

MANAGING IN A CHALLENGING ECONOMY

Presenter:

Harry Oshanski
President & CEO
Casino Rama



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OUR ECONOMY

- Stock Market Performance
- Employment Rate
- Discretionary spending
- Consumer Confidence



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POSITIVE TRENDS

- Staycation vs Vacation
- Employee Turnover Reduced
- New Hire Candidate Pool Enhanced



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AREAS OF FOCUS

- Marketing
- Operations
- Human Resources
- Financial



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MARKETING

- Increased theoretical qualifying thresholds on newsletter offers
- Eliminate unproductive special events
- Review and take action on any unproductive junket contracts



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MARKETING (cont.d)

- Leveraged patron “P & L” to “Fire” unproductive customers
- Re-negotiated bus operator contracts
- Cut “soft” advertising costs
- Negotiating 2009 media buy with an eye to much great value added bonus



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MARKETING (cont'd.)

- Creation of a new “Super” events list
- New 14 days rollout hotel room win forecast
- Addition of seasonal, mid-week, bonus cash programs



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MARKETING (cont'd.)

- Focus on achieving savings without adversely impacting customers who truly generate incremental EBITDA
- Increase Executive Host contact with premium players (personal, electronic, direct mail)
- Yield the database, ensuring correct rewards for all customer levels



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OPERATIONS

- Continue focused ROI generating capital spending on games
- Overall review of leased gaming products
 - Facilities with less previous reliance on leased gaming will fare better, as reducing leased product may require an increase in capital spending to maintain the overall game inventory



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OPERATIONS (cont'd.)

- Increase vigilance in monitoring of patron and employee theft and cheating
- Gaming Vendors are often receptive to free trials of new products
 - Have vendors prove new game results at their risk, not the casinos
- Utilize metrics analysis to ensure proper table game yield (spread), utilization and pricing (limits)
 - Must appeal to customers and maintain the correct product mix



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OPERATIONS (cont'd.)

- Ensure correct and consistent staffing with the high-end customers
 - They should not detect any difference in service levels
- Manage FTEs aggressively – ensure staff are here when you need them, and not when you don't.



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HUMAN RESOURCES

- Ensure all staff are focused even more on levels of service
- Utilize slower period to maintain training levels and employment so that you gain improved employee service levels
- Maximize employee engagement, by communicating the company's performance, goals and objectives and by senior management being visible - impossible to over-communicate



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HUMAN RESOURCES (cont.d)

- Review retention statistics to ensure you are not maintaining “dead wood”
 - Show increased appreciation to “steady eddy’s” and hipos
- Maintain recruiting targets, focusing on getting the best candidates that are now available
- Increase investment in education of hipo’s with training programs, certifications, succession planning



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FINANCIAL

- Create “Kaizen” teams looking for efficiencies and overall areas of improvement
- Challenge all spending, ensuring justification and ROI analysis is correct and realistic
- Re-create bonus structures to properly reflect and support company performance and goals



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FINANCIAL (cont'd.)

- Take a hard look at all credit accounts
 - Reduce lines of credit where levels of play have deteriorated
 - Monitor credit information more frequently
 - Your previous best customers could be your greatest risk

