

What's In a Title?

ORGANIZATIONAL CHART



Quite a lot has changed in the casino industry since 1978 when New Jersey became the second state to legalize gaming: technological advances in games and player tracking, Slot revenue overtaking Table Games revenue, and billion dollar Mega Casinos are the norm. I'm sure you can think

of other changes too; however the one big change to be addressed here is the consolidation of gaming properties and an interesting effect it has on the organizational chart.

A few casino companies that stand out as the major players are:

- Harrah's Entertainment- the world's largest gaming company with 40 properties and ownership interests in another 5 Casinos, and more than 70,000 employees.
- MGM Resorts International- another powerhouse with 17 properties in 4 states and Viet Nam, and a 50% ownership interest in 4 properties including one in Macau, and also the \$8+ billion City Center in Las Vegas. All combined around 66,000 employees.
- Penn National Gaming- 19 gaming facilities and around 16,000 employees.
- Boyd Gaming Corporation- 16 properties in 6 different states, with around 15,000 employees.

- Isle of Capri- 14 properties in 6 different states, with around 7,500 employees.
- Pinnacle Entertainment- 7 properties in 4 different states, and more than 8,000 employees.

When industry consolidation happens due to a buyout or merger, other changes occur too. Besides rebranding and retraining to attain the consistency of products and service(s), there is also a need to look at redundancy in the various departments and to consider consolidating responsibilities for efficiency and cost savings. A good example would be in the Purchasing department- there would not be the need for a Vice President (VP) of Purchasing at 9 different properties when 1 Corporate VP could handle the purchasing for all of the properties, and due to the increase in bulk purchasing would get stronger savings.

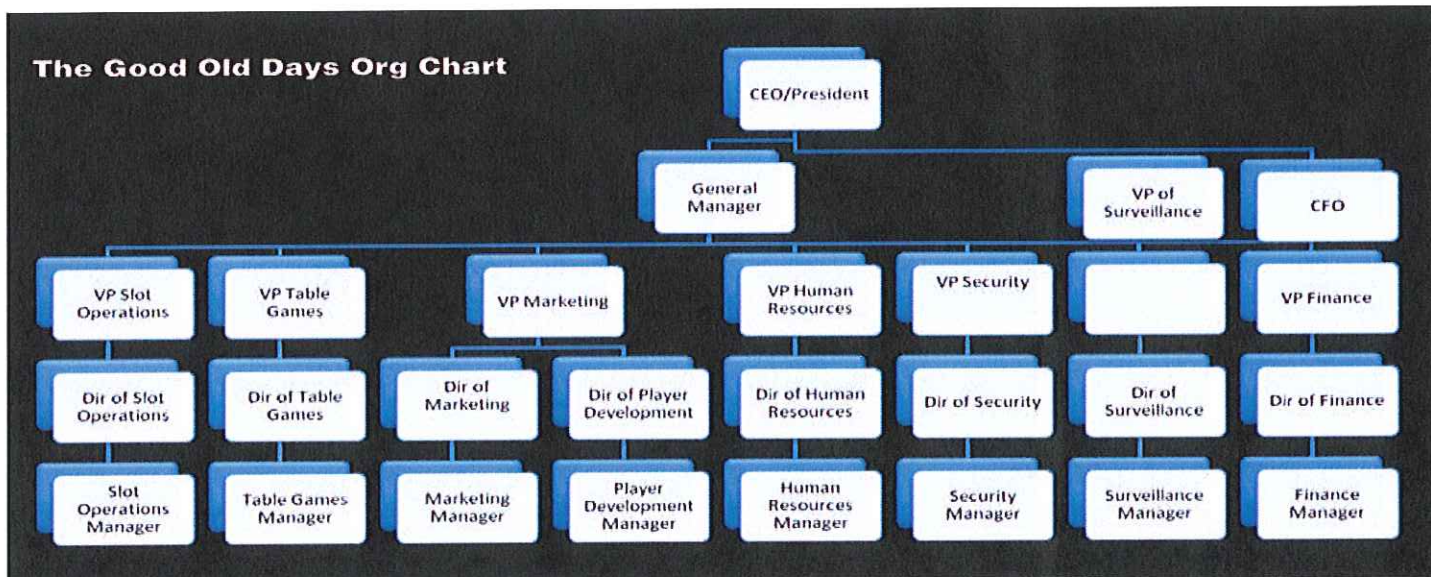
As an Organizational (Org) Chart example, take a look at The Good Old Days Org Chart. In "the good old days," which were as recent as 4 years ago, this may have been a typical Org chart at a large casino with between 2,000 and 3,000 Slot machines. The structure consists of more top layers at the upper level than we will see in the other chart, but it was very common to see a:

