Casino Host Goals

A Strategic Approach
to Player Development

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You may also be interested in a self-development
and self-assessment guide for Casino Hosts:

The Strategic Casino Host

Available on Amazon.

Dedication

With love and gratitude,
this book is dedicated to Jack and Jill.

Acknowledgements

Table of Contents

Chapter 1. INTRODUCTION

Welcome! The intention of this book is to help you to increase revenue by taking a strategic approach to your Player Development (PD) program.

This book describes in detail how, and why, you implement Host Goals for your Player Development team. This is not a book **for** Player Development; it is a book **about** Player Development.

We welcome all the people involved in creating and approving the goals, including:

- the General Manager and CFO because they will provide the overall mission for the Casino, and approve the Host Goals,

- the VP or Director of Player Development who will write the goals based on their strategy,

- Finance, who can model the outcomes,

- Developers and analyst(s) from IT or Database Marketing who will pull the data and create the necessary reports. (There is a Glossary at the back to help you with terminology for PD).

- And Consultants who are helping clients to start or enhance their PD program.

Working together, this team can implement a robust Host Goals program that increases revenue and guest satisfaction.

You are reading this book, so you already have some interest in Host Goals but let's start by asking: "Why Set Goals?"

Why Set Goals?

As managers, we set goals so that employees are crystal clear on their priorities and how to allocate their time.

If you talk to your Hosts, you will find that they face a daily dilemma regarding how to divide their time between reactively responding to guests who are on-property and proactively reaching out to valuable players who have not been playing. Especially if Executive Management voices the opinion that "Hosts should be on the gaming floor and not in their office on the phone".

*Strategic Hosts divide their time between who **is** here and who is **not** here.*

Yes, the Player Development Executives and Casino Hosts continue to have, an important role in providing superior customer service for the very best players when they are on-property.

We can think of this as 'reactive' behavior where the PD team (referred to as the 'Hosts' in this book) react to the demands and desires of existing customers who have been identified as 'valuable' to the Casino and 'coded' to the Host.

But the gaming industry has become extremely competitive; States have approved gaming to generate additional tax revenues and Tribal Nations have upgraded to sophisticated casino resorts.

To maintain growth, and to protect valuable players from the competition, Executive Management requires the Hosts to focus on strategies that will:

- Attract and retain new valuable players,

- Maintain and grow existing players, and

- Re-activate players that have disappeared or declined.

To attract, maintain, grow, and re-activate players, the Hosts need to take a proactive approach to monitoring and influencing the behavior of their guests.

Hosts need to find out *who is not here but should be* and reach out to those players to find out what is happening in their personal lives; are they unhappy with a service issue at your Casino, have their financial circumstances changed, or have they been attracted to the competition?

The point is that we need the Player Development (PD) team to balance **reactive** customer service skills with **proactive** sales skills; and setting Host Goals is the way to drive this behavior.

By designing a set of goals that measure all these different efforts and results, you create a framework that enables the Hosts to correctly spread their time and energies across this range of challenges.

Strategic Managers set clear goals and measure results.

What are the Different Types of Host Goals?

In this book, we discuss many types of Host Goal in depth and give you detailed examples. There is a summary below and, if you are familiar with this topic, then you can jump ahead to the appropriate page. But, if you are reading this book for the first time, we suggest you finish this Chapter because we describe the realities of what it takes to implement your Host Goal initiative.

We do **not** recommend that you introduce all these types of goals from the start because you will overwhelm the team. We have seen success by starting with 3-5 goals.

We recommend that you start with Active, Inactive, Retention and Contact goals:

Active Goal   Page 57
Active players are the 300+ accounts coded to each Host in your Player Tracking System because they are actively making trips with a minimum ADT. Active Goals aim to increase the Theo and/or Trips from Coded players.

Inactive Goals   Page 71
Inactive Goals incent the Hosts to reach out to valuable players who have not played for a while and get them back on property.

Retention Goals   Page 81
Retention Goals encourage the Hosts to monitor their assigned Active players and ensure they do not disappear and become Inactive!

Contact Goals Page 89

Contact Goals measure the number of interactions that the Hosts have with their coded and un-coded players. You set Contact Goals to ensure that the Hosts are reaching a wide number of guests on a regular basis. You don't want the Hosts to continually interact with the same small group of players.

After a couple of Quarters, you will see that your team has adjusted to working in this new strategic approach, and they will start to be successful in meeting and exceeding their goals. You can then add new types of goals to challenge them further!

New Player Goals Page 99

Newly enrolled players with high Theo are assigned to each Host. The Hosts have, say, 60 days to get the person back on property and build a pattern of play.

Growth Goals Page 111

With Growth goals, you try to grow trips and Theo from players who are not newly enrolled, and not yet coded to a Host, but are playing often enough, and with enough Theo, to be coded to a Host in the future.

Investment Goals Page 119

Investment Goals measure the success of the Hosts in driving trips and Theo without over-investing in guests.

Towards the end of this book, we also talk about **Tactical Goals** such as wanting to drive revenue from Table Players, managing Birthday goals, and implementing a structured Gift program to drive trips.

So, what does it mean to introduce a strategic approach to Player Development?

Chapter 2.   A STRATEGIC APPROACH

In this chapter, we will specifically explore what it means to take a strategic approach to Player Development. Please hear me out if you already take a strategic approach!

This is the first question to answer: **Why does your property have a Player Development team?**

The Casino makes a significant investment in salaries, benefits, and in any Comps and VIP parties and gifts. So why do we invest in these professionals, and what do we want as a financial return?

Ask around and you will receive different answers:

General Manager: Stop the best players from going to the competition and sell the hotel rooms and amenities.

Marketing: Get the best players into the Events, bring excitement to the Promotions, and handle the entertainers and tickets.

