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The Role of cultural and change during mergers and acquisitions: Bringing the pride back

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"The Role of Cultural & Change during Mergers & Acquisitions: Bringing the Pride Back."

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ABSTRACT

In 1998 a small family run casino operation was acquired by a large Las Vegas Casino Corporation. At the time the two companies had different cultures and there was an immediate clash between the two as the larger corporation sought to change the ways business was being conducted. Compounded by out side economic factors the business experienced a dramatic decline in revenue and employee morale. In this case study, the personalities and outside factors that had an impact on this acquisition will be revealed and the steps taken to change and manage the culture of the company, improve morale and reverse the downturn in revenue will be discussed.

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Part 1: Introduction

This case study is focused on the acquisition of Prima Resorts Inc. a small family run casino business with several properties, by Magna Resorts Inc., a corporation with a casino on the Las Vegas strip. Already suffering from morale issues, immediately following the acquisition, Prima Resorts Inc. was struck by several outside factors that precipitated a staggering loss of revenue and contributed to an overall loss of employee morale. New leadership brought in by Magna Resorts Inc. initiated changes to the organizational culture that stabilized the morale of the company and reversed the downward trend in revenue.

Purpose

First this case study will look at the history of Prima Resorts and through the use of personal interviews describe the organizational culture as it existed prior to the acquisition. Then the case study will look at the effects of the acquisition on employee morale and identify outside factors that led to the loss of almost $30 million dollars in the first full year of Magna Resorts ownership. Next, we review the general state of Prima Resorts Inc., its employees and the organizational culture as it passed through the hands of several Presidents.

The goal of this paper is to identify the changes that were made to various processes, leading to changes in leadership styles and organizational culture that improved employee morale, increased revenue and stabilized Prima Resorts Inc.

In the 1980's it was estimated that 25% of Americans were affected by acquisitions and mergers. (Cartwright and Cooper, 1992). In the new century, a higher percentage of casino employees experienced the effects of acquisitions and mergers as corporations like Harrahs and Caesars, MGM and Mirage, and later MGM MIRAGE and Mandalay Group merged into mega-casino companies. Horizontal acquisitions and mergers of companies in the same industry are

more prone to success as the level of knowledge that can be shared between the organizations is relatively higher. When these acquisitions and mergers fail, many times companies discount the value of organizational culture in creating success. Companies become focused on the basics of reducing costs and generating revenue, perhaps pointing the finger at outside financial influences without looking inward. (Cartwright and Cooper, 1992) In the cases of the mergers mentioned above, an additional byproduct of a horizontal merger is the ease with which the acquiring company can move its own experienced staff into positions within the acquired company, often displacing the previous leadership.

The connection between profit and guest service is undeniable. Because profit stems from customer satisfaction, and customer satisfaction is directly correlated to how employees interact with guests, it is critical that employers engage and motivate employees to achieve success. (Baschoff and Tait, 1996; Bellou, 2007; Kincaid, 2002; and Mullins, 2007) To motivate a large number of employees, creation of an overriding vision with clear goals and objectives through the creation of standards, expectations and norms of behavior within the framework of an organizational culture is one way to achieve success. (Balthazard and Cooke, 2004; Bellou, 2007; Bowen and Ford, 2002; Bradley, 2007; Kincaid, 2002; Pfeffer, 1992; Schein, 1996) Focusing on organizational culture and the integration of the people instead of the companies during mergers and acquisitions can improve financial performance and improve stability. (Cartwright and Cooper, 1992)

Constraints

Organizational stories, in the form of personal interviews, provide effective and easily understood examples of the norms and values which may be openly stated by the organization, or more often indicate the underlying subtext of the organizational culture that can be used to identify positive and negative traits within the organization. (Beyer and Trice; Mallak et. al.,

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2003) The narrative of this case study will be primarily by personal interviews with many of the people that were witnesses to the events. Stories from various stakeholders who include executive leadership, mid-level managers, front-line employees and guests, who were present during the acquisition of Prima Resorts Inc., and the subsequent years following, will be used.

The primary limitation to this technique for gathering information is that it is limited to the direct experiences and perceptions of the relatively small group of people being interviewed. These perceptions will be influenced by the passage of time (the merger was ten years ago) and relies on the interviewee's ability to recall the experience in detail. Also there is a likelihood of recording more negative incidents as negative incidents tend to have a stronger impact on people. In one study there was an almost 2:1 ratio of negative to positive incidents among thirty-seven interviews conducted. (Johnson, 2002; Paraskevas, 2001)

An additional limitation encountered by this author in writing this paper was an inability to acquire hard statistics from Prima Resorts Inc. The time period discussed is between eleven and three years ago. In that time Prima Resorts was sold by Magna Gaming Inc. to another company and some information was not available. Human Resources could not provide this author with information regarding training percentages, turn over ratios or hiring so the information provided is from the personal recollection of the people involved in those processes at the time.

Likewise the current Vice-president of Finance for Prima Resorts Inc. declined to provide this author with detailed financial information from this time period. He did engage in a discussion, giving this author general financial numbers from the time period along with his own insights, although he was not with Prima Resorts Inc. during the time period being discussed. Along with information provided by other witnesses to the events, this author was able to

provide approximate numbers regarding profit and revenue at Prima Resort Inc. from 1998 to 2006.

Part Two: Introduction

It is important to understand the role that organizational culture plays in a company's ability to achieve financial success. During times of upheaval, such as during a merger or acquisition, organizational culture can play a key role in aligning the goals of the new company and creating buy-in with the acquired company. Organizational culture is a powerful tool that not only guides the service experience but also promotes stability and retention of employees and should never be discounted. This is critical beause employees play an important role in the guest service experience.

Several questions need to be asked when companies merge or are acquired: What are the cultures of the organizations involved? Do these cultures positively promote the goals of the company? Will the cultures need to be changed or altered? How can the culture be changed? What methods are used by organizations to create organizational culture?

Literature Review

Companies engaging in promotional wars in an attempt to entice customers away from competitors soon find themselves facing the problem of remaining both competitive and profitable. They quickly learn that there is more to success then simply offering cheap rooms and "over the top" promotions. There is a distinctly human element that is a necessary component for most companies to deliver customer satisfaction. When the guest arrives, lured in by promotions, is the staff adequately prepared to deliver on the promotions being offered; can the staff provide a level of service that will bring the guest back? (Mullins, 2007)

Customer Satisfaction

Creating customer satisfaction requires the participation and commitment of executives, managers and the front-line staff on the elements necessary to building culture focused on delivering customer satisfaction, **see Figure 2.1**. Well known companies like, Southwest Airlines, Disney, Dell, Amazon and Four Seasons, understand that developing a customer service culture has strategic value. Unlike pricing, the strategic value of developing a customer service culture is that it is harder for your competitors to quickly adapt and deliver their own. Creation of a successful service culture takes years, upwards to ten years, to fully develop and take hold. This is why it requires commitment and also why your competitor will not run out and immediately imitate you. (Tschohl, 2006)

Figure 2.1

(Service Quality Institute, 2009)

Along with developing a service culture companies must design their policies and procedures so that attempts to deliver customer service and satisfaction are not hindered. Streamlining process and moving the decision making ability as close to the front-line as possible by empowering employees. Employees must be empowered to make decisions without

fear of reprimand. Without empowered employees a service culture cannot be put into place; with empowered employees managers are free to focus on the business at large. (Tschohl, 2006)

Companies must recruit and hire people with good people skills, conduct intensive orientation programs, ongoing training programs and develop systems to recognize and reward their successes. Training doesn't stop after orientation. Training and development must be an ongoing company activity that everyone goes through two, or three, times a year. The course material must be refreshed every time to keep the staff engaged in the development and learning process. Companies must learn to value their employees as highly as they value their guests. (Tschohl, 2006)

Finally the results must be measured. In Zemke's "Knock Your Socks Off Service," series he discusses that the customer service measurement must go beyond the normal feedback forums and be a true measurement of service interactions. Without tying the process of improving organizational culture to hard numbers, and measuring the development of the culture against the companies profit and revenue it will become hard to justify the continued expense of the program. (Tschohl, 2006; Pace, 2009)

Customer Loyalty's Link to Profitability

The Business Profit Chain links profitability and revenue growth to the loyalty of customers and employee satisfaction. **See Figure 2.2.** Success then comes from loyal customers who consistently and frequently return to a business. Retaining these loyal customers is a function of creating relationships between customers and the staff that serves them. Customers alone determine the value of the service provided (Bowen and Ford, 2002; Kincaid, 20002; Mattila, 2006) and delivery of excellent customer service is one of the greatest difficulties facing businesses today. In the 1980's the White House Office of Consumer Affairs commissioned a

report called the TARP Study. The report reveled the following: 96% of dissatisfied customers do not complain directly, 90% will not return, 68% linked their decision not to return with employee apathy and 13% will tell at least 20 other people. (Mullins, 2007; Taylor, 2007) The introduction of social media like 'myspace', 'twitter' and 'facebook' has greatly changed this dynamic. With a cell phone a dissatisfied guest can instantly inform hundreds, or thousands of people.

Figure 2.2

(Taylor, 2007)
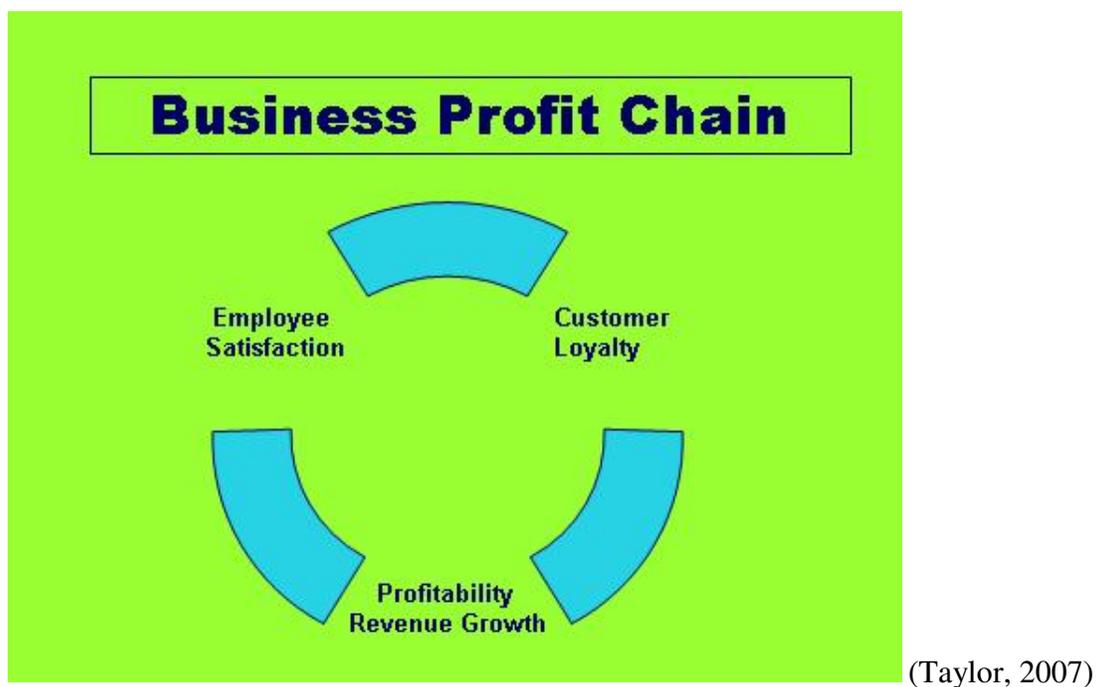
The success of a business is directly proportional to its customer satisfaction and customer loyalty. The quality of services provided by companies is limited to the personal perceptions of the guest about the interactions between themselves and the organization and its' representatives. (Baschoff and Tait, 1996; Bowen and Ford, 2002; Mullins, 2007) To create a customer loyalty index one company uses a satisfaction survey that asks three questions on a five-point likert-scale. How satisfied were you with your stay? Would you recommend us to your friends? Will you be returning to us? If the guest answers five (more than satisfied) on all three questions they are classified as a loyal guest. There is a 76% correlation between a

customers overall satisfaction with the service and whether or not they return. (Schall, 2003)

This same company authored a report in April, 2007 that showed a correlation between revenue

and the loyalty index. **See Figure 2.3.** The report was largely ignored because it showed a five-

month lag between changes in the loyalty index and changes in revenue, however the report

correlated the data over a two year time span. (Hobson, 2007) There is a reluctance of

management to embrace the idea of cultural change as a means to financial success. (Cartwright

and Cooper, 1992) Perhaps this is due in part to the time required for the cultural change to

begin to show its impact on the bottom line and the difficulty in drawing a clear correlation

between the financial improvement and changes to the company's culture.

