Len Bell

Increase Profits by Increasing Efficiency

A common concern I hear from business owners is the ever-increasing demands on their time. I had the same issue when I managed facilities and realized the pressures on a facility manager can be overwhelming at times. Now that the "New Year's Rush" is slowing down, it may be time to take a fresh look at your business to see if you can be more efficient. It takes time to implement new procedures and train staff, but it will be worth it when you begin to save on payroll; lessen "busy work," and free-up time to do those things you have wanted to do to increase your profitability.

Following are some things that take up valuable time with little return, and ways you can fix them:

EFT Billing
Is your center key entering credit cards or working with separate banking software to produce your EFTs? When EFT transactions "bounce," do you have to update your check-in screen to show the balance; chase the money, and remove the balance owed on the screen? All that can take a considerable amount of time.

Some club management software companies offer automated EFT processing which creates and sends an encrypted file to process. Software may also be able to do cycle EFT transactions for payment plans (example: you can charge $200 per month for the next three months) and house-charge directly to an EFT account. At the same time, they can check for odd billing amounts; discuss with you whether returns should be resubmitted, etc. Returns can be downloaded and balances can be automatically updated on the check-in screen. If the same company is doing your collections (saving you time and "taking the heat" off your center), you may also be able to download collection payments and automatically update the screen and A/R balance. Some providers have the capability to automatically update credit card information to lessen returns in the first place!

Statement Billing Members
Do you currently produce statements for monthly members' house charges, payment plans, etc., and then mail those statements to members, and follow up with phone calls to members to take their payments?

Many centers simply do not allow members to pay at the center (unless it is a one-year, pre-paid membership) or they charge a premium for that option ($20+ per month) to discourage members from paying there. Send a mailing to current members in their next statement informing them that the option will either no longer be available, or will be, but at the higher cost. Let them know they can save money by going to EFT. Set a deadline for their decision. Less time chasing money will be worth the effort!

Reports
Does your center still utilize reporting methods, such as paper appointment books, daily production logs for salespeople, new member number sheets, notes on members' files, Excel spreadsheets of manually inputted data (tours, new members, cancels, net add-to-the-core, etc.)? Are you confident that they are accurate?

Ask your club management software provider if you can produce these reports in the software. It is imperative that you have the ability to easily produce the reports that you find valuable, without taking up valuable time. And, being able to share important information among your employees can only help your club's efficiency.

Time Clock/Other Payroll Issues
Are you currently using a time clock that doesn't provide you with the department in which someone worked, the time they punched in and out, etc.? Are you calculating "performance-based" pay, such as personal training and commissions, with sheets of paper? How long does it take each week?

Some club management software has a built-in time clock module. This module will track all employees' time and create commission reports for sales and personal training to make your payroll process less cumbersome.

Tracking Revenue
Do you currently have a cash register that is separate from your club management software? How much time does it take to collect the data from the cash register and put it into your accounting software to create tracking reports? If there is a dispute on what was paid, do you have an easy way to find it? Do you manually count inventory?

Hook up a cash drawer and receipt printer to your computer. Many companies have point-of-sale modules that will allow for UPC scanning or touch-screens to speed-up the process even more. You should be able to import all revenues into accounting software and keep track of each line item (how much was sold, how much revenue from each line item, inventory of line item, etc).

Communication with Members
How much time and money do you spend mailing to members (renewals, newsletters, etc.) and prospects? Do you have a way to focus mailers to specific groups easily and efficiently? Does your software warn you at check-in if a member is missing an email address?

Choose a company that has the ability to do mail/email merge communications and create labels and emails for specific groups of members. Email saves you postage and is quicker.

Change is often difficult, but the more you can automate and have "busy work" removed from your daily efforts, the more you can focus on things that only you can truly change (training staff, building rapport with members, launching new programs, etc.). Please check with your current software provider to see how they can help. **CS**

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