Guest Services: Take care of customer services issues with the most important players.

Front Desk: Help with closing the portfolios and comping the rooms.

CFO: Invest comps in the right players to drive more trips and play.

The various answers that you receive will reinforce the reality that the team has a wide range of responsibilities from reactive customer service to proactive sales. (It is this constant tug for their attention that creates the daily dilemma of how to divide their time between reactively responding to guests who are on-property and proactively reaching out to valuable players who have not been playing.)

I will put a stake in the ground. The Player Development team **drives revenue;** from gaming, from the Hotel, from food and beverage (F&B), from the Amenities.

And I say drive revenue because they contribute in two ways. First, they **protect** existing revenue by keeping the best players happy and engaged and preventing them from going to the competition. Second, they **increase** revenue by acquiring new customers and encouraging growth in trips and play from existing customers.

A Player Development professional has many skills and we explore these in a different book, *The Strategic Host*, but the number one skill is their ability to sell. Their ability to develop loyal relationships and persuade other people to bend to their wishes.

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*The Player Development team **drives** revenue by **protecting** revenue and **increasing** revenue.*

How is this different to the overall Marketing department?

After all, the Promotions and Events teams protect and increase revenue with exciting attractions every week. The Advertising team increases revenue by acquiring new customers with focused messaging. And the Direct

Marketing team uses the tiered Loyalty program to incent customers to make more trips and play up.

The key difference is that overall Marketing is like a deep-sea trawler throwing a net over the side and catching several hundred thousand fish, big and small. Whereas Player Development is like fly-fishing. The expert fly fisher stands in a shallow river and closely watches the behavior of the big fish and notices what each fish likes and dislikes and realizes that a certain fish has not appeared when it should.

Your expectation of a Player Development professional is that they take a strategic approach to each customer, and each situation, and use a wide range of techniques and skills to influence the behavior of the guest.

And their expectation of you, is that you know exactly what you expect from them! Hence the need to identify your strategic approach and set Host Goals. After all, every sales rep in the world is given goals and rewarded for their results.

The Strategic Framework

In the following table, we start to define a framework that will lead us all the way down into your PD strategies and goals.

The GM is measured on increasing profit aka the 'bottom line', which is the revenue coming in minus the expenses going out. So, the General Manager is concerned about all the different ways to increase revenue, reduce expense, and spend money wisely with a good return. In business, we have to 'spend money to make money'.

How can the Player Development team help improve the bottom line?

Here is the start of a Strategic Framework that illustrates how the activities in Player Development support the overall goal of the Casino.

GM Goal?	How can Player Development help?	
Increase revenue	Protect revenue	Ensure valuable Active players keep up their frequency and worth.
		Monitor and don't lose valuable Active players to the competition.
		Resolve customer satisfaction issues before they drive the player away.
	Increase revenue	Increase play from the valuable Active players.
		Ensure valuable new players make return trips.
		Spot existing players with high potential and encourage them to 'grow'.
		Persuade Inactive valuable players to come back.
		Book hotel rooms, dinner reservations, concert tickets, and amenities.
Reduce/control expense	Only spend money when it will generate a return	If discretionary comps are allowed, then invest them wisely. Ensure VIP parties and gifts drive trips and play.
	Handle more players without adding more Hosts	Ensure each Host is being productive

In the table, you will see that we are immediately starting to classify the players into different buckets or segments. And we are identifying high-level strategies for these different classifications.

- Keep the **Active** players playing! (Retention)

- Get the **Inactive** players back! (Re-activation)

- Grab valuable players who just enrolled! (New)

- Encourage players with high **potential**! (Growth)

At the heart of this book, we are advocating that you think deeply about these different classifications and decide what you want to achieve (Retention, Reactivation, New, Growth), and the strategies that you believe will succeed.

What do I mean by strategies? I mean ideas from your management and PD team about what they believe would make a difference in driving trips and plays from these different Classifications. There are no right answers here! It depends so much on your market, your competition, and the offering and amenities at your Property.

But let's look at some examples to illustrate the point.

If we want to grab the New players then perhaps we believe that high value guests who live in the local market and sign up for a card and drop a lot of money on their first visit, are 'checking us out'. We believe that they won't be impressed by waiting a month for an offer via the Direct Mail program. We believe that they **will** be impressed if someone on the Player Development team places a call to say "Hi! Welcome to the Sandy Palace! We really appreciate your visit and I wanted to call and ask you how everything went?"

This belief about how we should treat a segment of our guests is a strategy. And placing a call to all new valuable players within 48 hours is an example of a strategic approach.

Let me give you another example. We are often asked to configure PowerHost[1] so that the PD team can be measured on their ability to re-activate players. A typical goal might be:

Each Host will re-activate 10 Inactive players in the quarter
by driving 2+ trips with an ADT of 250+ or 1 trip with a 500 Theo.

But why did the Host allow the player to become Inactive in the first place! Remember, the Host is fly fishing and watching all of those coded players. I <u>believe</u> that a Host should contact any guest that has not been on property for 30 days and find out what it is going on.

The guest should not be allowed to go Inactive.

A strategic approach is to focus on Retention as well. For example:

Host will drive 1+ trip from 80% of their Active players each quarter.

This approach is what Amy Hudson famously defined as Pre-emptive Reactivation at a Raving conference. The Hosts are measured on their ability to prevent a player from going Inactive.

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[1] This book is entirely based on our experiences at Harvest Trends with PD teams using our PowerHost CRM and reporting/goals capabilities.

I have never seen it, but I would love someone to have the courage to write this goal!

Host will not allow any guest to go-Inactive
without an approved reason e.g. sickness or snowbird.

And have an associated financial penalty for every time that it happens.