Figure 2.3

Satisfaction to Slot Revenue
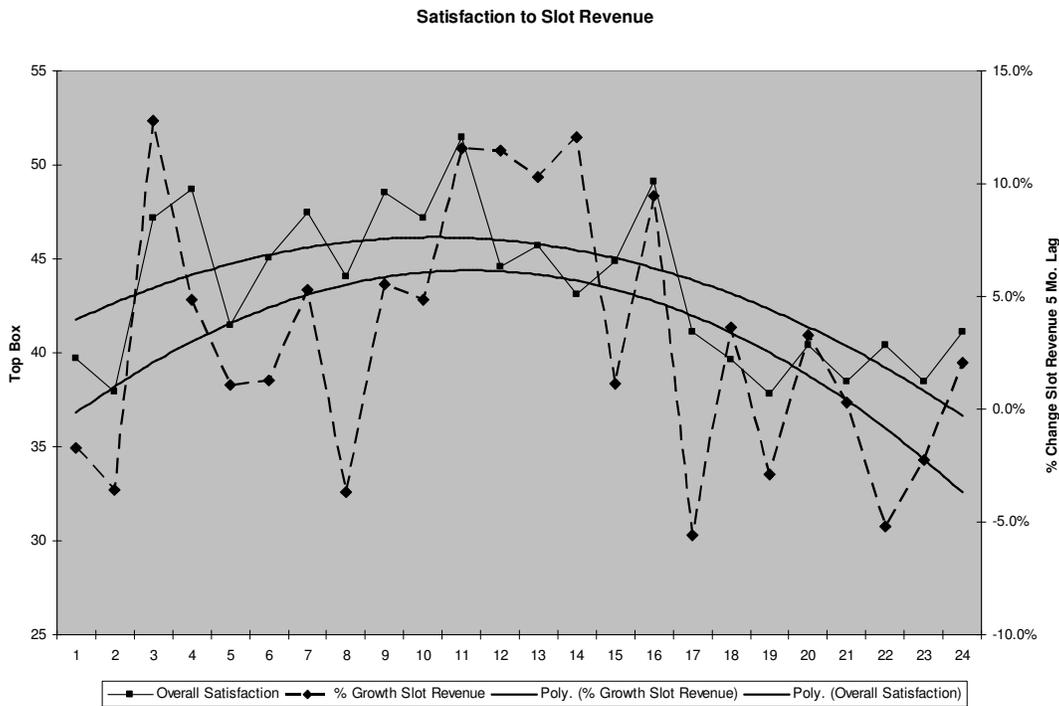
Hobson, 2007)

Employee Satisfaction and Customer Loyalty

Building customer loyalty and delivering excellent guest service is directly related to the

quality and retainability of employees. Employees who stay with a company begin to exchange

information and develop relationships with regular customers who return again and again because of a welcoming atmosphere. (Bowen and Ford, 2002; Kincaid, 2002) Like ordering coffee, each customer's expectation of "excellent guest service" will vary: milk or sugar in your coffee? In the face of increasing competition these expectations are increasingly high, creating a host of different demands on the organization and the employees. (Quinn and Spreitzer, 1997; Sill and Decker, 1999) In your coffee do you want milk, low-fat milk, soy milk or cream; sugar, equal, or splenda; vanilla, hazelnut, etc… the options are as endless and the variations in customer demands can be as high. Through the process of 'co-production', employees correct service shortcomings and exchange information with customers, allowing longtime employees to personalize the service experience and create a positive emotional commitment that is profitable for the company. (Bowen and Ford, 2002; Mattila, 2006)

The human factor is what sets companies apart from their competitors.   In societies so dominated by technology it becomes critical that opportunities are created for employees to use interpersonal and decision making abilities to help differentiate a company's products. (Walls, 1990) Empowerment of employees at the closest point of customer contact is critical to differentiating your product and building a loyal customer base. Studies have found that if a guest has a flawless interaction with your company they are 85% likely to become a loyal, returning customer. But in this environment of high demand and shifting customer expectations can you rely on service encounters to be flawless without the intervention of your staff? 90% of customers who experience a bad service interaction will not return. However, 90% of guests who experience a bad service encounter but have it corrected to their satisfaction are also likely to become loyal returning customers. Can companies really afford to not empower their staff? (Mullins, 2007; Taylor, 2007)

Hierarchical Structures vs. Empowering Organizational Cultures

Increased competition, greater customer expectations, introduction of new technologies and companies engaged in mergers and acquisitions have created a critical need to motivate and understand how to guide employee behavior. (Bellou, 2007; Quinn and Spreitzer, 1997) The challenge for companies is to find ways to link the ideas of customer loyalty and employee satisfaction, creating a unifying vision that can be clearly communicated to job functions and departments that have differing or even competing goals. One way to create this unifying vision is by establishing an organizational culture. Often companies already have an informal organizational culture in place. 91% of businesses have some sort of customer service theme, but only 16% achieve service that is more than satisfying. (Moistner-Bartlett, 2003)

Schein advocates caution because a strong culture is not always a key to success; he argues that in some cases a strong culture has been the downfall of not only companies but, whole industries. (1986) In some cases a strong organizational culture may exist within a traditional hierarchical structure where employees feel powerless and only upper level management is able to make operational decisions. (Pfeffer, 1992) In other cases, these strong cultures may exist on a departmental or regional level and little dialogue or cooperation exists outside of these units. In the past these structures might have served a purpose and led to success but they are ineffective today. (Schein, 1986)

The full implications are of organizational culture and how effectively cultural management can be used as a change agent is still unclear. This is particularly true when attempting to integrate specific financial goals and objectives into an overall cultural vision for the organization. (Balthazard and Cooke, 2004)

The need to create an organizational culture with shared visions and goals where employees at every level are empowered to meet customer expectations that might exceed the limits of their training, combined with the environmental factors mentioned above, has created a situation where traditional hierarchical company structures are ineffective. (Bowen and Ford, 2002; Quinn and Spreitzer, 1997; Pfeffer, 1992) Many times the decision to share power, while taken in desperation by many companies, has become the turning point for success. Often times companies attempt to promote employee participation on a limited scale through various programs, but only when integrated into the culture of the organization does this process of sharing power have a lasting impact on the business. Employees must understand and believe that they contribute to the company's success by allowing decision making to take place at the closest point of customer contact. (Walls, 1990) "Empowerment is the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes." (Worldbank, 2009)

Creating a strongly shared vision with norms and values can help build a strong organizational service culture that is a critical way to influence the behavior of a large group of employees. (Balthazard and Cooke, 2004; Bellou, 2007; Bowen and Ford, 2002; Kincaid, 2002; Pfeffer, 1992) Service culture can be defined as, "a culture where an appreciation for good service exists, and where giving good service to internal as well as external customers, is considered a natural way of life and one of the most important norms by everyone in the organization." (Bradley, 2007) Culture, as a source of power and influence, is a commonly accepted "fact of organizational life" (Balthazard and Cooke, 2004) and the realities and social implications cannot be made to go away by ignoring them. 93.2% of people said that workplace politics is common, 89% thought that successful executives must be good politicians and 42.1% believed that politics help organizations function effectively. John Gardner described power as

the ability to alter the behavior of others and attempting to ignore organizational culture and the politics associated with it are pointless. (Pfeffer, 1992)

Many people believe that in larger companies strict hierarchical structures are necessary and that any organizational structure that supports power sharing can only work in small companies. Fedex however, has adapted many of the techniques used by smaller companies to promote a sense of ownership. Leadership must embrace the idea of empowering the organization's culture and let it trickle down to all levels. (Walls, 1990)

Organizational Culture and Employee Retention: Internal Service Encounters

Employee turnover is higher in companies with little to no service culture. Because there are fewer opportunities for senior staff to impart knowledge the quality of service encounters is also lessened. (Dunnett, 2007) Research shows a correlation between how an employee's values match their company's culture, and how that affects the employee's commitment and whether or not they stay with the company. (Balthazard and Cooke, 2004) Controlling the organizational culture is a Management by Values approach. (Kincaid, 2002) Strong organizational service culture not only plays a role in guiding the actions of employees when there is a gap between the service delivered and the service expected but can also aid in retention. (Dunnett, 2007) Organizational culture creates consistency by clarifying the employee's role in the norms, goals and the company vision. Consistency is a predictor of success. (Kincaid, 2002) But "Peters and Waterman (1982) suggested that the real power of a strong organizational culture is that it provides meaning to a company's objectives while allowing individuals the latitude to be creative and innovative in the methods they use to achieve goals." (Dunnett, 2007) Provide your staff with the tools they need… empower them. (Quinn and Spreitzer, 1997; Mullin, 2007)

A strong organizational culture doesn't just focus on the interactions between employees and guests but should also focus on the interactions between employees. A strong organizational service culture is critical to building an environment that supports effective relationships with external and internal customers leading to a reduction in internal conflicts and facilitates the increased retention of skilled and committed employees who are empowered and encouraged to seek personal growth and take personal accountability for achieving the goals and objectives of the organization. These internal service encounters are greatly affected by the professionalism, integrity, attention to detail, communications, and kindness demonstrated between employees. (Paraskevas, 2001) In spite of this most of the time that companies spend on improving service is directed towards external service encounters, and ignoring the importance of internal service delivery. Management should also realize that individual departments are given to forming their own sub-cultures.

