

What's In a Title?

THE VP OF SLOT OPERATIONS



Excluding the Las Vegas strip, casinos typically generate 60%-80% or more of their revenues from slot operations. To understand the workings of a large slot department, we went to Jay Duarte. Jay

has been the Vice President of Slot Operations at Thunder Valley Casino Resort for nearly four years. Prior to this, he had four years at various Station Casinos properties in Las Vegas, as well as experience with slot manufacturer Konami Gaming.

G&L: Tell us about the Thunder Valley Casino Resort.

JD: Our Vegas-style casino has something for everyone. We have 144,000 square feet of room to play, with over 2,700 class III slot machines. We still offer the old favorite 3-reel mechanical as well as the latest, state-of-the-art, HD video reel product. Right now, Thunder Valley is paying out taxable jackpots in the neighborhood of \$10 million each month. We have 113 table games that offer 17 different gaming variations, and 21 tables inside our wildly successful poker room with four additional satellite tables for overflow and tournament play. Our signature restaurant is the High Steaks Steakhouse, which enjoys AAA's Four Diamond award status and is truly a red carpet dining experience. We also feature authentic Asian fare, the always-open Thunder Café, the completely remodeled buffet, and a food court with five distinctive outlets. I'll also plug our fantastic entertainment. Our Summer Concert Series features such headliners as Chicago, Lynyrd Skynyrd, Smash Mouth, and the Beach Boys. With our luxury 300-room hotel and spa, and newly acquired Whitney Oaks Golf Club property, Thunder Valley has justified its place as one of the West's great resort destinations for gaming and entertainment.



Jay Duarte - Vice President of Slot Operations at Thunder Valley Casino

G&L: Tell us about your department's organizational chart.

JD: I have an Operations Director, a Technical Manager, a Project Supervisor, and three Shift Managers reporting to me. On the operations side, I have lead ambassadors and service ambassadors handling the guest-facing services. They report to the Shift Managers and Director. On the technical side, it's a little more specialized. I

have floor technicians and a full-time project crew handling the day-to-day machine repairs and changes. Additionally, I have kiosk technicians, a bench tech, electronic technicians, and a system technician. They report to the Technical Manager and Director and are instrumental in keeping the action flowing smoothly.

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



The lights at Thunder Valley Casino

JD: I have to say that I'm fortunate to have a great management team; they are the best I've ever worked with. They do the majority of the blocking and tackling, so my day can be spent on more strategic issues. No, that doesn't include golf, but their support affords me the chance to deal directly with the various vendors so I can spend time negotiating that additional discount, higher trade-in value, or exclusive deal. It also allows me the opportunity to spend

more time interacting with our guests to build and maintain the relationships that will prove to be vital in this increasingly competitive market. My background is mostly technical, so I take the time to be on the floor and keep the technicians in sync while I get my head inside the machines to check out the new features. I do attend a lot of meetings, but I'm a coach, cheerleader, and part-time counselor to my entire team.

G&L: What are some of your top departmental challenges?

JD: If you're asking what keeps me up at night, here is the short list: keeping up with the constantly changing technology and determining its value, if any; evaluating the slot products that we offer in order to make sure we're keeping the newest, best, most innovative – and profitable – products on the floor; and trying to understand and meet the needs, wants, and desires of our guests while balancing the requirements of running a successful casino business in order to improve the market share advantage we enjoy.

G&L: Tell us about your department's interaction with other departments.

JD: We rely on and interact constantly with other departments, some more than others, on a regular basis. Security assists us in various ways as dictated by our internal controls and regulations. Surveillance provides, among many other things, the video backup for any issues or disputes we have on the slot floor. Both of those departments are our partners in asset, revenue, and guest protection. We have a very close relationship with our Facilities/Engineering Department - without the power and environmental services we wouldn't be able to operate. We have regularly scheduled moves and conversions on games and the electricians are always part of that process. Painters are even critical to our success, as inevitably the walls will need some touch-up work. As slot machines and related systems become more and more networked, we coordinate daily with Information Technology. Sometimes we have to remind them that, even though they are not necessarily considered a revenue-generating department, what they do, or do not do, has a direct effect on revenue generation. The folks in our Marketing Department are the ones we count and rely on to get the guests in the door. Without an effective marketing plan we would not have the majority market share that we currently enjoy. There is no more important relationship for a slot operator than the one it has with the marketing team. Table Games is our revenue partner, and together we generate the bulk of the revenue here at Thunder Valley. We tend to have quite a few of our guests that crossover and play both slots and the table games. That presents us with the



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"AS AN EXECUTIVE IN THE GAMING AND HOSPITALITY INDUSTRY, I USUALLY HAVE PLENTY OF INDUSTRY-SPECIFIC DATA. I OFTEN WONDER, HOWEVER, IF I HAVE THE BEST DATA. I AM ANTICIPATING THAT THE VALUE PROPOSITION MADE AVAILABLE THROUGH THE GAMING & HOSPITALITY RESEARCH CENTER (GHRC) WILL MAKE IT ONE OF MY MOST TRUSTED INDUSTRY-SPECIFIC DATA SOURCES. IT EXECUTIVES AND ORGANIZATIONS NEED TIMELY, SPOT-ON INFORMATION ABOUT OUR EVER-CHANGING GAMING AND TECHNOLOGY WORLD. I BELIEVE THE GHRC WILL CREATE A VERY FOCUSED TOOL TO HELP SATISFY OUR APPETITES FOR TRUSTWORTHY AND TIMELY INFORMATION. I LOOK FORWARD TO THE DEVELOPMENT AND IMPLEMENTATION OF THE GHRC AND TO ITS ONGOING SUCCESS."

JB KING, CIO OF SAN MANUEL BAND OF MISSION INDIANS

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Property Size	Manager	Director	Vice President
Small	50K - 70K	70K - 90K	85K - 105K
Medium	60K - 75K	85K - 120K	105K - 140K
Large	65K - 85K	90K - 120K	120K - 175K
Mega	75K - 105K	110K - 165K	170K - 250K

opportunity to appeal to that particular guest in an increased number of ways, as opposed to a guest who strictly plays in one area.

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

JD: Several years ago, we were all hearing that Server Based/Server Supported (SB/SS) gaming was the way of the future for the industry. That hasn't proven to be as much an influence, particularly for operators of existing properties, as the manufacturers hoped. I believe there is value in that type of technology and believe you'll see it coming to more and more properties. We are looking seriously at the "PIP" (Picture In Picture) technology and related marketing features it brings with it. We see it as a method to have the opportunity to interact instantly with the guest from a marketing or operational aspect, at the

machine or monitor they are playing on. I think that is where we will see the value of the whole SB/SS concept, without having to spend significant capital on major changes to our infrastructure and topology. I believe that the whole online gaming movement, as it expands into more and more jurisdictions, will impact the slot operators who have brick and mortar casinos, and I'm not sure if that impact will be a positive one. Unless we market it correctly, I'm afraid we'll see the twenty and thirty something year-old players going online to spend gaming dollars they might otherwise have spent at a physical casino. As we see the move toward building more physical casinos in markets that are competition constrained already, it will add additional pressure due to a shrinking available gambler market. What I would like to see in the future is for the manufacturers to figure out a way to get out of the

hardware business altogether and become strictly software companies, similar to what the PC industry does. The biggest capital expenditure I have each year is on new machine hardware - the cabinets - and the cost of those new cabinets goes up every year. They should concentrate on software product and let cabinet development and sales go out to independent manufacturers.

G&L: We'd like to thank Jay for his insightful comments, and as always would love to hear from you with any questions or comments!

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The wonderful pool at the Thunder Valley Casino