With this goal in place, the Hosts would definitely track the players that start to disappear and try to get them back in!

And if the Host found a solid reason such as 'This person lost their job' or 'This person has moved across country' then they would lobby the PD Manager to decode the guest.

The overall effects would be better retention and a 'clean' list of host codings.

More About Classifications

You already have an approach to segmenting your entire Club for your Direct Mail program.

For example, guests are New for the first month, Active if they have played in the last six months, Pending if they have not played for six months, and Inactive if they have not played for twelve months.

This approach for your Direct Mail program will not work for Player Development because the timeframes in PD are so much shorter.

By definition, your best players should be playing frequently and waiting six months for them to be considered 'Pending' is far too long in PD. A Host should be worried if they have not shown up for a month!

You want to keep your classifications for Player Development in line with your segments in the Direct Mail program to eliminate confusion. The following table is an illustration of this concept:

Month	Direct Mail	Player Development
1	Active	Active - Recent
2		Active Due Back
3		
4		Active Fading
5		
6		
7	Pending	Pending
8		
9		
10		Pending Inactive
11		
12		
12+	Inactive	Inactive

Direct Mail retain their existing definition of New, Active, Pending and Inactive. But we add some sub-categories for Player Development.

After a month without a trip, an Active player is considered Active-Due Back.

After 3 months without a trip, an Active player is considered Active Fading.

These periods are critical for PD because there is still an opportunity to place phone calls and find out what is happening. Is the guest unhappy with a service issue or gone to the competition? The Host can take immediate action!

If the guest turns 'Pending', with no trip for 6 months, then the relationship between the Host and the player will disappear. Unless! The Host knows the guest is a snow-bird or is dealing with an illness in the family. A strategic Host will have found this out within 30 days and will be staying in touch.

In a later Chapter, we will talk about Contact Goals but let's give some examples here.

Host will contact 95% of their Active players each quarter.

Host will contact **all** Active-Due Back and Active-Fading every month.

Host will contact **all** Pending and Pending Inactive every quarter.

The only time that Hosts should have many Inactive players is when you first start up your strategic approach and start to measure contacts and results. Once you have been up and running for a year, there is no excuse for coded Inactives.

Steps to Take a Strategic Approach

In summary, these are the steps to take a Strategic Approach:

☐ Acknowledge that the role of Player Development is to protect and increase revenue.

☐ Create your version of the Strategic Framework and show how PD increases revenue and controls cost.

☐ Take your existing segments for Direct Mail and break them down further for Player Development.

☐ Meet with the PD team and brainstorm some 'beliefs' on how to drive play. Turn these ideas into strategies.

☐ Use the rest of this book to write Goals that measure the Hosts on both their efforts to reach players and the results of whether they drive trips and Theo.

Chapter 3. WHAT ARE THE STEPS?

It takes a lot of work to introduce a strategic approach and your new Host Goals. Let's talk about who writes the goals, what you will need in your budget to be successful, how long it takes to implement your ideas, and where do you start?

Who Writes the Goals?

The management team for Marketing and/or PD takes the lead but there needs to be collaboration across Player Development, Finance, HR, and IT. And you may well hire a consultant.

A **data analyst** in Marketing will pull the counts and history to help you refine your classifications.

If you are going to pay any kind of bonus, then involve the **Finance** department to help with modeling scenarios that describe 'what might happen to the bottom line' if the Hosts meet their goals and can also help with 'what might it cost' if you are going to add a bonus to the base salary for the team members.

The CFO will probably review the analysis and the General Manager will provide the final sign-off.

The **HR** department can help Player Development with the 'softer side' of how to communicate and roll-out the program in a positive way. You must constantly communicate with the Hosts and describe the broad outline

of what is being discussed so that they don't speculate or panic about what might be changing in their future.

And you must keep the **IT** department involved throughout the process to make sure that IT will be able to track the results against the proposed goals. As discussed later, you are going to need daily, weekly, and monthly reports that let Management, and each Host, know the 'pace' i.e. exactly where they stand against their goals.

Often, Player Development has to fight for monthly and even quarterly reporting because the Database team is too overwhelmed with tasks to support the Direct Marketing program.

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*Do not underestimate the amount of **daily** reporting needed from IT or your vendor*

What Do You Need In Your Budget?

There are six areas that you will need to address to implement your new Host Goals, and you should include these items in your upcoming budget:

1. Consulting
2. Training
3. Contact Management software
4. Extensive reporting
5. Control over Host Coding
6. Bonus and Recognition programs

Consulting. Hopefully this book will eliminate the need for you to hire a consultant but, realistically, you may need to hire a consultant to help you with the process. Be careful to hire someone with a background in Player Development and actual experience of introducing host goals. There are many gaming consultants with a deep background in Direct Marketing and segmentation, but that experience does not necessarily transfer over into Player Development.

Training. If you are introducing Host Goals, then you are probably asking your team to make a significant transition from their current role (of taking care of players on-property) to the new and additional role of reaching out via cold-calls to find out why a player has disappeared, or what a new player thought of their first trip.

We have seen too many Casinos assume that a Host who does a great job in person, face-to-face, is going to have the confidence and skills to place an un-invited phone call. Instead, they might avoid making the calls altogether, or they might place the call and then ramble incoherently.

We strongly recommend that you budget for on-site training for your team on how to place effective out-bound calls to 'close the deal' and get the player to commit to the next trip.

Select a trainer who is prepared to do role play with your Hosts, and listen in to some actual phone calls, so they transfer skills and do not just speak to the Theory. If you can hire the same person to consult on your goals, and then do the training, then that is ideal.

Contact Management. You need a contact management system that captures each Host interaction with the guest (called a 'contact') in a way that lets you export the data and measure the contacts.