The goal for management should be to establish a culture that is orientated to recognizing both internal and external customers. Sometimes an employees loyalty to a department, over rides their loyalty to the organization as contending goals, priorities and perspectives create poor interdepartmental relations. (Paraskevas, 2001) Quinn and Spreitzer interviewed 12 senior executives; over half believed that the process of empowerment requires the creation of a clear vision from the top-down. (1997) By extension the process of building an organizational culture must be a top-down process where upper management creates a structured plan, setting the goals and objectives of the company and clearly out lining the expectations of every employee in the organization and how they contribute to the overall success. This structured plan needs to be reinforced and communicated in a concrete way. (Beyer and Trice; Quinn and Spreitzer, 1997)

Creating Organizational Culture: A Shared Vision

The three goals of a strong organizational service culture should be: to support effective relationships with external and internal customers, enable the company to retain and develop skilled employees, and encourage personal growth and personal accountability. (Landsinger and Deane, 2005) It is critical to have a shared vision that incorporates both executive and line level input in its creation. Any process attempting to empower employees without including them in the process is destined to fail. (Quinn and Spreitzer, 1997) Therefore, cultural development should not be limited to a Human Resources function but should be an essential function for all employees in the organization. (Landsinger and Deane, 2005) Because the line level employee is the primary contact between the company and the guest these employees become either a key asset in meeting goals, or an obstacle for the company. Performance and expertise should become the basis for inclusion in decision making instead of job titles. (Casper *et.al.*, 1990)

For companies to move forward buy-in from employees is critical. (Kincaid, 2002) As in the predictive accountability model, employees must perceive that expectations are credible and reasonable. (Grimshaw et. al., 2006) Inconsistencies of values and goals within a company are a major source of conflict… either the company does not express its goals and values clearly, the goals and values of employees are at odds with the company's , or in worst case scenarios there is inconsistency between the stated values of the company and the actual values. When they evaluate policies and procedures employees will evaluate not only how the policy and procedure relates to achieving the objectives of the organization but also consistancy with the values of the company. (Fiore, 2007; Kincaid, 2002)

The phrase '*transparency*' is used to describe a leader who is honest and trustworthy, displaying high levels of integrity. (Blank, 2008) Management attempting to alter a company's

culture must establish its' honesty and integrity. On a personal level managers must bring their values and behaviors into alignment. (Quinn, 2004) On an organizational level we relate this to the idea of the Action Triad, where inconsistencies between espoused values and the actual values of the company can lead to a lack of success. (Kincaid, 2002)

Creating cultural change involves a period of anxiety and discomfort while old ideas and assumptions are replaced and new ideas are learned. It is up to management to provide the leadership and guide their company through these periods. (Schein, 1986) When we try and make this cultural change from good to great, it is important to know: What a company is excited about? What it is that truly drives and motivates a company? What makes the company passionate? (MacDonald & Eadington, 2007) Whether dealing with internal or external customers, many organization do not even know what their customers really want, (Anderson & Narus, 1995) and companies cannot ignore the internal customer.

The first step in creating an organizational culture is creating a vision, a grounded vision that is both a hopeful vision of the future and also a realistic vision. The vision must be hopeful so that the people involved can easily rally behind it. The purpose of a vision is after all to articulate goals and objectives that will lead to success. Being realistic is necessary because the vision must be measurable and obtainable. If a vision is not hopeful, than it will not serve to motivate or initiate change. If the vision is not realistic then people will not be able to fully grasp its purpose and it will be discarded. Leadership cannot singularly create a vision and expect employees to buy-in without first making the vision relatable. Leadership must find a way to engage all parties in the creation of the greater vision. Leadership must identify the visions of their employees and look for commonality. (Quinn, 2004)

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In a famous speech Gandhi called this 'bread and salt'. Leadership must identify what is important to their employees. (Quinn, 2004) This idea becomes even more critical in a merger and acquisition scenario where the new company must integrate their goals and belief structure with that of the new company. Once leadership has identified individual visions, and the organizational vision, the true process of creating a grounded vision begins. In order to avoid conflict between the individual's and organizational visions, leadership must integrate the individual visions into the corporate vision. This is not a simple process and in the examples given by Quinn it took multiple meetings, interviews and time to accomplish. Leaders must visually illustrate how an individual's vision can be reached in conjunction with the organizational vision. In the example of Gandhi, leadership needed to find a way to convey to the people, that home rule would help them gain more 'bread and salt'. (Quinn, 2004)

Matthew Kelly, in his book, The Dream Manager, said that companies must remember that they are in business to serve the people and that the first group of people the company serves are its employees. Companies must create a vision wherein they can aid their people in finding a way to become "the best versions of themselves", while at the same time transforming a company into "the best version of itself." (2007) This is similar to how a company that acquires a new company must make the new company as successful as possible in order to for the newly merged companies to both be successful.

During a merger or acquisition it is important for companies to manage the culture of the newly acquired company in order to integrate their goals and objectives with the new company and retain a skilled workforce that is already intimately familiar with internal and external customers. To accomplish this, leadership must understand the goals of the acquired company by including all levels of the organization in an effort to establish a shared vision. This shared

vision should become the basis for developing an empowered organizational culture that will contribute to a longterm strategy for financial success.

Part Three: Introduction

In part three we will look at how the management at Prima Resorts Inc. responded to several issues, internal and external, in an attempt to reverse downward trends in revenue and profitability. The tactics used were very much focused on the human element at Prima Resorts Inc. and a process to change the culture was undertaken. Tying in elements discussed in the literature review we will see how management created a transparent environment with their staff; openly discussing the situation of the company and reaching out to include the opinions and ideas of all levels in the creation of a grounded vision.

Once the grounded vision was isolated a structured plan was put into place. The company created new goals, objectives, and expectations for each department and each position. How every employee contributed to the success of the overall vision was communicated and reinforced in several ways through training, development, and continued communication from the highest levels of the company.

History

Located south of Las Vegas on I-15 next to the California border, Perry Valley has existed as State-line in one form or another since the early 1900's, when a small two-pump gas station run by 'Shotgun Morgan' was the only building for miles. Unofficially called Stateline for seventy years, there was already a town officially named Stateline, Nevada located in the north. The location was renamed Perry, Nevada in the 1990's after the family who had gained control of the land in 1977.

In November of 1977 the Perry family built the first casino. Borrowing the name of the man who had become a local legend, the casino was named Shotgun Morgan's. Since then the area has seen the rise of two more casinos, two more gas stations, two world class golf courses, an outlet mall and most recently, an employee apartment complex which houses roughly 700 people. As part of Prima Resorts, Inc., Perry Valley was made up of three casinos: Prima Resort and Casino, Shotgun Morgan's Hotel and Casino and Annie Oakley's Resort and Casino. On January 3, 1997 the New Haven Hotel and Casino was opened as a joint project between Magna Resorts Inc. and Prima Resorts, Inc. on the southern end of the Las Vegas strip.

In March of 1999 Magna Resorts acquired Prima Resorts from the Perry family. Primarily looking to acquire the New Haven, Magna also acquired the three casino-hotel properties in Perry, Nevada. This greatly impacted the basic operation of the company as it went from a family owned business to part of a corporation. New management brought in new ideas and a different way of doing business.

Prima Resorts, Inc

Prima Resorts, Inc. was owned and operated by John Perry. After building Shotgun Morgan's Hotel and Casino in 1977 he left the land largely unaltered. There was a slow expansion of the Shotgun Morgan's property as first the south wing, the north wing, and finally the tower, were built. Across the I-15 was a small casino called Wild Kat's where many employees went after work. Next to that, Perry put in a trailer park that housed many of the employees.

Shotgun Morgan's was a bit of an oddity in the desert. On the outside, the building resembled nothing less than a large sandcastle in the desert. On the inside however, signage, props and the uniforms of the staff invoked a nostalgic reference to the 'wild west'. At the time

Shotgun Morgan's was the first stop on the I-15 for Californians on their way to gamble in Las Vegas. It was an especially popular stop for Californians who wanted to gamble but didn't like going to Las Vegas. Once completed, Shotgun Morgan's had 777 rooms, several restaurants-including the Silver Star Steak House, and a 300-seat showroom for small concerts and shows.

Wild Kat's was a dive bar and casino, known for being a place where things could quickly get out of hand. On the outside and on the inside it was run down and showed its years but it remained a popular spot for employees getting off work and travelers looking for a little more fun then Shotgun Morgan's provided.

Employee housing was a trailer park. It had started out nice but by the 1990's had garnered a reputation for being a place where anything could be bought. Employee cliques, tantamount to gangs, ran the facilities. The employees did little to care for the housing so Perry did little to maintain it. It was inexpensive and convenient and suited the needs of many of the employees who were primarily immigrants from South America, Asia, and later Africa.

By 1990 the success of Shotgun Morgan's allowed Perry to build a grander casino, the Prima Resort and Casino. The 637 rooms of the Prima Resort were designed as mini-suites. By 1997 the Perry Valley Golf Club was completed with two world-class, championship courses and a 20,000 square foot conference center was completed. The marketing for Prima, versus Morgan's, was designed to attract a new segment of visitors. In 1998, Prima Resorts was connected to the Outlet mall. Perry Valley was transformed into a true world-class destination. The largest gaming resort of its kind, outside of Las Vegas.

In 1993 an RV travel park was completed with space for 199 units. During the winter months 'snow birds', retirees who would come south in their RV's looking for a little sun, became a key component of Perry Valley's repeat business.

And in 1994 the rough and tumble Wild Kat's was closed to make way for a third casino. Annie Oakley's Resort and Casino opened with 1,242 guest rooms, a world class roller coaster, and in 1995 the 6,000 seat Pride of the Desert Arena. The Pride was a state of the art facility that could attract some of the biggest names in the entertainment industry. Like the Morgan, Annie Oakley returned to the 'wild west' theme but with a more polished look. A large area set aside for arcade games, a roller coaster, rides, attractions, a movie theater and even a working train, were in line with a move to make Las Vegas more accessible to families.

The 1990's were a boom time for Perry Valley. As a measure of volume, machine usage was over 100%, meaning that there was always someone in line, waiting to get on a machine. Money Changers were often in situations where they couldn't push their carts through the crowds. Hundred's of tour buses brought in nearly 10,000 customers on an average Saturday. In 1998, the last year that John Perry retained ownership of Prima Resorts, they recorded a $68 million profit.

John Perry

John Perry had a reputation for being a quick and decisive perfectionist. He had a vision for Perry Valley and Prima Resorts that he expected all employees at every level to live up to. In the words of one longtime employee, "Mr. Perry was a good guy or a bastard, depending on how you performed. I didn't have any problems with him because I knew what I was doing. I'd tell my Manager, 'I need a comp for this guest,' and he'd give it to me because they trusted my judgment. Perry believed in customer service. You take care of your people. It was always the company first, then the customer, then you worried about yourself, because if the company didn't make money then you didn't have a job. And if the customer wasn't happy then the company didn't make money."

Perry's philosophy was simple, 'you build your own clientele.' Employees were assigned to a specific section of the floor and that was their section, day in and day out. The mission was simple: get to know the people in your section and as long as you were trusted you were allowed to do it in anyway that the employee saw fit. "I'd come into my section every morning and have five cups of coffee waiting for me. My customers would buy them for me and I'd stop and sit down and talk to each and every person in my section. Sometimes they'd even invite me to come eat with them in the buffet or one of the other restaurants."

This gave Prima Resorts access to an intimate level of knowledge. In one case Perry had decided to eliminate nickel keno games from the slots floor. A slot floor person went to his manager and informed him that they couldn't take the nickel keno machines out of his section. When asked why, the floor person took his manager over to the section and pointed out Mr. Highsmith. Every morning Mr. Highsmith came in and bought $100 worth of nickels and played that $100 all day long. Unimpressed the manager asked for the floor person's point. The floor person then took the manager to the high limit area and introduced the manager to Mr. Highsmith's wife, who also played all day long. Mrs. Highsmith was easily worth $4,000 or $5,000 a day in win. The keno games were not taken out.

This ownership of sections also created conflict. Because each person was individually responsible for their own performance, tips received for their service were also individually kept. High limit areas were lucrative sources of tip monies and the floor people, cocktail servers, cashiers and change people assigned to those areas guarded them aggressively. In some cases service would suffer because people were not allowed or willing to cross the imaginary lines that denoted sections. There were also more tips associated with paying jackpots then in filling machines with coin, so 'jackpot chasing' became an issue. Related to this is 'hawking', when staff not associated with a jackpot payout hover around hoping to be included in the tips.

Interpersonal conflict on the floor was common. This could and often did leave the casino. The cliques in employee housing were notorious for getting even with people off property. Vandalism to cars in the parking lots was also not unheard of.

The community at Perry Valley was small. Most employees never made it past the first 90 days. A stalwart few made it to the one year mark and they became a solid core for Prima Resorts that maintained relationships with the customers. The direct supervisors and managers had worked alongside their front-line staff and they had essentially risen together. Supervisors and front-line employees were room mates, dated, and having several family members or generations of family members, working at Perry Valley was common. One front-line employee took credit for helping to promote several supervisors when he declined promotion opportunities and reccommended junior front-line employees underneath him instead. This often led to favoritism, direct and indirect biases that were prevalent through the organization.

