

What's In a Title?

HOTEL OPERATIONS



According to the Las Vegas Convention and Visitors Authority, in August 2008 there were a total of 137,690 hotel and motel rooms in the Las Vegas area. Hotel occupancy was 92.5%, which was down 2.4% from the

year before, and average daily room rates were down 15.3%. We are all painfully aware of the challenges facing our industry due to the economic, financial, and housing issues, but better times are ahead so we must keep focused during these turbulent times. The hotel department is an area that has been particularly hard hit. With so many room choices available how can the department heads keep competitive without giving away the store? Robert Leck, Vice President of Hotel Operations at the Sahara Hotel and Casino, helped us out. Robert has accumulated more than 24 years in the hotel industry starting in the culinary field and reaching various leadership roles as Corporate and Regional level Executive Chef, Director of F&B, and Purchasing & Sourcing. He also held property-level general manager positions for industry-leading companies such as Starwood, Marriott, Hyatt, and Wyndham Hotels, and has continued his education by attending Cornell University offered courses in Hamburg, Germany. Prior to arriving in Las Vegas, Robert was the General Manager at the Le Meridien Beverly Hills.

G&L: Tell us about the Sahara and your amenities.

Robert: The Sahara, in its 56th year of operation, continues to be the landmark hotel that bridges the "Original" Las Vegas era, which served as the playground to the Rat Pack as well as Elvis Presley and the Beatles. The Sahara has 1,720 premier rooms and suites and 8 different themed F&B outlets all conveniently placed around a 100,000 sq ft casino that has over 55 table games and just under

1,000 of the most current and popular themed slot machines.

G&L: Tell us about your direct reports and their titles.

Robert: We are fortunate to be surrounded by a team of experienced senior Directors, which act as an Executive Committee. This includes Food & Beverage, Rooms, Human Resources, Sales & Marketing, Engineering, and Executive Chef. This Executive team works together in leading over 1,275 employees, which serve as Ambassadors for the property.

G&L: Describe a typical day in your work schedule.

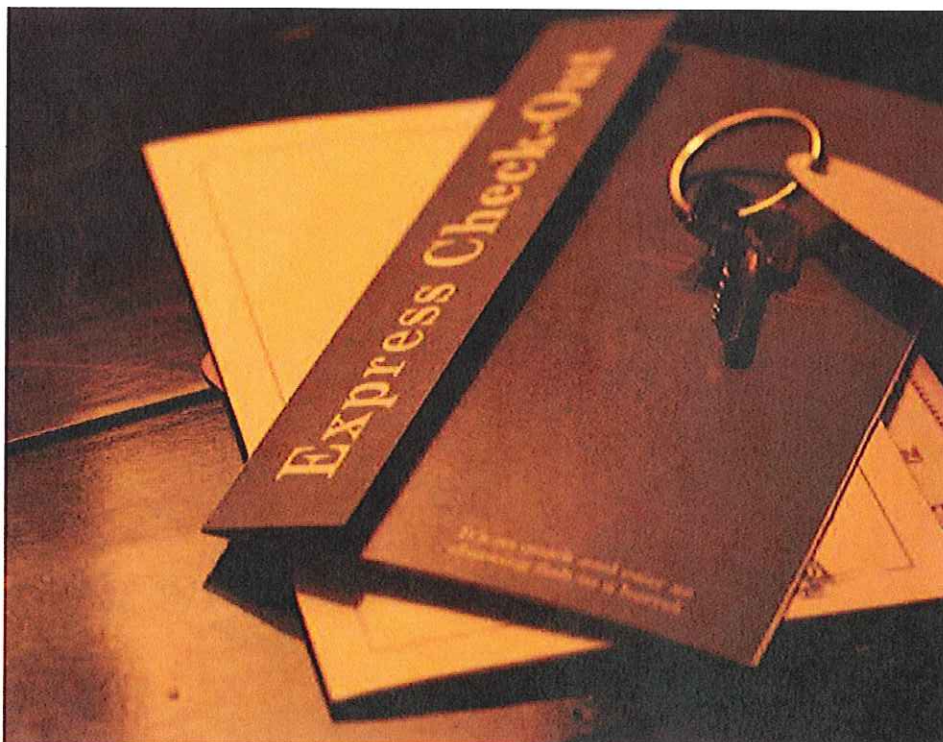
Robert: Each day begins with a walk-through of the casino and operation departments. The objective is to not only wish our Ambassadors a great start to an exciting day, but also to ensure the condition of the public space is prepared to welcome our newest arriving guests.

