

What's In a Title?

THE VP OF HOTEL OPERATIONS



Las Vegas has always been known as a destination for reasonable hotel and food deals. However in the last decade or so, the Las Vegas Strip has really upped the quality with 5 Diamond hotels and restaurants, and as such, the prices have reflected this trend.

According to the *Hotels.com Hotel Price Index*, in 2014 "The average (Hotel room) price paid by U.S. travelers domestically rose 5% to \$137." And according to the January 2015 figures from the *Las Vegas Convention and Visitors Authority*, the average hotel room price in Las Vegas (LV) was \$136.02, the LV Strip average room rate was \$145.80, and the downtown LV market area was \$64.62. Also stated was that in LV there are a total of 150,544 rooms - enough rooms to fit any budget!

To learn a little bit about the day in the life of a Hotel executive, we reached out to Franz Kallao, Vice President of Hotel Operations at The Mirage. He has been with the company (MGM Resorts International) throughout the last 25 years, has worked at various properties within the organization, and was part of the pre-opening team of The Mirage, which was the Hotel that introduced the concept of the destination resort to the Las Vegas Strip in 1989.

G&L: Tell us about The Mirage.

FK: The property has a total of 3,044 rooms including 224 suites and 14 villas. We have 6 gourmet restaurants, 10 casual dining restaurants, and 12 bars and lounges. The casino encompasses 90,000 square feet with 1,535 slot machines, 85 table games, and 12 poker tables. The Mirage is also renowned for our iconic Volcano, as well as Siegfried & Roy's Secret Garden and Dolphin Habitat. As



Franz Kallao, VP of Hotel Operations at The Mirage

one takes a stroll through the property, it truly is an AAA Four Diamond paradise.

G&L: Give us a rough organizational chart of your department.

FK: I oversee a division that encompasses 20 departments including Hotel/Rooms, which is comprised of traditional areas such as Front Desk, Housekeeping, Bell Desk, and Valet. However, I also oversee Entertainment, Attractions, Animal Care, Spa, and Salon, amongst others. Currently the number of team members in this division who report to me is 1,493, and the overall number of total team members at The Mirage is approximately 4,600. I report to the property President and COO, Trevor Scherrer.

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

FK: While I do have activities in my day that are static, such as answering email,

returning phone calls, and attending many scheduled meetings, I can honestly say that no day is typical! My departments are diverse, running the gamut from those normally associated with my position like Front Desk and Housekeeping, to those unique to The Mirage such as our Animal Care Department which manages our dolphin and big cat populations, and our Entertainment Department which controls our four entertainment areas: The Terry Fator Show, The Beatles LOVE Show by Cirque du Soleil, Boyz II Men, and Aces of Comedy.

The most important part of my day is walking the property, observing not only the physical condition of the public and back-of-house areas of the hotel and casino floor, but talking to our team members and guests. Walking the property is the best way to gauge how things are going that day, and what areas or situations may need attention. Personally connecting to our team members and guests is vital in my daily routine. It is especially important in a mega resort like ours, where people can feel somewhat overwhelmed or lost in the shuffle. Personal connections and property observations cannot be made sitting behind a desk!

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

FK: One of my biggest roles, and an ongoing priority, is assisting our team of revenue management experts in analyzing, managing, and enhancing room revenue, market mix, and occupancy. Show occupancy and average ticket price in our four unique and distinct areas of entertainment is also critical to overall property performance. Going hand in hand with revenue enhancement as a top priority, is expense management.

Another top priority, both personally and company-wide, is guest service. In our competitive industry it must be a priority. In



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order to maintain the high service standards The Mirage is known for, we must have happy, engaged team members. With that said, the development and implementation of innovative employee engagement initiatives are, and will continue to be, a main focus.

G&L: What different technologies and amenities have been the trends over the last few years?

FK: One exciting Hotel trend is creating rooms that offer an optimal sleep environment with a “healthy mind focus.” An example of this trend can be seen here in Las Vegas at the MGM Grand with their “Staywell” rooms. These rooms were developed with a team of health and wellness experts to offer a one of a kind experience with the guest’s wellbeing in mind, offering advanced amenities designed to keep guests relaxed, refreshed, and rejuvenated during their stay.

With the advent of high definition displays and high-speed internet connectivity, and all the technological advances in those areas, savvy guests expect the latest and greatest audio visual amenities, and high-speed wifi is a must. The Mirage has made a substantial investment in keeping up with those technological demands.

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

FK: Providing guests with an environment that offers them the comforts of home when they are traveling, a “home away from home,” if you will. And, as many guests abandon their normally healthy lifestyles when traveling, through no fault of their own, we must find innovative ways to offer our guests a “healthy body, healthy mind” environment.

Technological innovation needs to be at the forefront. We must focus on what’s important to upcoming generations and concentrate on innovations that will attract them, while not losing sight of universal expectations of all guests.

Our gaming floor needs to be transformed to also appeal to Millennials. With the incredible advancement of smart phone technologies, we need to take advantage of those capabilities in the Hotel, offering guests all the conveniences possible such as: smart phone expedited check ins and check outs,

the opportunity to make retail purchases, as well as the ability to program room amenities such as heating/AC, lights, TV, security systems, wake up calls, etc. The possibilities are endless!

I’d like to thank Franz for his comments and insight, and as an original MGM Cast Member myself, wish him and the company continued success. As always if you have any comments or questions I would love to hear from you. Until next issue, have a good night!

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Hotel Executive Salary Ranges

| Casino Size | Manager | Director | Vice Pres |
|-------------|---------|-----------|-----------|
| Small | 50K-65K | 65K-75K | 75K-90K |
| Medium | 60K-75K | 80K-120K | 100K-135K |
| Large | 65K-75K | 90K-150K | 120K-160K |
| Mega | 70K-95K | 105K-160K | 165K-200K |