This core thought of Prima Resorts as a family where, if you survived your first year, there was a genuine feeling that, at the customer contact level, everyone was equal.

At the executive level things were different. Perry was the undisputed boss. "Perry was the boss. He'd walk the floor and never say a word to you. He might mumble something as he went past you… if he recognized you… but he'd never speak to you directly. I saw him go back behind the bar to make himself a cup of coffee and not say word one to the bartender."

Of course, people didn't want to catch Perry's eye. He'd fire people on the spot who didn't follow the rules or meet his expectations. In one case he caught a girl chewing gum on the floor and she was let go immediately. He once asked an employee for directions to a restroom, when she stumbled on the question she too was fired on the spot. In another instance he went to

a cashier for change. She was busy counting out her bank and getting ready to go home. When she told him 'No,' he had her fired as well.

John Perry was also known for terminations of groups without regard for degree of culpability in the infraction. An incident with one high roller resulted in four members of the Slot staff being fired in the same afternoon. Another time he had walked into the kitchen at the coffee shop and didn't like what he saw. The entire kitchen staff was fired on the spot.

Perry rarely spoke but when he did he expected people to listen.

Perhaps the most telling story occurred when he hired his brother. Perry was a firm believer that people had to earn their own way. His brother was hired as a bar-back. After a couple of months a manager reluctantly came to Perry and informed him about issues he was having with his brother. Beyond poor work performance, Perry's brother engaged in excessive absenteeism. Perry told his brother that he'd give him one more shot but the next time he called off, he had better be dying. Three weeks later his brother called off. Perry called his mother and asked if his brother was okay. She informed him that he was fine and had gone golfing. Perry told her to let him know he could come out and pick up his last check when he got off the course.

At each of the three properties was an Assistant General Manager who ran his individual property as a private fiefdom, answerable only to Perry. And then there was Perry's right hand. Mark Moore was known to be an old friend of John Perry's, who had left to run some of Perry's other interests. In 1995 he was brought back as General Manager. Moore was described as a nice guy who wasn't above talking to line level employees. At the management and director level his appearances seemed to have special impact as his reputation was as Perry's 'hatchet man.'

At the supervisory level Moore's appearance on the properties was viewed with much trepidation and several people subsequently were separated form the company. The fear factor was high as many times people were seemingly separated for arbitrary reasons. The degree of the infraction seemed to have little bearing; a big mistake or a small mistake was all the justification needed.

Perry was also known for rewarding his management team richly when performance exceeded expectations. When in 1998, Prima Resorts posted a $68 million dollar profit. Perry told all of his top management to pick out a car and he bought them outright as a reward for the good work. Perry took good care of his people as long as they followed the rules and performed well. But, he was also aloof from his staff. He'd walk the floor the keep an eye on everything but no one expected him to stop and shake hands, or to even know their name.

Perry instead communicated to his employees through his a managers, and a couple of unusual intermediaries. Perry's wife at the time was not well liked and was never around much, but her parents were known to the staff as nice people. Characterized as warm and welcoming, they'd invite passing employees to sit down and talk to them about what was going on at the properties. They took a special interest in getting to know the members of the staff and understanding their concerns. There was a general belief that much of the information would find its way back to John Perry and help make things better.

In 1998 Magna Resorts Ltd. assumed control of Prima Resorts Ltd. By this time John Perry had largely removed himself from the company and the day-to-day operations were handled by Mark Moore. As part of the deal, Magna Resorts purchased the buildings and leased the land from Perry. Because of this, even eleven years later, many of the longtime employees

and customers still harbor a belief that someday Perry will be back to resume control of the properties and return the properties to the business levels of the 1990's.

Magna Resorts

When Magna Resorts assumed full control in 1999, Mark Moore left the company and Gerald Redfort became the first President of Prima Resorts Ltd. Magna entered like a storm and many of the employees felt slighted by comments made by some of the new management who thought they were going to save Prima Resorts. At the time no one felt they needed saving. That first year under the control of Magna Resorts, Prima Resorts recorded a profit of around $70 million, easily matching the previous year. This backed up the boasts of the new management that they could do better.

What wasn't widely discussed was that revenue had actually fallen nearly $28 million that year. Redfort 'trimmed the fat,' operating costs were brought under control, expenses cut and staffing levels were reduced across the board. Much of the operational savings came as many members of the highly paid Prima management team were replaced with the members of Magna's management team. It was a move back to the basics of controlling operating expenses.

At the same time Magna tightened up many of the policies and procedures at Prima Resorts, to bring them more in line with the way that Magna was operating its Strip properties. One notable change was the introduction of stricter player tracking procedures. This slighted many employees, who could no longer have their guests comped strictly on their observation of the guest's play. If the guest didn't use a Player's Club card they couldn't get comped.

Magna also took away the section assignments. Because tips from section to section were different, Magna decided to start having people rotate through sections. One day they'd get high limit and the next day they'd be in nickel hell. This only made the territorialism and guest

service worse. Slot floor people, cocktail waitresses and change people could actually be written up for crossing into another person's section, even if it was to help out a long time guest, because it might appear as if they were trying to infringe on someone else's ability to earn tips.

There were a lot of complaints about unfair treatment regarding shift scheduling, which section someone worked and which days off they were assigned. In response, Magna introduced tip sharing in an effort to make everything fair. Every employee working a shift pulled their tips and everyone got an equal cut. This was eventually turned into a property split, so regardless of which shift or section an employee worked they all got an equal split per day. No one needed to develop their own clientele anymore.

The way that employees interacted with guests was also altered. No longer could an employee just sit down with a guest on the floor, drink a cup of coffee and have a conversation. A new Director brought in by Magna spotted an Attendant standing next to a machine when he should have been walking his section. He called down to the Slot office and disciplined the Shift Manager for not keeping a better eye on his staff. In turn, the Prima manager sought out the floor person and began to discipline him. The floor person pleaded his case, that he was watching the machine, while the guest went to the restroom, which is a common practice. The manager relented and informed the Director of the situation but the incident highlighted some of the arrogance that many of the Prima employees felt the Magna management had brought with them.

Nothing highlighted this arrogance more than a statement by Jack Tatum, an early Magna transplant. When Magna cancelled the tour bus subsidies, he responded to complaints, "Our name will bring customers to us." Some of the early success of the Prima properties was built on the tour bus customers coming in from Southern California. On a Saturday 150 to 200 buses

brought upwards of 10,000 people to the properties. To lure these buses to Perry Valley, a

subsidy of $21 dollars a head, $24 a head for an overnight bus, was offered to the tour bus

companies. This was an expense that Magna felt they could do without and they stopped paying

subsidies to the tour bus companies. Soon the tour bus traffic was passing by Perry Valley,

stopping at the competitor ten minutes down the road, Goldtown.

In another instance a Magna director attempted to stop an employee from leaving the

floor. The Director had noticed a machine that was out of service and started yelling, 'Hey you!

You need to stop! You need to fix that machine.' Without acknowledging the Director the

employee went over and fixed the machine. The employee later said that he wouldn't have been

so bothered by it but he didn't like the way the Director had talked to him and called him 'you.'

In response he told every Magna Manager, Director or Vice-president who would listen and

eventually it made it up the ladder to someone. "After that the Director always used my name

when he spoke to me."

Not everything was a battle of wills between the Prima front-line employees and the

Magna management staff. One of the key improvements that Magna made, was noticed by all,

was the medical and dental benefit program to match what Magna offered the employees at their

Las Vegas Strip properties. Over time Magna provided more opportunities for training,

development and advancement. And Magna slowly improved transportation and housing

options. These changes would take place over the next few years.

Regardless of a few setbacks Prima employees were more aware of the leadership in the

company and why decisions were made. At all levels the Magna leadership was walking the

floor and talking to the employees.   In March, 2000, Grant Boyington took over from Gerald

Redfort, as the second President of Prima Resorts. Boyington t was always on the floor, moving

around the property and shaking hands. Boyington used names and really knew who everyone was. It was under Boyington that many of the employee programs were put into place and more training programs were created when he brought in Rebecca East, in July, 2000, to be the Vice-president of Human Resources.

At the executive level Boyington was described as a real cowboy. In one story Boyington and another member of the executive team had gotten into a disagreement over a policy. The disagreement became quit animated and there was a lot of shouting involved before the meeting broke up and everyone left the room. At the next meeting Boyington came in, set boxing gloves on the table and jokingly said, "the next time we get to that point we are strapping these on." Similar altercations were not limited to Boyington's involvement, occurring between different department heads. The end result of many of these altercations was that members of the management team lost respect for each other.

"It was like being in the Wild West." Each property was still run individually by an Assistant General Manager and there was a mild level of friendly competition between the properties. Managers at the different properties and on the different shifts were given a high level of autonomy. This resulted in a lack of consistency in how, when and what policies and procedures were actually enforced.

In addition, Magna brought in Directors and later Vice-presidents to head the individual Departments. Department heads were sometimes at odds with property general managers. Attempts to reconcile inconsistencies led to many of the arguments because everyone thought their way was the best way.

In one meeting, an attempt to bring consistency to key logouts with Security ground to a halt. The Security managers argued for different procedures at each property to prevent outside

people from observing and learning their procedures. If a pattern could be found and manipulated at one property then someone could take advantage of it at all three properties and steal company assets or commit some other crime. The attempt at consistency was successfully averted.

In an attempt to understand some of the issues facing Perry Valley, Rebecca East conducted pervasive round tables at all levels to assess the state of the company. Combining insights from the round tables with exit interviews, Rebecca described Perry Valley as a "churn and burn" operation with a turnover rate that easily exceeded 200%. "[T]here was a general sense of unhappiness." Several key factors contributing to the high rate of employee turnover and general dissatisfaction of the staff were:

1. There was favoritism between management and certain employees.
2. There was general apathy. Employees felt management didn't care about them and nobody seemed to care about the success or failure of the company.
   a. Perry Valley was known as a place for "Break-ins and burnouts."
   b. There was a distinct lack of pride in the people who worked at Perry Valley.
3. Attendance was an issue with call outs so rampant that it affected operations on several occasions. In one instance the Hotel was unable to clean enough rooms to match the number of expected arrivals.
4. There was a lack of training. Management had a 'sink or swim' mentality towards new employees.
5. The long commute was another contributing factor.

In analyzing the turnover information Rebecca discovered two things. Most of the employees who were lost, had quit or were fired within the first 90 days of employment. The second was that if an employee made it through their first year, they were likely a lifetime employee of Perry Valley.

On May 31, 2000, Magna Resorts Ltd. and Horizon Gaming, Inc. merged. The new Magna Gaming Inc. grew from two to seven Las Vegas strip properties, another property in Louisiana and the three Perry Valley properties.

Outside Forces

In 2000, the first indian casino in Southern California to offer 'Las Vegas' style gambling opened it's doors. Perry Valley's dominance of the Southern California gaming market was directly challenged. With Indian casinos starting to populate much of California, especially Southern California, Perry Valley saw its customer base being directly attacked. Perry Valley had always appealed to the customer who was interested in gambling, but not interested in going to Las Vegas. Now, instead of driving four or five hours to Perry Valley they could drive ten minutes to their local indian casino.

Magna Gaming Inc.is operations in Las Vegas were largely unaffected by this change but Perry Valley was starting to feel the effects because the majority of tits clientele came from Southern California. Then in September 2001, the attacks on 9/11 had a massive impact on Las Vegas when tourist flights into Las Vegas plummeted. Ironically Perry Valley experienced little direct impact from 9/11 because most customers drove in on the I-15 from Southern California. In the face of massive layoffs of Las Vegas strip casino employees, Perry Valley actually ramped up its hiring. For the next several years Perry Valley took some pride and stability from the fact that they did not have to resort to layoffs during this time.