Yes, most player tracking systems have a 'Notes' feature where the Host team can capture interesting facts about the player. But this Notes feature is insufficient for implementing Host Goals.

Why?

Because you need a way to track the Host behavior, and you need a tool that will tell the Hosts what they need to do next to achieve their goals.

You need a contact management system designed for Hosts that is integrated with your ratings and reporting system. A Host contact management system will classify the players and recommend who the Hosts should contact next to meet their goals.

Please also note that, as of writing this book, many player tracking systems do not allow more than one type of coding relationship. Your Player Development manager is probably tracking these other relationships in MS Excel or by creating fake Host IDs in your player tracking system. E.g. Denise Active, Denise Inactive, Denise New. Multiple coding types are a pre-requisite to taking a strategic approach and setting host goals.

Ideally, you need a Host contact management system that can do this 'soft coding' automatically based on business rules. These solutions do exist, and you should research pricing and add it to your budget. [2]

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[2] www.harvesttrends.com to learn about PowerHost. We do extensive soft coding.

Extensive Reporting. You are going to need an extensive set of reports and the ability to 're-score' and re-classify every player each and every day.

- The Hosts will need daily reports that tell them exactly where they stand against their goals (the 'pace') and exactly whom they need to call to achieve results.

- The manager will need daily, weekly, monthly and quarterly reports, and

- The Audit team will request in-depth audit trails at the end of the Quarter to justify the results before any financial bonuses that are to be paid out.

If the IT department is going to create the reports then buy them a copy of this book because we include sample reports for managers and Hosts!

If you are purchasing a Host Contact Management System, then ensure it comes with adequate daily reporting.

Pick a goal at random from this book and ask the vendor to show you their relevant reports for that type of goal.

Control over Host Coding. The brutal reality is that an unscrupulous team member may decide to change the Host Coding to manipulate the results and achieve their goals. Ensure that only the manager can go into the system and code, or re-code, a player. If you cannot lock this down, then ask IT for a weekly audit report that shows the PD Manager whether the Hosts have changed the coding.

Bonus and Recognition. You should implement a financial bonus program for some of the goals, especially the goals that are designed to generate extra revenue from additional trips and play, but don't rush into this approach.

Implement the goals without a financial bonus and monitor the situation for a quarter. You may find that either the Hosts find it impossible to meet the goals because you have set the bar too high, or that the Hosts achieve 200% of goal because you have set the bar too low. Once you are confident that you can predict the results then you can introduce financial bonuses.

Bonus checks are important, but they are not the only form of recognition.

You might provide bonus checks for goals that drive revenue and use other forms of positive feedback for goals such as 'making regular contact with guests. This can include a personal note, acknowledgement in a team meeting, or a free pizza if the team meets their team goal for the month!

It is a good idea to design a staggered bonus scheme, so the Host gets an increasing reward for being at 100%, 105%, 110% or more of the goal. (You might even provide a small bonus at 95% so they don't give up.)

And you want to pay a team bonus, on at least one of the team goals, so the Hosts have a real incentive to work together and to lift each other's performance. We discuss this topic at length in Chapter 7.

Timeframe: How Long Does This Take?

It will take at least three months to define the goals and obtain sign off from the General Manager. In parallel, it can take six to nine months to pick a vendor, obtain approval for the contract, go through the Gaming Authority, and implement the vendor solution!

Don't wait for the funding. If you are serious then you should immediately start to design your goals and look around for consultants and vendors.

If you hope to introduce goals at the start of next year, then you need to begin in July of this year!

Chapter 4. SETTING YOUR FIRST GOAL

"Let's Start at the Very Beginning,
It's a Very Good Place to Start"
- The Sound of Music

When we first think about Host goals, we often think about measures and rules. For example, "a host must contact 60 people each week", which is a **measure**, and "a host must not issue a comp for more than 15% of 30-day ADT", which is a **rule**. There is nothing wrong with measures and rules, but a goal addresses the larger question of "what are we trying to achieve?"

The Miriam Webster dictionary defines a goal as "the end to which effort is directed".

What is the end that we are trying to achieve by having the host contact 60 people each week? Well, we are trying to make sure that the Host is busy. But busy doing what?

A cynical General Manager might suspect the Hosts are busy contacting the same 60 people that the Hosts always talks to, either because those players are pleasant or because they are demanding.

And the Player Development manager may fear that the Hosts are busy talking to people that are already playing

practically every day, instead of focusing on trying to get new players, or reactivate people that used to play a lot but seem to have fallen away.

It isn't enough to measure activity, we need to write goals that measure the effort, and the success, of achieving a good financial outcome for the casino. We need to change the goal from measuring "the host is busy" to measuring "the host is busy doing the right things."

After some thought, we perhaps create two goals. The first goal is "Contact 10 Inactive players each week" so the Hosts call people that haven't played for 90 days but had high Theo when they were last playing regularly. (An organized Host will find time to call two Inactive players each day of the five-day week and meet this goal). And the second goal is "Bring back 20 Inactive players this quarter" so the Host must find ways to encourage the Inactive players to return.

Contact 10 Inactive players each week.
Bring back (Reactivate) 20 Inactive players this quarter.

The first goal measures **Effort**; it measures whether the Host is trying to contact Inactive players. The second goal measures **Results**; it measures whether the Host is successful in getting those Inactive players back onto the Property.

Your goals should reward both Effort (how many Inactive players did you contact?) and Results (how many Inactive players actually came back?)

What Does The General Manager Say?

We start with the key objective that has been set by the General Manager for the entire property, and this will always focus on improving the bottom line. (The 'bottom line' means the profit, which is the revenue minus the expenses).

Here is an example:

Increase revenue by 5% **over the same quarter last year**
and maintain expenses at 20% of revenue.

