget
- > On-Going Equipment Upgrades & Replacements
- > On-Going User Training

3-5 Year Rolling Budget

Goals

- ◆ Continuously Increase the *Value* of the Systems Over Time
- ◆ Continuously Raise *Productivity* to a Level Comparable to that Achieved with New Systems
- ◆ Provide *Predictable* Budgeting Over Time



**BUDGET
PLANNING**

Benefits of Continuous Systems Improvement

- ◆ Continuously improves technology base
- ◆ Maintains relative parity with current technology
- ◆ Spreads investment evenly over time
- ◆ Maintains user skills at a high level
- ◆ *Maximizes return on technology investment*

How much should you budget?

- ◆ Typical annual technology budget for smaller U.S. companies:

2 - 5% of gross revenue

- ◆ \$2 million = \$40,000 - \$100,000
- ◆ \$5 million = \$100,000 - \$250,000
- ◆ \$10 million = \$200,000 - \$500,000

#2 – Management Information

- ◆ Needed for:
 - ◆ Financial reporting
 - ◆ Activity/sales tracking
 - ◆ Niche (target) marketing
 - ◆ Member communications
- ◆ Satisfied now?

Who's Responsible?

- ◆ Software provider
 - ◆ robust database
 - ◆ data that is easily accessible
 - ◆ good report writer tools
 - ◆ experienced trainers
- ◆ Club
 - ◆ database experience
 - ◆ commitment to training
 - ◆ time commitment

Who's Responsible?

- ◆ Assuming Windows solution = Club
 - ◆ Tools are most likely there
 - ◆ Inadequate understanding of database theory
 - ◆ Lack of time to learn/do
 - ◆ Lack of management direction
- ◆ Assuming DOS solution = Provider
 - ◆ Much more difficult to use
 - ◆ No chance if above Club factors are present

Management Information

- ◆ How to get it:
 - ◆ Windows-based solutions
 - ◆ Qualified staff
 - ◆ Advanced training
 - ◆ Management commitment and understanding

#1 – Insufficient Technology Expertise at the Club

- ◆ Problem indicators.
- ◆ What can be done?
- ◆ What is the manager's role?

Indicators

- ◆ Inadequate technology budgets
- ◆ Lack of professional staffing, or inadequate contractor relationships.
- ◆ Lack of technology skills/responsibilities in club job descriptions.
- ◆ Unchanged national user satisfaction survey results.
- ◆ On-going vendor frustration.

What can be done to improve?

- ◆ Employees pull club forward.
- ◆ Members push club forward.
- ◆ Club managers lead club forward.

Manager's technology role

- ◆ Understand your club's day-to-day systems operations.
- ◆ Understand industry best practices – and demand them.
- ◆ Know what is possible – and practical.
- ◆ Know what technology costs.
- ◆ Establish an adequate technology budget.
- ◆ Understand that staffing and training is more important than equipment and software.