The slowdown of visitors flying into Las Vegas led to a change in Strip marketing efforts. For the first time, the Las Vegas Strip properties targeted their marketing machines on California as a source of largely affluent gamblers who could easily drive to Las Vegas. Bargain rooms and food specials lured drivers past Perry Valley and onward towards Las Vegas. In the words of one Magna executive, "the phones in Reservations literally stopped ringing. We kept calling the

phone company, or asking friends to call in and check the lines for us." Prima Resorts revenue went down steeply starting in 2001, recording barely 50% of the $70 million recorded in 2000. In 2002, the situation was so dire that estimates were the company would barely post $5 million. Second half resurgence leveled out the drop to an almost even 50% of 2000. By 2003 the company hit bottom at roughly $33 million.

Magna Gaming used the massive slowdown of traffic into Las Vegas to upgrade its Slot Floors. Because most of the machines were still coin machines, the main upgrade was to covert all of its slot floors to Ticket-In/Ticket-Out (TITO). This is a coin-less system that has a lot of different benefits for the casino and the customer. TITO reduced the number of times that a customer must wait for a Slot person to refill a machine with coins or make a hand pay. This should have sped up customer play leading to an increase in revenue. TITO also led to cost savings because fewer staff was needed to cover the slot floor.

At Perry Valley the conversion to a fully 100 percent TITO floor would take another six years, once the process began. Many older games were slowly reduced in volume or completely removed from the floor. Perry Valley's older clientele was resistant to the changes in floor layout. This aging clientele that was also dying or becoming unable to make the four hour drive to Perry Valley. Likewise the staff was resistant to the floor changes and noticed the disappearance of many regulars. At the front-line level there was genuine belief that Magna was purposely chasing their best players away and luring them into Las Vegas.

Turning Point

In mid to late 2002 Gerald Redfort, who was now with Magna Gaming's corporate offices, called a meeting of all Slots Vice Presidents and a few key Directors. At the meeting Redfort announced that slots had flat-lined. While still profitable, revenue from slots hadn't

grown. After discussion the group latched on to the idea that the new slot systems had eliminated many of the customer contact situations. that previously existed. Each Vice President was sent back to his or her property to find ways to improve the level of customer interactions.

Dom Teamer was the Vice President of Slots Operations at Perry Valley, Rick Fielder was the Director of Slot Operations, Darrel Sanchez was the Director of Slot Performance, and Dan Lark was Slots Training Supervisor. Magna and had been brought in Darrel to oversee the installation of the TITO system for the Prima properties. Dom, Rick and Dan had all worked together at a large national competitor. Rick began by adapting a program from his previous company that identified the five to six most common points of customer interaction and then trained the Slot staff on how to behave in these situations. Experiencing some success, Rick and Dan began to adapt many of the customer service training programs they had experienced at the other company.

At this time there was also a slots department proect to reduce half-a-dozen positions that were not capable of covering for each other, beginning with cross-training and culminating with the elimination of the positions and their conversion into two positions. Coupled with the service training, Slots was moving towards creating a staff that was more flexible, dynamic and focused customer service.

Rebecca East brought in a consultant, Jackie Jack, who focused everyone on the core of the business, using a process called 'hedge hogging'. At 80 percent of the revenue, slots was identified as the core of Perry's business. Slots revenue was going to be a key component to Perry Valley's future, became the focus and retooling of Perry Valley's strategy to improve revenue. Under the motto, "Drive Them to Slots!" The Slots department took the lead in

effecting this shift in culture. The Slots Department took, "Keep Them Playing!" as its internal motto.

During this time departmental vision statements and position expectations were written and rewritten repeatedly until the executive team was satisfied that team members understood how their roles contributed to the overall success. **See appendix's B to E for examples**. To highlight the importance of the casino revenue, almost 90 percent, to the company's success, Perry Valley Resorts was officially renamed, Perry Valley Casino Resorts.

The tour buses again came to the forefront. In 2002 a Director of Bus Promotions was brought in to repair the damage caused when the bus subsidies were eliminated. Subsidies were reinstated at a lower level. At $10 for a day trip and $18 for an overnight bus, Perry Valley was still below the $21 subsidy offered by Goldtown but, buses started to return to Perry Valley and, at least on weekends, business improved. Goldtown was a property with half the space of Perry Valley but it was still receiving an average of twenty more buses a day, then Perry Valley.

The Home Team

In December, 2002 Rebecca East became President of Perry Valley. Under her guidance a major change began to gain momentum. Perry Valley refocused on the basics of hospitality: Delivering Excellent Guest Service and Building Guest Loyalty. Several initiatives were put into place to create the Home Team. The goal was to make Perry Valley the guest's home away from home by imparting to the staff the need to deliver hometown service and values. Rebecca reached out to the executive committee and department heads to develop the values, visions and expectations in line with the Human-Business Model. **See appendix A.** The idea of the model is simply that in service interactions there are human expectations and business expectations that

must be met. The Home Team became the vision of the company, with an emphasis on the shared values of the executive team: Integrity, Teamwork, Excellence and Fun.

The concept for the Home Team came from East's experience in Colorado. There her company had been brought in as consultants for a mining company. What they found was a mining town, similar to Perry Valley in its isolation. A family orientated 'company town' where everyone's life became invested in the company. Generation after generation, there was a community sense of ownership and pride in the way the company performed. This was a powerful philosophy that Rebecca wished to instill at Perry Valley.

At its core was guest service training and philosophy called Hometown Hospitality. By 2003 East had noticed the success of the Slots Department's service initiatives. With the Director of Training, Bob Mayberry, and a consulting firm, the slot programs were further developed and refined for use with other departmental programs that had been developed. Hometown Hospitality came to life as a company-wide initiative to improve guest service interactions and provide structure for the company by creating a common vision, isolating core values and strategic planning.

Hometown Hospitality was introduced in such a way that many people found the training fun. It revolved around a lot of role play and team building exercises. Hometown Hospitality started with the executive committee, then the managers and supervisors and finally with the front-line employees. The classes were a diverse environment that mixed people from different properties, shifts and departments to promote communication, teamwork, and cooperation. The focus on everything was having fun. Once all team members had completed the class it was integrated into the orientation program so that from day one the importantance of Hometown Hospitality to the property was clear to the employees. After completion of the training, all team

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members were given yellow tabs to place beneath their names tags reading, "Hometown Hospitality Certified."

Hometown Hospitality got people focused on bringing the disparate cultures of the organization together. Each property, run by a different Assistant General Manager, operated under its own business models. Hometown Hospitality standardized this by bringing together people from different departments and properties, highlighting the differences in policy and procedure so they could be brought into line.

In the slots and tables games departments this led to annual Management rotations. Because of this process the true differences in policies and procedures became highlighted as people who had been doing the job for ten years at Annie Oakley's found themselves in a different world at Shotgun Morgan's. These discoveries prompted the interdepartmental meetings to standardize procedures between Slots, Security, Surveillance and the Main Cage. In most cases these meetings were successful, but the need to protect company assets still led to inconsistencies when working with Security.

Front-line staff and even East admit that the staff at Perry Valley already had a good guest service foundation. Hometown Hospitality was really a refresher about the basics of guest service. Its power was as a gateway to address some of the real employee concerns. Rebecca wanted to correct a collective low self esteem, characterized by employees not making eye contact, not offering greetings, not reinvesting in their relationships with staff or customers, general unhappiness and a point of view that Perry Valley was only for the broken and burned out. The goal was to completely overhaul the culture that was in place, redefining values, and creating a vision statement.

Many of the employees and customers had a long history with the Perry family and any change was looked at as bad. The company as a whole was 'depressed' and not focused on service. She reached out to department leaders and front-line staff for solutions. Outside of the executive group that was made up of Vice-presidents and Directors, Rebecca tasked the departments to identify change agents within the front lines. Primarily this was done with departmental round tables. Each department held monthly and quarterly round tables and invited not only front-line supervisors and managers, but also the customer contact employees like food servers, front desk clerks and slot attendants. The tactic was to feed them small ideas and see who responded. Find commonalities and build support among the change agents. The company was building towards 'critical mass' for the ideas and once this was reached the rest of the staff would fall into line.

East would often attend the round table meetings alone. In meetings, you knew she was in charge. "A lot of these guys would always come in with their henchmen… a group of them. But Rebecca would sit at the head of the table with one assistant who would take notes for her. If you asked a question, you'd get answers. And she never bullshitted you. If she didn't know the answer she'd have her assistant write it down and a few days later an envelope with your name would appear in the office and in it was your answer." As concerns were identified steps were taken to overcome many of the problems that were brought up.

In response to claims of favoritism and management apathy, supervisory training and development courses were offered. Leadership and self improvement classes from outside vendors were brought in for Executives and Directors. Many became master graduates of these programs. Eventually these development programs were made available to Managers and Supervisors.

Emphasis was placed on teaching supervisory staff the skills and techniques to build a successful team. Improved orientation and training programs were put in place. Retraining was offered to staff. A refinement of coaching and counseling processes to positively correct inappropriate behaviors were all put into place to counter the 'sink or swim' mentality that had been the norm.

Employee recognition programs were installed at the department level for meeting expectations and role modeling exceptional behavior. At the company level the Hometown Hero program was created. On a monthly basis, one front-line employee was selected from each property and from the corporate offices to represent their peers. Nominations could be submitted by anyone but, primarily supervisory and management staff was expected to submit nominations. On a quarterly basis the Hometown Leader was selected from supervisory staff. The Super Manager award was put in place for management. Award winners were celebrated every quarter with a luncheon where the people who nominated them spoke about what qualities made the recipient a Hometown Hero. The highlight of the program was the Hometown Hero of the Year. A gala dinner was held and every winner from the previous year was recognized. The evening culminated in the selection of one Hometown Hero of the Year from each property and the corporate offices.

Internal communication was a constant focus. All elements of the Home Team program were publicized to the staff and management at Perry Valley Casino Resorts via multiple forms of media. A daily newsletter called the Hometown Daily was used to promote many of the programs, the winners of events and provide key information about the property, marketing events, promotions and amenities. A quarterly magazine was also produced. Combined with posters and other collateral it was impossible for anyone not to be inundated with messages

defining what Hometown Hospitality meant and reminding everyone what was expected of every member of the Home Team.

"Not In My Hometown," was a program put into place when several unions attempted to form. A consultant coached managers and supervisors on the legal elements of not interfering with the union organizers but also in what they could do to counter the unions. Much emphasis was placed on the improvements at Perry Valley and ultimately the movement to organize unions at Perry Valley was defeated.

It was decided early on that for Perry Valley to reach the next level the management team needed to reach the next level. After the merger with Magna, and later Horizon, Prima had lost some of its best talent to Strip properties. Takeflight was a program developed to aid in succession planning. Again these classes were made up of a wide diversity of people by age, department, shift, race, educational level and it served to promote interdepartmental cooperation and communication.

Supervisors could apply for the program and an average of 50+ applications a year were received. About 20 people were accepted into each class. A combination of skills training, team work development and projects were the core of the weekly class. In most cases a high level executive from either Prima or Magna would speak to the class about what the executive's job entailed and about his or her history: how the executive got to his or her position? What were his or her secrets of success? The opportunities for development and networking in this program were phenomenal.

Central to this class was a two-day retreat conducted by Discover U. The first Discover U class, 'Leadership,' was geared towards encouraging and promoting self development and improvement. Perry Valley would also pay for interested team members to attend the second

and third classes in the Discover U series. Perry Valley's management and executive teams boasted several Master Graduates from the program.