This is where we start, as we set our Host Goals, because everyone at the Property should focus their efforts on achieving this overall goal.

Do you set your first goal to be "Increase Theo from Active players by **5**%" because that is the number from the General Manager?

No, you set your first goal to be "Increase Theo from Active players by **7%**"!

Why set the Host goal higher than the casino's overall goal? The 80/20 rule says that 80% of casino revenue will come from the top 20% of the players in the database. The General Manager invests in the salaries of the Player Development team because the 80/20 rule says that a focus on the best players can make the biggest difference in revenue.

The GM expects the hosted players to outperform the uncoded players and here is their logic: If we can grow revenue by 5% using the impersonal techniques of direct mail, events and promotions, then surely, we can use the personal sales skills of the Player Development team to grow revenue from the very best players by more than 5%. How about 7%?

You should talk to the VP of Marketing, or the Finance Director, to find out the overall goals for the Property and decide on your slightly higher goal for Active players.

Congratulations! We have your first goal:

In this Quarter, each Host will increase revenue from Active players
by 7% over the same quarter last year.

Do We Measure Revenue?

This goal measures an increase in Theo, but the General Manager is looking at revenue which is the Actual Win/Loss on the gaming floor plus non-gaming revenue from the Hotel, Food and Beverages, and Amenities.

Why does the goal measure Theoretical revenue and not Actual revenue? We strongly believe that you should never measure a Host on Actual Win/Loss because, as you know, they cannot control that.

A Host cannot achieve an increase in Actual, and goals must be achievable.

No-one wants to be measured on an outcome that they cannot control, so we never measure a Host on Actual Win/Loss. Especially since the Hosted players are high-end guests who can swing large positive and negative Actual outcomes if they are Table players.

We measure Hosts on whether they have grown Theoretical revenue (Theo) for a group of players because Theo is a 'smoothed out' result compared to wildly fluctuating Actual. In our industry, Theo is an indicator of potential, and Player Development is all about finding and retaining high potential players.

And we certainly measure Hosts on whether they have grown Trips because the Hosts should be using their people skills, and constant contact with key guests, to keep them making trips.

If your Property still has discretionary comps, then we can measure Hosts on their appropriate investment in the right

guests.

In summary, we measure Theo, Trips, and Investment, but never Actual Win/Loss.

So, we might modify our goal to something like this:

In this Quarter, each Host will increase Theo from Active players
by 7% over the same quarter last year,
and keep discretionary comps at 18%, or less, of total Theo.

This goal specifically addresses Active players, but we will follow a similar format as we discuss other types of goals in the coming Chapters

Chapter 5. SMART GOALS

Before we jump into each type of goal in detail, let's take a look at the concept of SMART goals[3] as defined by George Doran. SMART stands for Specific, Measurable, Achievable, Responsible and Time-bound.

SMART		
Specific	Target a specific area for improvement.	E.g. Increase Theo from Active players.
Measurable	Quantify an indicator of progress.	E.g. By 7% over the same quarter last year.
Achievable	What results can realistically be achieved?	A Host cannot control Actual, so your goal should measure Trips or Theo but not Actual.
Responsible	Specify who will do it.	The Host or the Host Team.
Time-bound	Specify when the result(s) will be achieved.	Book rooms each week. Contact guests per month.

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[3] Doran, G. T. (1981). "There's a S.M.A.R.T. Way to Write Management's Goals and Objectives", Management Review, Vol. 70, Issue 11, pp. 35-36. The R was for Relevant but is often now replaced with Responsible.

Every time you write a goal, you need to take a step back and ask yourself is it SMART? Let's look at an example.

In the last chapter, we suggested the following goal:

In this Quarter, each Host will increase Theo from Active players by 7% over the same quarter last year.

Is this **SMART**?

- It does **Specify** 'Increase Theo from Active Players'

- The **Measure** is 7%.

- Is 7% **Achievable**? We suggested, earlier, that if the General Manager believes that the Property can grow by 5% for all players, then the very-best players should grow by more. But is this Achievable? You can check by asking for a report that shows the total Theo for coded players in the last six quarters. If most of the coded players have been increasing their Theo at 5% even before you set Host Goals and influence Host behavior, then it probably is Achievable to grow by 7%.

- Each Host is **Responsible** for growth from their own Active players.

- The **Time**-frame compares this quarter with the same quarter last year.

In conclusion, this goal is SMART but only IF, at your Property, you can <u>measure</u> the growth for each Active Player, and provide the Hosts with daily and weekly reports on which player to contact, and why.

In many Properties, the Hosts are not told their Goals, or given their coded lists, until a month into the quarter.

And they are often not told where they stand against their Goals until after the end of the quarter when IT or the Database Analyst can run the numbers.

This approach is completely demoralizing because the Hosts have no idea whether their daily efforts are bringing them success. And from a Management perspective, the Hosts will meet their goals out of sheer luck and not because they focused their efforts on the right players so why pay out a bonus on a lottery?

The Player Development team needs targeted information each day to make the correct decisions on whom to contact.

Without daily information, the team is not making conscious decisions on how to meet their goals, so why even have goals? It will be sheer luck and not inspiration or perspiration that enables the team to meet their goals.

In later Chapters, we talk in detail about each type of Goal and we provide examples of the necessary reporting including for Pace.

You can do this!

Chapter 6. HOW TO KEEP MOMENTUM

At the start of a quarter, everything seems possible! But as the weeks go by, and if their Pace falls behind, they will switch their focus to the goals that they can achieve. And in the last few weeks of the Quarter, your Hosts might even give up and just wait for the new Quarter to become re-energized.

This is not 'bad' behavior; it is natural if your Hosts have got the competitive spirit that you need them to have! But you want to break this cycle of enthusiasm and gloom and keep a steady momentum.

