

Articles

The Collapsible Virtual Casino Marketing Dream Team of the Future

by Steve Karoul

The casino industry has experienced an explosive growth rate all around the world over the past decade. This rapid growth rate has resulted in incredibly fast upward career paths for many casino executives. Demand has often outpaced the supply of experienced executives. However, the actual depth of experience of many of these new executives is sometimes limited to their past associations with only a few more experienced executives within a very narrow scope or range. This “in breeding” per se has been one of the reasons that the casino industry of today has been labeled as a “copy cat” industry. Innovative and or creative new ideas are too few and far between and once exposed or promoted, they are immediately copied throughout the industry.

We will soon be facing a time in the next few years when many of the truly innovative, more experienced casino executives will begin to retire or semi-retire to enjoy a more relaxing lifestyle. This pool of experienced talent will represent a new source of creativity as well as new opportunity for many casinos around the world. For lack of another term, I will call this the “collapsible virtual team approach”. Many of these newly retired executives combined with other casino consultants, freelancers, etc. will be available to come together on a project by project basis. Once the project is complete the team will be collapsed in accordance with need and eventually disbanded. Much of the work supplemented with new creativity and innovation will be done outside of the company but will be supervised or directed by the company team leader to maintain both budgetary and quality control. There will be considerably less overhead and we won't have to pay as many high executive salaries and benefits during times when there is less business activity.

I am sure that many casino executives will not be pleased to read this. However, turning tasks over to people not on a company payroll, or out sourcing, is nothing new in the business world. Auto-makers, for example, order parts from all over the world. And telecommuting – which allows workers outside of a formal office environment to contribute to company projects via phone, fax, e-mail or the internet – isn't ground-breaking news either. Virtual teams currently exist within traditional companies such as Xerox, etc. So why not the casino industry?

I don't know of a single casino company anywhere in the world using this innovative concept. However, in a continually changing world, I think that this concept will be one of the critical factors for success in the future once casino companies realize the cost savings involved as well as the benefits of being able to continually tap into new sources of creativity, innovation and experience. In addition, investment / brokerage houses love innovation, stockholders love innovation, the media loves innovation, everyone loves innovation, especially when it is successful and cost effective. The casino industry of today has grown into a monster. Look at the huge executive and corporate offices saturated with high expense areas that are only randomly utilized and probably never utilized anywhere near their full capacity. The financial analysts will be the first to recognize the benefits of collapsible virtual teams that will utilize some of the best semi-retired or retired talent that the industry has to offer. Gray hair color does not denote a slowing down of the gray matter found between the ears.

Future virtual casino teams will enhance productivity, dramatically cut costs and overhead, and increase work flexibility and bottom line net profitability for innovative casino companies by banding together in cyberspace on a project by project basis. Team member may change depending upon the project location, technical requirements and cultural or language requirements. The primary benefit is that you can get the best innovative and creative people to do what needs to be done when you need it done and under the terms and conditions that you set for each project. The new innovative virtual casino company will be a company that will rely on outsourcing almost every aspect of the business. Even our suppliers will change and provide new services. Look at the modern grocery supermarket of today. The suppliers use their own trucks to deliver their products and now use their own staff to stock the shelves and replenish the stocks. The virtual core key executive staff will be responsible for finding and hiring key temporary individuals or vendors whose skills match the needs or requirements of the company. Once the policies and procedures, service standards, etc. are set up and in place, these temporary more experienced senior executives may even be used to train the lower paid operational staffs. You may even bring these virtual team members back from time to time on a per diem basis to monitor their areas or for additional training or up dating. There are and will be many new highly skilled retirees that would love an opportunity to work occasionally or part-time on such projects. The core executive staff will also be responsible for setting all tasks, deadlines, and receiving all reports on everyone else's progress via E-mail, etc. so that they can co-ordinate all of the efforts of all team members in the most cost effective manner. The core executives will continually update and review their database of skilled sub-contractors and suppliers. Once each project whether it be casino marketing, slot marketing, building renovations,

surveillance training, etc. is up and running, the “virtual team” will be collapsed and operations will be handled day to day at each location by skilled mid-level management employees who will be monitored by a minimum sized core executive staff.

The collapsible virtual team approach has already proven to be highly successful and cost effective in other industries. This approach will help eliminate the need for lots of expensive office space, supplies and equipment, reduce travel expenses and reduce the burden of direct senior management. By saving money, many innovative virtual companies will be able to develop equally innovative new profit sharing plans for middle and low level managers and supervisors. They will be trained to understand the relationship of better control equals more money in their pay checks. Why can't we teach mid-level management to understand reaching target revenues, controlling variable operating expenses within target ranges so as not to negatively affect customer service levels and maximizing bottom line net profitability? These new profit sharing plans will enable these virtual operations the opportunity to attract not only the best possible mid-level management personnel at substantially reduced payroll costs but also the best part-time virtual collapsible team members.

Obviously, there are numerous variations of this concept but the key element is innovation. The casino industry as we know it today will and must change along with time. Games will change, gaming styles and cultures will change and the means to maximize profitability will also change. Look for the innovators and the innovations. If they are good, they'll probably be copied. However, as the saying goes, “the early bird gets the worm” and usually increased market-share. A friend recently showed me some statistics that revealed that the most popular Internet sites with the most hits were the adult sites. This should tell us something. Sex sells. Which casino will be the first casino to offer an “Adult Slot Area”? Sounds strange but imagine playing a video slot that allows you to undress a good looking female or male with each winning handle pull. You may also be able to double up your points like video poker but instead of taking your winnings you can choose to remove the next article of clothing and so on until it all comes off and you win the bonus jackpot amount at the same time.

What innovative ideas have you developed recently for your casino or the industry? Don't feel bad. Not everyone can be creative or innovative but everyone can appreciate innovation. The “collapsible virtual team approach” may afford you the opportunity to benefit from the best for the least amount of money. A couple of examples of innovation for the casino industry that come to mind may be viewed via the Internet at the following two web sites:

1) <http://www.jimkilby.net> or

2) <http://www.urbino.net>. I am sure that there are others. If you don't surf the web, ask your secretary or a friend to open these two sites for you. Don't be afraid to try something new. Good luck.

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