In the final part of the class series, members divided into teams, that would be assigned a mentor from the Perry Valley executive team. Together they would decide on a project which would then be presented to the Executive team for review and possibly adopted for implementation by the company. The Takeflight graduations were a highlight as Magna and Prima executives, former Takeflight graduates and families were invited to a gala dinner. Over the years the event became a "Homecoming," as many of the program's graduates who had transferred into Las Vegas came back to celebrate the next class.

In 2003 Las Vegas began to boom again. Jobs opened on the Strip and many graduates would go on to Strip properties. The program's success was demonstrated by the number of graduates who were working on the Las Vegas Strip, and the successive generations of graduates created a lot of bench strength for Perry Valley.

This 2003 boom created an additional challenge. The growth on the Las Vegas Strip led to a shortage of workers. Job applications fell almost 50 percent. Magna created a "Farm Team" philosophy to attract applicants to Perry Valley. Integral to this were the training and leadership development programs that enabled inexperienced applicants to reach properties on the Las Vegas strip. After completing six months at Perry Valley, employees could apply at Magna properties on the Las Vegas Strip as internal candidates.

To boost recruitment Perry Valley created the "Add a Star" program. By referring friends and relatives to work at Perry Valley both the employee and the referral could earn a cash bonus if the referred employee successfully completed his or her first ninety days. This also aided in retention beyond the ninety-day mark.

In addition, as employees of Magna Gaming Inc., the staff at Perry Valley had access to a wide range of classes offered through the Magna University. Magna created the university, offered at their flagship property, with course offerings focused on skills building, language skills and vocational style training.

A key change in the culture of Magna Gaming Inc. that greatly affected and in many ways was led by Perry Valley, was the introduction of Diversity workshops. Tony Lamata, the head of Magna Gaming, started the movement in 2001. After overhearing racial comments made by Prima executives, Rebecca East seized the opportunity by becoming a champion of the program. East was heavily involved in the Diversity program at the corporate level and selected a vendor to develop the program and then brought it to Perry Valley enforce. The first few Diversity classes held in the corporate offices were almost 50 percent people from Perry Valley.

Diversity classes were offered at Perry Valley Casino Resorts throughout the next five years. What makes this program notable is that Perry Valley was the first location where Magna offered the classes to non-management team members. At one point Perry Valley boasted that over 30 percent of all team members had completed the program, and almost 100 percent of their managers and supervisors.

Diversity means acknowledging and valuing the contributions of all people.

Diversity Mission Statement:

In order for Magna Gaming to be first and best,

we accept the accountability to acknowledge and value the contributions
of all people.

In response to attendance problems, Perry Valley introduced an attendance bonus. On a quarterly basis bonuses were paid to employees with fewer than two call-offs in the quarter and

no call offs during a holiday period. Bonuses also encouraged retention because only an employee who had completed their first ninety days were eligible for a bonus.

Another change made to improve employee retention was the installation of step increases and pay increases at the ninety day and one year marks. A comparison of pay scales with those of similar-sized casinos in the Las Vegas Valley prompted an increase in pay-rate and salary for many positions.

To help employees with the expense and fatigue of the forty-five minute commute to Perry Valley a shuttle bus service was put into place, the cost was subsidized by the company. Other changes to improve the quality of life would take longer, but plans were put forward to replace the run down employee trailer park with a well-maintained apartment complex, complete with club house, laundry facilities, gym, market and swimming pool. The apartments finally opened in the summer of 2004. The facility was so nice that many guests inquired to how much it would cost them to purchase a condo at Perry Valley. They were disappointed when told it was an employee apartment complex.

In order to monitor the progress of the guest service initiatives a guest satisfaction survey and the Guest Satisfaction Manager position were created. The guest satisfaction survey was a total of fifty questions that evaluated aspects of the guest's stay at Perry Valley in the areas of: Slots, Table Games, Hotel, Food and Beverage and Attractions. The guest was asked to evaluate facets of their experiences in these areas as: Very Satisfied, Satisfied, Neither Satisfied or Dissatisfied, Dissatisfied, or Very Dissatisfied. To determine the overall Guest Loyalty rating for Perry Valley Casino Resorts the Guest Satisfaction Manager looked at three questions: Overall, how satisfied were you with your experience at the Perry Valley Casino Resort properties, If you were to return to this area, how likely would you be to return to the Perry

Valley Casino Resort properties, and If a friend or colleague were planning a trip to this area, how likely would you be to recommend visiting the Perry Valley Casino Resort properties (i.e. Annie Oakley's, Perry Valley, or Shotgun Morgan's)? The percentage of guests who respond 'Very Satisfied' to all three questions was the Guest Loyalty Rating. See **Appendix F** for a more complete list of sample survey questions.

To measure guest loyalty in specific departments, responses to certain questions from the survey were isolated and measured. As an example, aspects of a Slots experience were: Variety of slot machines, Room temperature, Timeliness of beverage service, Friendliness of beverage service, Cleanliness of slot area, Opportunity to win, Speed of service of slot attendants, Friendliness of slot attendants, Friendliness of slot cashier, and Ability to get change while playing. Loyalty percentages were derived based on the percentage of responses to each question where the guest was 'Very Satisfied'. Loyalty to a particular department was derived from the total number guests who responded 'Very Satisfied' to each question about the department.

Based on responses, the Guest Satisfaction Manager would compile reports for each area of the casino. See **Appendix G** for a sample of the Guest Satisfaction Report for the Slots Department. As you can see in this example elements of the guest's cocktail service and cage experience were all included as it was believed that many of the guest service experiences in other departments are interrelated and can impact each other. The Guest Satisfaction Manager used these reports as a road map to highlight areas of positive and negative trends. He would go out and observe the areas in question and come back to the executive committee with recommendations regarding best practices to copy or ways to improve service.

In one example the Guest Satisfaction Manager noticed declining scores in the Table Games area at Annie Oakley's. The declining scores mirrored declines in the cocktail service

scores. In observing the area he noticed that when the Table Games area was slow, sections were shutdown. The active section, and the only pit with a Craps table, was at the far end of the pit area, furthest from the cocktail waitress station. He noticed also that during slow periods, cocktail waitresses were sent home early. So on a slow day there were fewer waitresses working the floor and they had further to go to reach the table games area. He recommended a change in either how the pit sections were shut down, or moving the active pit area and craps tables closer to the cocktail waitress station.

By monitoring the guest satisfaction scores and discussing them on a weekly basis in the executive meetings, department meetings and pre-shifts the Perry Valley staff was able to keep up a constant focus on guest service. Discussion and open dialogue were used in efforts to identify ways to improve guest satisfaction and build loyalty. One such discussion centered on the question 'Opportunity to win.' Several methods of altering guest perception were tried over several years. Ultimately it was decided that the constantly low score was weighing down the departments overall loyalty score. The guest perception of 'Opportunity to win' was still considered important and it remained on the report, but it was no longer factored into the departments overall loyalty score.

With Rebecca East, Human Resources took on a controlling role in the company because many of the initiatives taken by Human Resources had reduced employee turn over. When East took the reigns as President, her leadership came to the forefront. Management became very aware of how important it was to have an organizational culture known for taking care of its people. Employees at all levels were given opportunities for growth, learning and advancement. There was a general improvement of morale throughout the company.

Rebecca East

Rebecca East had a reputation for being real friendly and more outgoing than the other executives. As a leader she set the example. If she came across a piece of trash on the casino floor she'd be the first person to stoop and pick it up. In contrast to the styles of previous presidents and general managers, Rebecca brought people together by creating an environment that encouraged the sharing of knowledge and information. Within the first thirty days of her presidency Rebecca initiated monthly managers meetings and weekly directors meetings to improve communications and interdepartmental cooperation. At the executive-level meetings Wildly Important Goals (WIGS) and Significantly Important Data (SIGS) were started and there was a 360 degree feedback to the executive committee to determine strengths and weaknesses.

Wigs were a discussion of the top two or three activities each department had individualkly decided were priority projects that they needed to engaged in to be successful. Examples could include increasing player's club enrollments or upselling more room reservations to suites. Discussions on why these goals were important and what resources would be needed to make them successful were held. If the WIG required resources from multiple departments the executives were required to meet within the week to work out the details to make sure that each goal was given an opportunity to succeed. SIGs were used in discussions related to revenue, expenses, and guest service ratings. With a focus on what events or activities caused the numbers to rise or fall.

One goal was to open up communications and create transparency and consistency. Perry Valley was in the midst of a crisis, a perfect storm of interior and exterior problems. To prevent disenfranchisement there was a need to be as open and honest about the situation as possible. The crisis served as a rallying point, almost making it easy to change the organizational culture.

But it still took time. Management needed to maintain relationships by honoring and acknowledging the past, but moving forward the Hometeam philosophy.

The WIGs and SIGs served several other purposes. Rebecca's background was human resources, so she didn't have a real breadth of knowledge about the operations side of hotels, food and beverage and casinos. The WIGs and SIGs informed and educated. This helped her get up to speed and also promoted understanding as the various department heads gained information about other departments. The mandatory meetings between departments to successfuly complete the WIGs also promoted teamwork. The use of WIGs and SIGs promoted a whole new level of cooperation between departments, allowing more freedom of communication, and creating transparency in departmental decision making. Rebecca was in control and she knew how to get people talking without it getting out of hand. "Rebecca kept everything positive."

East also reorganized of the company's executives by eliminating the Assistant General Manager position. This reduced conflict between the property managers and department heads by making all department managers at the three properties answerable only to the vice-president of the departments.

One executive described Rebecca's method of achieving buy-in and support. She didn't tell people what she wanted or present them with a grand plan. She slowly fed people small ideas. Then she let the various groups develop the ideas on their own and start looking for commonalities. Then she'd zero in on the commonalities and start to develop the ideas more. Eventually she got people thinking like minded. It was not an overnight exercise and sometimes even the smallest ideas took time to take root because of the various groups involved in developing them. But it worked.

Rebecca was also good at keeping people excited, Takeflight, Discover U, Accountability workshops, Diversity and several other programs developed both within the company and brought in by vendors were all ways of keeping everything fresh. "Rebecca was good at breathing new life into the process and keeping the momentum moving forward with new programs when older programs would lose their luster."

Rebecca East's success is not only about cultural and organizational development. She also recognized the basics of controlling expenditures. When revenue started to decline she was able to find ways to cut costs. The very first Takeflight class was tasked with identifying ways that Perry Valley could save money. A lot of the ideas that came from that were simple but effective: more efficiently managing par levels, consolidating purchasing, turning off lights in unused spaces, even shutting down escalators during the late hours. East gave managers and directors access to the general ledger so that they could drill down into their profit and loss statements to see how and where every dollar was spent in their departments. East incorporated cost cutting ideas into the Home Team philosophy and made saving money at Perry Valley a part of the culture. It all added together to keep the profit at Perry Valley holding steady for almost three years.

In 2004, 2005, and 2006 Perry Valley Casino Resorts posted profits of roughly $40 million dollars each. **See Figure 3.2.** It was not a return to the glory days, where the company posted $70 million profits but it was a huge reversal of the downward trend the company was experiencing in 2001 and far better than many from Magna Gaming Inc. had expected. In 2005 Magna Gaming Inc. purchased Madripoore Resorts and Rebecca East was soon tapped to become the first female President of a major Las Vegas strip casino.