How? Here are the ways:

1. Provide multiple opportunities for success

2. Implement rolling and overlapping goals

3. Consider Seasonality

Provide Multiple Opportunities for Success

You must provide multiple opportunities for success, so the Host can always focus on achieving a goal, even when other goals prove to be unattainable.

For example, even if it is the last month of the Quarter and I am not going to achieve my Quarterly goals, I can work hard at exceeding my Monthly goal for making contacts.

This is why you create a mix of quarterly and monthly goals. It is also why some Casino's implement weekly goals because there 52 opportunities for success and recognition.

(Remembering that recognition from management does not always have to be financial. Your weekly team meeting can be used to publicly acknowledge anyone that met their weekly goal.)

The challenge is for you to design a set of goals that keep the momentum; a set of goals that incent the Hosts to focus on your priorities regardless of whether it is the beginning, middle, or end of a Quarter.

Implement Rolling and Overlapping Goals

We talked in the chapter on New Players about the concept that a Host can be assigned a new player at any time, even in the last week of the Quarter, and the Host has 90 days to qualify that player.

If I know that my efforts in the last week of this Quarter will bring me reward in the next Quarter, then I have an incentive to reach out to that new player.

Your goals must overlap so that if I qualify a player for one goal, it counts towards another goal.

For example, if I qualify a New Player then the Theo for that person gets included in my goal for growing Theo from Active players. Because they are New, they were not around last year, or last quarter, so adding their Theo is a boost.

Or, for example, qualifying an Inactive player also counts towards my New Player goal because, effectively, we have added new business.

Overlapping goals are important towards the end of the Quarter because the Hosts have a double-incentive to develop the player. If they focus on the right players, they can qualify them against one goal and contribute to a second goal.

Do not set annual goals. If the General Manager has set a property-wide goal to increase Theo for the Year by 5% over the previous year, then you should not set your Host Goals for the year. Your goal should not be "Increase Theo from Active Player by 7% for the year, over the previous year."

Why?

If you give them one Annual Goal and they realize, during July, that they are not going to make the Year, then they will give up for the rest of the year.

You should break down an annual goal, such as "Increase revenue by 5% over last year" into quarterly goals such as "Increase Theo by 7% over the same Quarter last year". This gives the Hosts four opportunities to hit their goals during the year, and it will keep them focused and motivated.

By providing multiple opportunities for success and implementing rolling and overlapping goals, you can create an environment in which the team members are equally proactive each and every week. They are shrewd, and they will figure out how to be successful if you give them multiple avenues.

Consider Seasonality

You need to do some research regarding what is realistic for each quarter. It is unlikely that each quarter is the same, and it is unlikely that your PD team can grow play by the same amount in every quarter of the year.

There is also an annual cycle that was described in 2011 by Susan Kesel, a Gaming industry executive.

The following chart uses data from across the United States for three years to show cyclical annual patterns in play based on annual life events such as tax returns, paying for Christmas gifts, and taking vacations in the summer.

Looking at the following chart[4], you can see the same pattern across the USA for three consecutive years. March is high, June is low, July and August are high, and the fourth Quarter is low.
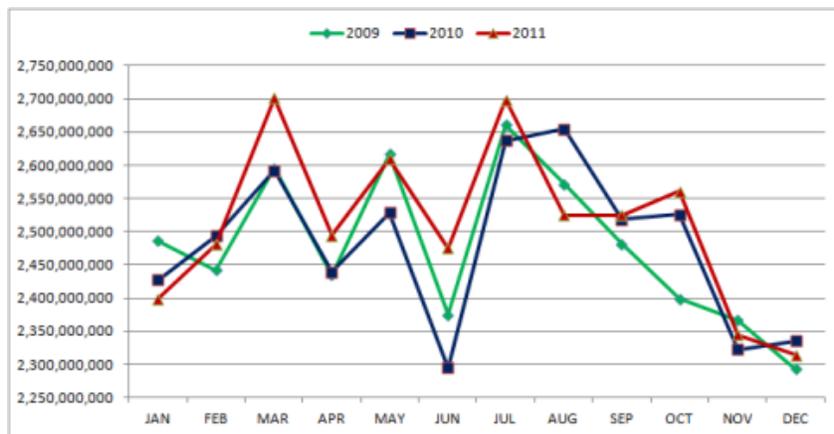
For most properties, there is a seasonal factor based on the weather patterns. If you are in the mid-western USA, then Q1 is lower than other Quarters because snow and ice in January-March will deter players from venturing out. If you are in Arizona or Florida, then Q1 might be higher because of snowbirds escaping to your warmer climes.

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[4] © Harvest Trends. Also published in Gaming & Leisure Magazine.

If the pattern for your property suggests that Q4 is always slow, then should you have a lower goal for Q4 than for the other Quarters?

This seasonal variation is why many Casino's set the goal as an increase over the same quarter last year and not over the last quarter.

Because you have broken the annual goal of 5% down into four Quarterly goals, you can vary the goal by Quarter to reflect the seasonal variations at your property. For example, Q1 must increase by 5%, Q2 by 7%, Q3 by 7%, and Q4 by 6%.

The CFO and the Finance team can help you with the analysis to match the goals to the normal cycle of business at your casino. They pay attention to this same cycle because they must manage the cash flow.

We care about Seasonality because we want the Goals to be Achievable. Your PD Team may not have access to the numbers, but they know the rhythm of the play. If you set unrealistic Goals, then the team will not try to reach them.

Chapter 7. SETTING FINANCIAL REWARDS

As we recommended back in Chapter 2, you should implement the goals without a financial bonus and monitor the situation for a quarter before you introduce rewards. Once you are confident that you can predict the results then you can introduce financial bonuses.