- CEO/President reporting to the Board
- General Manager- reporting to the President
- Vice Presidents- reporting to the General Manager
- Directors- reporting to the Vice President

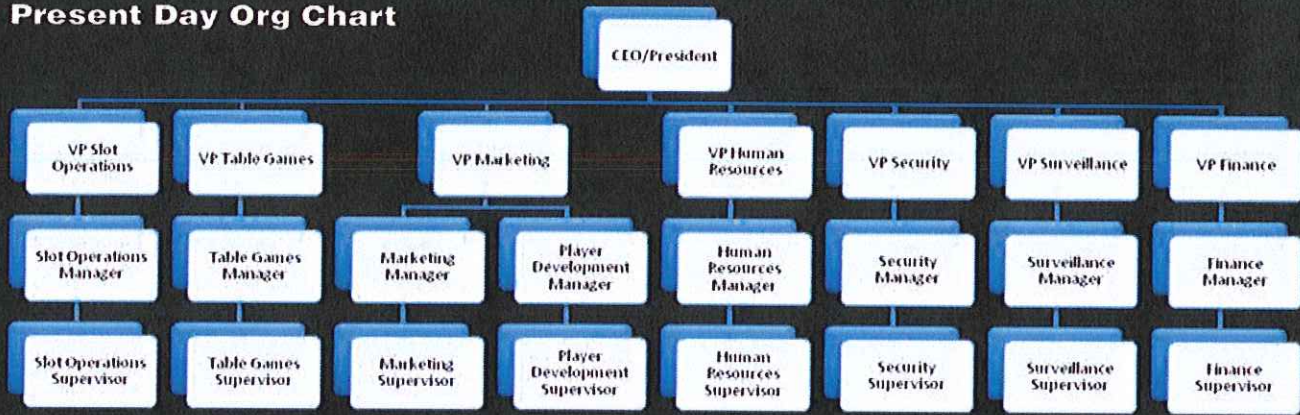
- Managers- reporting to the Director
- Supervisors- reporting to the Manager

Also, depending on the company and their policies, there may have been an offshoot of these titles such as Senior Director/Vice President or Executive Director/Vice President. These were usually given to team members with either longevity in the company, or to entice new employees onto the team. These last two titles are not part of the "typical" org chart of the 2010's.

Now let's take a look at the Present Day Org Chart. This is at a property with around the same number of Slot machines, but with a structure that is leaner and more consistent with the tough economic times of today's environment. Here we see that it is possible for two whole layers, the Director, and General Manager titles, to be eliminated. As we have written about in the past, a Director's title at one property could be the Vice President title at another property, so it may be possible to eliminate the VP title and have the Director reporting to the President. But in this particular instance the Manager is reporting to the Vice President. This property might use the title of Lead Manager or Senior Manager if there was a second in command in the absence of the Vice President, or conversely just stick with the Manager title, which could act as the Manager on Duty (MOD) in the VP's absence.



Present Day Org Chart



If we consider a small property with between 300-999 Slot machines, we could change the Vice President title and replace with Director titles. However some smaller properties do utilize the VP titles to attract, retain, and reward their team member. To keep the salary ranges in line with other competitors, it is probably more prudent to utilize the Director titles. Whether the small property is a River Boat or a Native American property, this structure would be the chart of choice.

Due to space constraints we weren't able to list all of the departments on our charts, and possibly left out were:

- Management Information Systems (MIS/IS)
- Assistant General Manager (AGM)
 - Food & Beverage
 - Facilities
 - Hotel
 - Legal

I hope this article clarifies that there is no perfect template to an organizational chart. What one property calls a Manager, could easily be a Vice President at another property. The facts of casino life, especially with the major gaming operators, are to do much more with fewer personnel. It is not uncommon for one

Director to have responsibilities at 2 or 3 different properties, for the same pay they were making overseeing just 1 property in "the good old days."

Let's hope that the New Year will see new opportunity of prosperity for us all. And if you have any questions or comments please feel free to contact me.

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