Figure 3.2 Approximate EBITDA
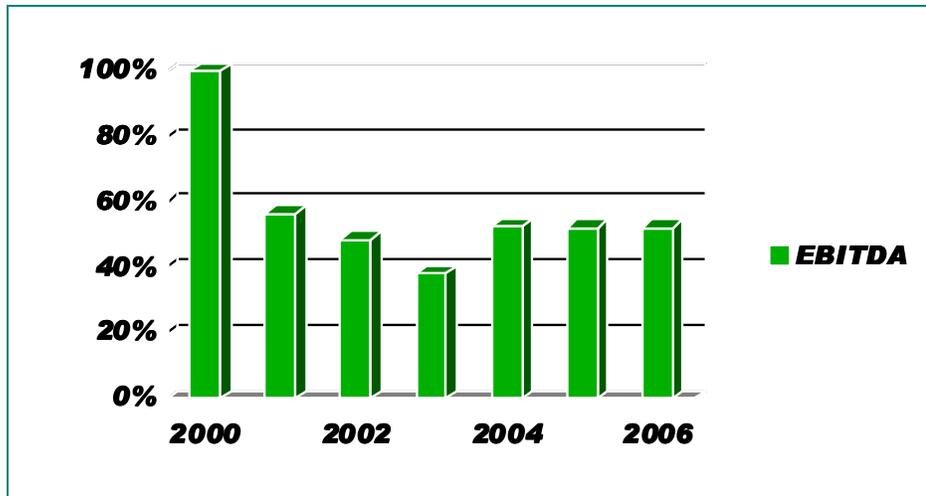
Financial Data

Was the $40 million dollar profit a sign of success? In looking at the steadiness of profit over the years from 2004 to 2006, some other factors should be discussed. Sometimes purely looking at profit can be misleading without fully considering revenue and expenditures. A vice-president of finance, who was not at Perry Valley during the time discussed, believes that financial success should be measured via the EBITDA Margin.   The formula for EBITDA Margin is EBITDA divided by Revenue. A high margin area generates revenue at little cost. A low margin area generates revenue with a higher cost.

Over the last ten years, the EBITDA Margin had steadily declined. Gas sales are a low margin area and they increased year to year, while Gaming revenue, a high margin area, had declined. In 2002-2003, Prima opened the Perry Center which sells millions of gallons of gas a year, one of the leading purveyors of gasoline in the western United States.

In 2005, revenue dropped from $42 million to $40 million. Hotel occupancy was down 3 percent and food covers were down 6 percent versus prior year. Hotel occupancy was down even

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though group ales of hotel rooms were up 17 percent. This could be contributed to increased room rates designed to make the Hotel segment more profitable.

Slots revenue however, was up 2 percent and overall revenue was also up 2 percent during the first nine months of 2005 but, EBITDA was flat due to a 2 percent increase in expenses associated with employee housing, transportation and medical benefits. This could be contributed to several factors. The employee apartment complex opened in 2004. Perry Valley purchased busses to run the employee shuttle service to run the program themselves and discontinued the chartered service. At the same time gas prices started to increase at an unexpected rate. Perry Valley also changed the provider for their healthcare program, the change lowered rates for employees but the expense for Perry Valley was up 18% from 2004. This represented an increase in healthcare expenses that were up 61% from 2000.

In correlation to the three years, 2004 to 2006, when Perry Valley was able to reverse their downward financial trend and even out at roughly $40 million a year, this was also the boom time for many Las Vegas Strip properties. Las Vegas marketing was no longer focused on Southern California, neither were they offering the exceptional deals and promotions they had been offering in years previous.

Recommendations for Future Research

In 2005, the merger of Magna Gaming Inc. and Madripoore Bay Resorts Inc. was the merger of two large Las Vegas strip casino corporations. Magna took a more aggressive approach at the processes involved in bringing the two cultures together. At Prima the process took several years to begin, where as in the later merger the process had momentum prior to the official merger of the two companies. As pointed out by Rebecca East, at Prima the motivation for the change in culture was a major crisis in which internal and external factors played caused a

major drop in revenue. The merger of Magna Gaming Inc. and Madripoore Bay Resorts Inc. took place during Las Vegas's boom and neither company was experience as dramatic a fall in revenue.

Additionally in 2007, Magna Gaming Inc. sold Prima Resorts Inc. to Harry's Gaming Inc. Harry's Gaming was a family run business and many of the long time employees hoped for a return to the glory days under John Perry. Again outside economic factors and the internal clash of two very different cultures ensued. Revenue again took a dramatic down turn as expected profit for 2009 is estmated to be $8 million. At the beginning of 2009 Harry's Gaming began the process of filing Chapter 11 bankruptcy. The end fate of Prima Resorts Inc. is still being decided but a comparison of the strategies used by both Magna and Harry's during their acquisition of Prima Resorts would make another interesting case study.

If Prima Resorts Inc. had not been sold to Harry's Gaming Inc., could the organizational cultural established by Magna Gaming Inc. have helped the Perry Valley properties weather the outside economic factors that drove the company into bankruptcy?

Conclusion

Perry Valley's Guest loyalty in September 2004 was 35 percent. By September of 2005, guest loyalty had risen to 36 percent. Heading into 2006 the executive and management teams were hopeful. The level of guest service and guest satisfaction was being translated into improved guest loyalty. This guest loyalty would be the key to Perry Valley's long term success. Perry Valley Casino Resorts offered a different experience that the California casinos couldn't offer: free drinks, different games, fewer crowds and a staff with a continued focus on customer service through the culture that Hometown Hospitality provided. The culture at Perry Valley had

moved away from the fear of randomly losing your job and retention was up by over 35 percent. The organizational culture was focused on taking care of the employees and the guest.
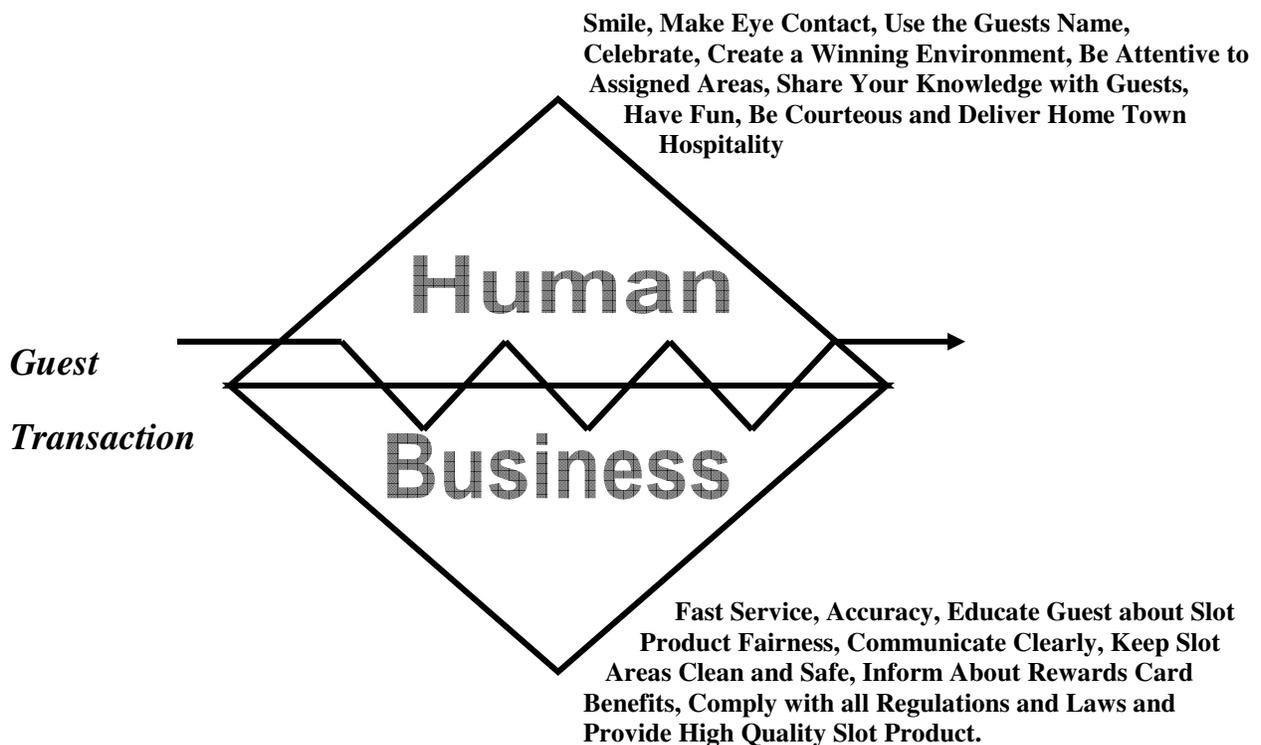
Management hd stopped financial losses and reversed downward trends. The company was running more efficiently, by fiscally and operationally managing costs. There was an overall corporate strategy and vision, "Drive them to Slots," where Perry Valley still made the bulk of its revenue. Everyone knew what their job was and how it contributed to the strategy and vision. Employees on every level were more aware of the core business and what the company's strengths were.

Wasked how she measured her success one of the quickest things pointed out by Rebecca East was the staff's willingness to give back to the community. "Voice" was a program established by Magna Gaming where staff could have charitable donations deducted directly out of their pay. During Rebecca's tenure at Perry Valley the company's charitable contributions rose from $60,000 to $250,000, representing the highest contribution percentage, company-wide for any entity in Magna Gaming Inc., its flagship property. There was a return of Pride to the staff and management at Perry Valley Casino Resorts that should be counted as a contributing factor in their success.

Human-Business Model

To achieve success the Slot Department is committed to keeping our guests playing and encouraging them to return to our properties. We can accomplish these goals by developing relationships with our customers that will create positive and lasting memories of Perry Valley Casino Resorts and build guest loyalty. As a team, we must also deliver on the promise of providing excellent customer service by being timely, efficient, and accurate. We must be aware that there is a human side and a business side to every guest transaction. As members of the Slot Department team, we are responsibility for fulfilling these requirements. To guide us we use the Human-Business Model.

Smile, Make Eye Contact, Use the Guests Name, Celebrate, Create a Winning Environment, Be Attentive to Assigned Areas, Share Your Knowledge with Guests, Have Fun, Be Courteous and Deliver Home Town Hospitality

Guest

Transaction

Human
Business

Fast Service, Accuracy, Educate Guest about Slot Product Fairness, Communicate Clearly, Keep Slot Areas Clean and Safe, Inform About Rewards Card Benefits, Comply with all Regulations and Laws and Provide High Quality Slot Product.

On the following pages you and your sponsor will see the Slot Operations Guest Service Standards and Expectations, The Perry Valley Casino Resorts Vision, Our Core Values, and The GOLD KEY Standards. Along with the guidance of your sponsor, these pages will serve as tools, which will help you create success in the Slot Department.

Appendix B:

The Perry Valley Casino Resorts Vision:

Our "Community" theme applies to you and your career with us and to the service you provide to our guests and fellow employees. Your most important job responsibility is to make sure our Guests have a memorable experience. We believe that your qualifications and values align with our vision and we are confident your talents will enhance our Guest service.

Our Core Values:

At Perry Valley Resorts, we are committed to exceeding the expectations of our Guests, providing a workplace that enhances the lives of our Employees and maintaining a vision which fuels growth and profitability. We believe that true success and profitability can only be achieved with the enthusiastic support of each and every Employee. We recognize how important you are and we commit to you:

• To always come from Integrity when dealing with Employees, Guests, or vendors,

• To create Excellence by striving to be the best in all we do,

• To promote Teamwork and an environment of trust and respect and

• To promote an environment where we have Fun at work!

We encourage you to be yourself, value diversity, and take advantage of opportunities to communicate your ideas and concerns. We promote safe and open communication between every member of our team. Every department and every Employee is important to our success.

Gold Key Service Standards

Greet Your Guests and Coworkers

10 & 5 Rule – When a guest or coworker is 10 feet from you, make eye contact and smile. Within 5 feet of you, speak first with a friendly greeting. **USE THE GUEST'S NAME.**

Only use Courteous Behaviors

Words, Body Language, and Tone.