Eventually, you will implement a financial bonus program for some of the goals, especially the goals that are designed to generate extra revenue from additional trips and play.

Having given these caveats, let's talk about some different approaches to financial rewards. These are four different techniques that we have seen:

1. Offer a percentage of the increase in Theo. For example, each Host receives 0.005%.

2. Offer a single dollar amount for meeting the Goal. For example, each Host receives $200 for contacting the required number of coded players.

3. Offer a team bonus that is shared equally among all Hosts. For example, the Host receives $600 for re-activating 20 Inactive players and $800 added to the Team Bonus Pool.

4. Offer a staggered approach. For example, the Host receives $600 for re-activating 20 Inactive players, or $20 per reactivation.

Example 1: Offer a percentage

When Casinos implement Host Goals, they usually start with an Active goal such as '*Increase Theo from Active Players by 7%*'. It is tempting to then set the financial reward as a percentage of Theo. For example, each Host receives 0.005% which is half-a-penny on every theoretical dollar.

The Host should receive 0.005% of the **increase** in Theo, and not a percentage of total Theo. Otherwise the Host can coast through the quarter and not make any effort to increase Theo!

There are several considerations if you take this approach.

- Don't use a percentage of Actual because it is unpredictable, especially with high-value Table players. Use a percentage of Theo.

- Work with someone in Finance to model the numbers. You don't want to set the wrong percentage.

- Run the numbers for the last two quarters as if these goals had been in place. What would have been the pay-out?

- Set a cap on the maximum opportunity! You don't want to have to explain that very large bonus check to the General Manager.

- Make sure that your IT department, or vendor, can provide you with accurate enough reporting. You are probably going to have to provide a detailed audit report that shows the results for each Quarter, for each player, to justify the payment.

And finally, be ready for complaints from your Hosts that they don't all have the same opportunity because they don't all have the same exact mix of coded players. Perhaps Beth has 300 coded players and 80% of them are well established players, and Phil has 310 coded players but 80% of them are fairly new. Beth will complain that Phil has a better opportunity to grow his Theo and make much more money than her.

Example 2: Offer a single dollar amount

We strongly recommend offering a single dollar amount instead of a percentage because it solves so many of the challenges that we just discussed regarding giving a percentage.

Here are some examples of a single dollar amount:

Each Host receives $1200 for meeting their goal for increasing Theo.

Each Host receives $600 for meeting their goal for Reactivation.

Each Host receives $200 for meeting their goal for Contacts.

It is easy for the Manager to calculate the largest potential bonus expense. If there are four Hosts and they all make their goals, then the total budget for Bonus is:

4 x ($1200 + $600 + $200) = 4 x $2000 = $8000

It is also easier for the Host to do the mental arithmetic and become motivated by real numbers. If you offer $2000 to meet all the goals, then the individual will immediately personalize that amount and decide how they are going to spend it!

(These are not suggested numbers for your situation! Just a way to explain a concept by providing an example.)

This does not completely remove Beth's hypothetical complaint that Phil has a better set of coded players but at least she knows there is a cap on what he can earn.

Example 3: Offer a Team Bonus

As soon as you have more than one Host, you should set Team Goals and a team bonus. No Host is on-property full-time, so it is inevitable that your guests will be interacting with more than one Host and you want the level of service and personal attention to be consistent. You don't want any of your Hosts to ever think 'this is not <u>my</u> guest'.

It is probably also the case that your Hosts have different level of skills, experience, and attitude. When you implement a team bonus, there is a financial incentive for everyone on the team to participate in peer-to-peer coaching; if not downright goading, since Player Development professionals are often highly competitive.

You create a 'team bonus pool' and you 'pay into it' whenever a Host achieves their individual goals.

Each Host receives $600 for meeting their Inactive goal.
And $800 paid into the Team Bonus Pool.

You can use a whiteboard, make an announcement at a team meeting, or just send out an email, but when Beth achieves her Inactive Goal, you make sure to announce to the team that Beth has just contributed $800 to the Team Bonus Pool!

Example 4: Offer a staggered approach

When you offer a staggered approach, you are rewarding the Hosts for almost reaching their goal, and perhaps for wildly exceeding it. This approach is more complicated to design and to measure, but it has the benefit of making sure that your team does not give up.

Here is an example:

Each Host receives $600 for meeting their Inactive goal (20 players)
or $10 per player.

Let's do the math. You are offering $600 for 20 re-activated players which is $600/20 = $30 per player if they meet the goal. But you are only offering $10 per player if they don't make the goal. Let's say Phil is in the last month of the quarter and he has re-activated 19 Inactive players which is worth $190 to him. If he pushes harder and gets just one more re-activation, then he makes $600. Now that sounds worth the trouble!

We have also seen people reward Hosts for exceeding the goals. This is often used for the goal that measures an increase in Theo because the financial benefit to the Casino can be easily quantified. (If someone brings in 20K in Theo then the value can be quantified, whereas if someone re-activates 4 players with a prior ADT of $400 then that may, or may not, be worth 4x$400 = $1600)

Here are some examples of staggered goals:

Host receives $600 for meeting 80% of their goal.
Host receives $1200 for meeting their goal for increasing Theo.
Host receives $2000 for meeting/exceeding 110% of their goal.

Regardless of which approach you decide to take, ask someone in the Finance department to help you design the

bonus scheme by creating different 'models' or scenarios of what might happen. The Finance department also knows how to present, and justify, these kinds of proposals to the General Manager.

Fixed Amount of Salary Based?

In the above examples, we used the same Bonus Amount for each Host. But with a larger team, you will probably have a wide salary range for the Casino Host, Executive Casino Host, Player Development Executive etc. You can expect a Casino Host to be much more excited about a $1200 bonus than a Player Development Executive would be.