We then move on to a 9:15 a.m. meeting that has representation from each department of the hotel and casino. Here we share information that will impact other departments, as well as either departing or arriving guest information which includes VIP guests, and a review of their needs and expectations. From there a review of our daily/weekly/monthly rates strategy, as well as a review of our competitor's rates strategies. Adjustments are then made to ensure correct placement in our market.

Next, a plethora of meetings and property tours take place that include legal, entertainment, human resource, facility maintenance, sales, and hotel and casino marketing initiatives. Before you realize it, 10 or more hours have flown by, and brings an end to a very fun, exciting, and productive day.

G&L: What are some of your top priorities as the Vice President?

Robert: My top priorities include ensuring we are properly prepared to host, service, and





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*Robert Leck
Vice President of Hotel Operations
Sahara Hotel and Casino*

bring value to each guest that experiences our Sahara Hotel. This includes from the moment our guests arrive, up to the point and time they depart.

Ensuring this experience includes proper staffing levels and making sure our Ambassadors have the tools to do their job well. Also, correct and timely information is disseminated to ensure they are properly informed and know the expectations of our Sahara guest. Our goal is to bring value to the ADR and Check Average paid for by our guest for our product and services, and to ensure we bring value to our ownership partners as well. By bringing a scientific approach to the fiscal management of our business model, which means the daily management of daily/weekly/monthly and annual budgets, correctly forecasting current and future trends, managing departmental and property wide marketing expenses, we can stay competitive.

G&L: What role do you play in defining the theme of the rooms and ordering of the FF&E?

Robert: Currently we serve as gatekeepers, or curators, and protectors of our rich history of this very historic landmark hotel which continues to be themed as the Sahara Hotel and Casino. We have made several improvements to our suites, as well as the public space areas, to bring them more into modern décor to meet the needs of our evolving Sahara guest. Our future renovation efforts will realize a completely new, exciting, and innovative product, currently being led by the talents of world renowned designer Mr. Philippe Starck.

G&L: What are some of the biggest challenges you see in your department?

Robert: The economy continues to be a concern, as it is throughout the country. Our on-going challenge continues to balance value and fiscal management responsibility, as well as the continuance in challenging our most creative team leaders in the development of services and product initiatives that will continue to favorably separate ourselves from a very competitive market segment. We continue to build and balance revenues and occupancy, to fill our hotel, entertainment, F&B, and retail businesses.

G&L: Has the slowdown in the economy noticeably affected your department?

Robert: The current state of the economy has forced all hotel operators to do more with less. Unfortunately this has realized a reduced workforce throughout the Las Vegas Strip. The economy has transitioned our consumers to be more cost conscious, reducing disposable income and forcing reduced rates, menus, show prices, and retail clearance sales. This in turn severely reduces profit margins, to now actual losses. This unfortunate domino effect impacts our overall workforce as business unit closures become prevalent. Our on-going challenge is to react by creating value-added room packages, creating cost conscious menus, and re-evaluating product lines in retail. We take a more pre-emptive approach to meeting the needs of our economically-challenged consumer and hotel guest

by supplying the right product and service levels to meet the current price point needs.

G&L: Where do you see the future of resort hotels going?

Robert: Though our economy is somewhat at its worst, it is cyclical in nature. Our industry history reflects that the business community will realize in time that in order to solicit new business, whether it is creating new revenue bases or even the protecting of current revenue bases, travel and entertainment is a useful tool to help separate themselves from each of their own industry competitors. Las Vegas is still the creative vehicle that paints the canvas through our world-class hotels, resorts, gaming, restaurants, entertainment, and retail, all within an hour-or-two flight.

These comments give us a brief glimpse into the daily duties of the hotel department, and some of the challenges that are being faced in today's economic environment. I'd like to thank Robert for his valuable time and observations, and would like to reiterate that our industry is cyclical and believe that prosperity will be right around the corner. Until then, we will see you next issue!

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