Look for Ways to Personalize

Listen and watch for clues to personalize the guest's service.

Determine what the Guest Needs

By listening and asking appropriate questions, find out the needs of the guest.

Know Your Property and Your Job

Learn where things are on your property and remember your job is to serve. Sell additional amenities.

End with Thanks

End all interactions with the guest by saying "Thank You". Invite the guests to come back!

You're the Key

Remember, you're the key to making our guests happy. Have the desire to hit home runs every time.

Appendix D:

Slot Department Product Description: Expectations

To create a memorable gaming experience by providing fully functional machines guests want to play in a clean, fun, friendly, winning environment. To promote and educate guests on all new slot new product. To service guests accurately in a timely, knowledgeable, courteous manner while complying with all company and state regulations. To inform guests about the benefits of the players club and the abundant amenities of Perry Valley Casino Resorts.

Service Guarantee: As a member of the Slots Department Team I make this agreement with every Guest that enters our property and every member of my Team, I am committed to exceeding the expectations of the guest and the goals of the company, accepting nothing less then EXCELLENCE.

The Expectations of my position are:

- **I will smile and greet every guest I encounter.**
- **I will investigate every lit candle, answer all radio calls, and guest's requests for service, or see that another attendant has done the same.**
- **I will use the human-business model during all transactions, introduce myself to each guest and congratulating them when they win.**
- **I will promote new slot product to our guests by educating and instructing the guests on the product's features and how to play.**
- **I will focus my attention on the details of every transaction and comply with all policies and procedures of Perry Valley.**
- **I will demonstrate enthusiasm by being knowledgeable about my job, the slot floor, and Perry Valley Casino Resorts.**
- **I will answer all the guest's questions, find the answers for them or escort them to their destinations.**
- **I will encourage the use of the Perry Rewards card by reminding guests of its benefits and providing cards when requested.**
- **I will be come a salesperson, selling guests on the excitement and entertainment offered by Perry Valley Casino Resorts.**

The Expectations of your position are the corner stone of creating a successful team. Do not hesitate to discuss each one with your sponsor and develop a full understanding of the your performance requirements

Appendix E:

<u>Slot Department Product Description: Leadership Expectations</u>

To create a fun and supportive workplace by demonstrating enthusiasm and passion for the well-being and success of our team members. To conduct training and coaching that will provide the team with the knowledge and tools to complete their duties. To establishing open and honest channels of communication in an atmosphere of trust where the individual is valued for the contributions they make to the team. To be a role model and change agent, setting a positive example for the behavior necessary for success.

Service Guarantee: As a Leader in the Slots Department I make this agreement with every Guest that enters our property and every member of my Team, I am committed to exceeding the expectations of the guest and the goals of the company, accepting nothing less then EXCELLENCE.

The Expectations of my position are:

- **I will use the human-business model in all of my team interactions.**
- **I will take part in a weekly pre-shift with all team members passing on relevant information and providing words of wisdom.**
- **I will provide instant feedback to my team, providing positive support and taking advantage of development opportunities.**
- **I will constantly seek ways to create positive change in the slot department.**
- **I will remain current on all policy and procedures, establishing my presence on the floor and taking part in floor transactions.**
- **I will use integrity in all of my actions.**
- **I will support diversity in the work environment.**
- **I will be respectful to the comments and suggestions of the team and respond to any questions they ask.**
- **I will be positive when presenting changes to policy and procedure, explaining why the changes are being made and how they contribute to our success.**
- **I will take ownership, complying and enforcing the policies and procedures of Perry Valley Casino Resorts.**
- **I will recognize and promote Perry Valley Casino Resorts as an excellent place to work and play.**

As a Leader in the Slot department your understanding of the Goals and Expectations are critical to our success. Discuss with your senior managers and develop a full understanding of your performance requirements.

APPENDIX F: Perry Valley Guest Satisfaction Survey- Sample Questions

1) Which of the following did you experience at Perry Valley Casino Resorts? (Select all that apply)
   a) I played slots at the casino(s)
   b) I played table games at the casino(s)
   c) I stayed overnight in one of the hotels
   d) I dined at the casino's restaurants
   e) I visited the Family Attractions (i.e. The Roller Coaster)
   f) None of the Above
2) Overall, how satisfied were you with your experience at the Perry Valley Casino Resort properties (i.e. Annie Oakley's, Perry Valley, or Shotgun Morgan's)?
3) Please explain why?
4) If you were to return to this area, how likely would you be to return to the Perry Valley Casino Resort properties (i.e. Annie Oakley's, Perry Valley, or Shotgun Morgan's)?
5) If a friend or colleague were planning a trip to this area, how likely would you be to recommend visiting the Perry Valley Casino Resort properties (i.e. Annie Oakley's, Perry Valley, or Shotgun Morgan's)?
6) In which of the following casinos did you play the most?
   a) Annie Oakley's
   b) Perry Valley
   c) Shotgun Morgan's
7) Overall, how satisfied were you with your gaming experience?
8) Please indicate your level of satisfaction with the following items related to slot machines:
   a) Variety of slot machines
   b) Room temperature
   c) Timeliness of beverage service
   d) Friendliness of beverage service
   e) Cleanliness of slot area
   f) Opportunity to win
   g) Speed of service of slot attendants
   h) Friendliness of slot attendants
   i) Friendliness of slot cashier
   j) Ability to get change while playing
9) Please indicate your level of satisfaction with the following items related to playing the table games:
   a) Room temperature
   b) Timeliness of beverage service
   c) Friendliness of beverage server
   d) Cleanliness of table games area
   e) Opportunity to win
   f) Atmosphere created by the dealer
   g) Friendliness of the supervisor
   h) Dealer's skill/knowledge of the game
   i) Wait time at Main Cage
   j) Friendliness of Main Casino Cashier
   k) Timeliness of transaction at Main Casino Cashier
10) Do you have a Perry Rewards Players Club Card?
11) Overall, how satisfied were you with your Players Club experience?
12) Please indicate your level of satisfaction with the following items related to the Players Club:
   a) Benefits of Club membership
   b) Wait time to get assistance at Players Club booth
   c) Friendliness of Players Club representative
   d) Hours of operation for the Players Club booth
13) What other player's club cards do you hold?
14) Please tell us how the Perry Rewards Players Club can serve you better?
15) Please tell us why you have chosen not to join the Perry Rewards Players Club?
16) In which hotel did you stay?
   a) Annie Oakley's
   b) Perry Valley
   c) Shotgun Morgan's

17) Overall, how satisfied were you with your hotel experience?
18) Did you make advance reservations through Perry Valley Casino Resorts?
19) How did you make your reservation?
    a) Directly with Perry Valley Casino Resorts
    b) Internet
    c) Travel Agent
    d) Other
20) Please indicate your level of satisfaction with the following items related to your stay at the hotel you stayed in:
    a) Friendliness of front desk staff
    b) Timeliness of check-in
    c) Luggage assistance
    d) Cleanliness of the guestroom
    e) Physical condition of the guestroom
    f) Comfort of the guestroom
    g) Cleanliness of the bed
    h) Comfort of the bed
    i) Heating/air conditioning system
    j) Cleanliness of the bathroom
    k) Physical condition of the bathroom
    l) How secure you felt at the facility
    m) Speed of check-out
    n) Accuracy of the bill
    o) Greeting of valet parking attendant
    p) Accuracy of reservation information at time of check-in
    q) Lighting of guestroom
21) Please select the dining outlets in which you ate during your visit to Perry Valley Resorts. (Select all that apply)
    a) Buffet at Annie Oakley's
    b) Wagon Master Coffee Shop at Annie Oakley's
    c) Steakhouse at Annie Oakley's
    d) Buffet at Perry Valley
    e) Coffee Shop at Perry Valley
    f) Gourmet Restaurant at Perry Valley
    g) Buffet at Shotgun Morgan's
    h) Coffee Shop at Shotgun Morgan's
    i) Steakhouse at Shotgun Morgan's
    j) None of the Above
NOTE: Questions 22 to 24 were repeated on the survey for each dining outlet listed above.
22) Overall, how satisfied were you with your dining experience at Buffet at Annie Oakley's
23) Please indicate your level of satisfaction with the following items related to Buffet at Annie Oakley's.
    a) Quality of the food
    b) Timeliness of service
    c) Friendliness of staff
    d) Cleanliness of restaurant
    e) Wait time to be seated
24) Please tell us how we can improve your dining experience.
25) Overall, how satisfied were you with your Family Attractions experience.
26) Your Family Attractions Experience
27) Please indicate your level of satisfaction with the following items:
    a) Hours of operation
    b) Friendliness of staff
    c) Feeling of safety
    d) Knowledge of staff
    e) Cleanliness of area
28) Did you experience any problems during your visit to the Perry Valley Casino Resort properties?
29) What was the problem?
30) Did you tell a staff member about your problem?
31) How satisfied were you with the way the problem was resolved?

32) What one thing could Perry Valley Casino Resort Properties do to make your stay more enjoyable the next time you visit?
33) Please indicate your gender:
   a) Male
   b) Female
34) Please indicate your age:
   a) Under 25
   b) 25-34
   c) 35-44
   d) 45-54
   e) 55-64
   f) 65 or older
35) Was this your first visit to this facility?
36) How did you hear about our properties? (Select all that apply)
   a) Magazine
   b) Recommendation from friend
   c) Travel Agent
   d) Newspaper
   e) Radio
   f) Primm Valley Resorts Web site
   g) Other Internet Web sites
   h) Other
37) What was the primary reason for choosing the Perry Valley Casino Resort properties?
   a) Price/Value
   b) Location
   c) Business/Convention
   d) Gambling
   e) Golf
   f) Shopping
   g) Entertainment
   h) Other
38) Please tell us the other gaming facilities you visit.
39) How often do you visit a gaming destination?
   a) First time
   b) 2 – 3 times per year
   c) 4 – 6 times per year
   d) 7 – 10 times per year
   e) 11 – 15 time per year
   f) 15 or more times per year
40) May someone at Perry Valley Casino Resort properties contact you about your survey responses?

APPENDIX G: Guest Satisfaction Report- Slots Department

Guest Survey Results

Data Ranges for Response	From	Thurs 39667	To	Wens 39673	E-Invites Resp Rate	1338 0.22

Overall Satisfaction by Area

	Overall Satisfaction	Likely to Return	Likely Recommend	Loyalty Index		Gaming	Hotel	F&B
Top Box Scores	23.12704	45.06579	37.1710526	19.10828		19.776119	23.26531	28.92377
Prior Week	33.241	50	43.8202247	28.60963		27.24359	30.74324	35.17787
Goal	0.6	0.7	0.7	0.5				
# of Responses	307	304	304	314		268	245	446

Slots Property	Weighted Average	Booth Timeliness	Booth Friendliness	Slot Att Friend	Slot Att Speed	Ability to Get Change
SM	0.28936	0.254902	0.33333333	0.347826	0.219512	0.2826087
PV	0.2682	0.333333	0.4	0.183673	0.106383	0.2666667
AO	0.20569	0.164948	0.30208333	0.235955	0.144578	0.173913
Average	0.4638	0.235577	0.33816425	0.25	0.152047	0.2240437

Cocktails Property	Time liness	Friend liness			Slots Opp to Win		Cage Timeliness	Cage Friendliness
SM	0.240506	0.358025	0.3	SM	0.125		0.363636	0.347826
PV	0.191489	0.287234	0.2393617	PV	0.084507		0.233333	0.266667
AO	0.154839	0.267516	0.21153846	AO	0.066667		0.25	0.240741
Average	0.185976	0.295181	0.24090909	Average	0.086275		0.269231	0.271028

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