Once you have established the broad principles of how you are going to structure your bonus program, you may be tempted to adjust it to the salaries of your team members. Perhaps the Casino Host is offered $600 so you can offer $1800 to the Player Development Executive? But then you are opening yourself up to the possibility that the team members find out that they are being offered different amounts to achieve the exact same outcome.

If you want to customize the bonus amount per person then you could do some complicated arithmetic and make the amount a percentage of salary, so that they would be sharing "Oh, we can make 1%!" and not "Oh, I want that $2,000!" The downside of this approach is that, for many, the chance to earn $2,000 sounds more exciting that the chance to earn 1%. This is another area in which you will use your judgement based on the composition of your team.

Don't Overlook the Paper Trail

The goals and the bonus scheme must be clearly communicated in writing. If the manager mis-sets expectations or leaves any kind of loop-hole in the communication, then the Hosts will be sure to challenge their bonus payment and be dis-gruntled.

The PD manager should create a document that describes the goals and the outcomes, and have it reviewed and approved by their direct manager, as a double-check of the arithmetic. If you are offering different amounts to different Hosts, then prepare a document for each team member, and have them all reviewed.

First, present the goals (and not the bonus scheme) in a Team Meeting and encourage feedback. Based on the quantity and type of questions, the PD manager will quickly find out if the goals are clear. And the team members will start to think about how and if, they can achieve the goals.

Second, meet in person with each Host and provide the document with the goals and the specific bonus opportunity for that Host. Allow time to answer questions and discuss strategies on how to achieve the goals. The Host will sign and date the document to confirm their understanding, and then be given a copy. If everyone is on the same page, there are fewer misunderstandings.

Make sure that your reporting team can create an audit trail of what happened during the Quarter to justify the outcomes. They don't have to know what bonus payments you are making; but they do have to provide solid data on what is happening with each Player. Pull a Player Account during the first month and double-check! The Hosts will be very upset, to say the least, if the reports are 'adjusted' after the quarter ends and they suddenly 'did not make it'.
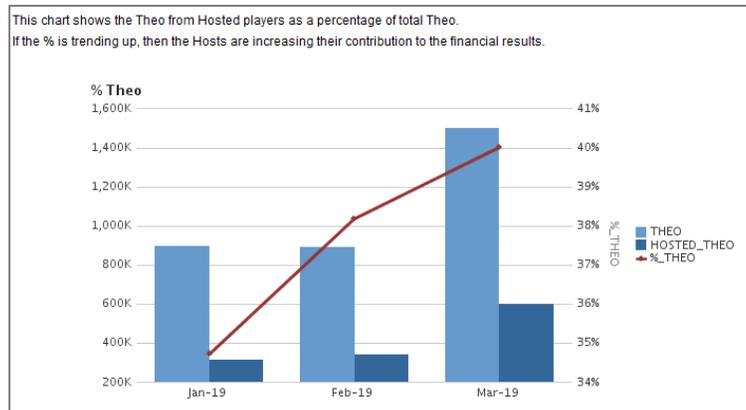
Chapter 8. MEASURING PD

Your GM is sure to want to know if PD is 'making a difference' and 'worth the investment'.

I am strong advocate for comparing the results of the PD team with the results for the non-coded players.

There are many factors that affect the results each month; the seasonality that we looked at in an earlier chapter, the weather, the behavior of the competition, and the mix of promotions and events .These factors will affect both un-coded and coded players. But, if your PD team is equipped with the right tools and supported by attentive management, then they should be in regular touch with their coded players and driving trips regardless of these other factors.

Here are some real life charts from a casino where we implemented the strategic approach with PowerHost.

This chart shows the Theo from Hosted players as a percentage of total Theo. If the % is trending up, then the Hosts are increasing their contribution to the financial results.
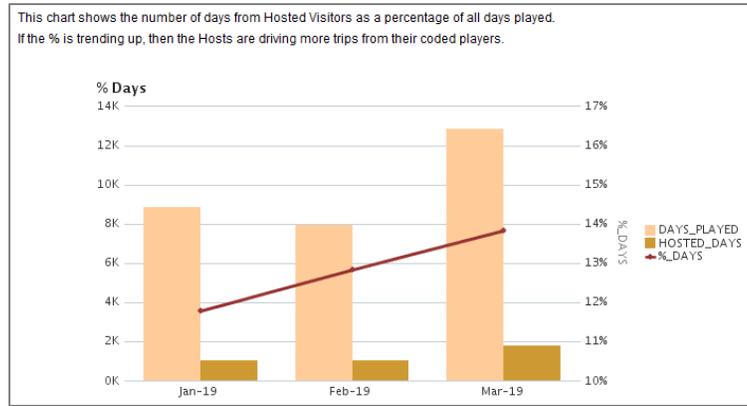
In this first chart, we see the Theo for January, February, and March. (Look at that seasonal jump in March!). The larger bar on the left is the total Theo for all carded play. The smaller bar on the right is the total Theo for Hosted players.

The line shows the Hosted Theo as a percentage of the Total Theo. You can clearly see the line climbing up to the right. This means that the Hosts are generating a higher % of Total Theo as they take the new strategic approach. This shows the GM that the Hosts are contributing more to the revenue stream.

This second chart shows the number of unique visitors. The larger bar is the total number of unique visitors and the small bar is the total number of hosted visitors. The line is the hosted visitors as a percentage of all visitors. In February, you can see the total number of visitors went down (due to weather) but the percentage of hosted visitors went up because the Hosts were starting to use the PowerHost software to identify and reach out to their coded players. Again, the Hosts should be able to outperform the overall club by paying close attention to the right people at the right time.

This chart shows the number of Hosted Visitors as a percentage of all Visitors.
If the % is trending up, then the Hosts are driving trips from a **wider** set of players.
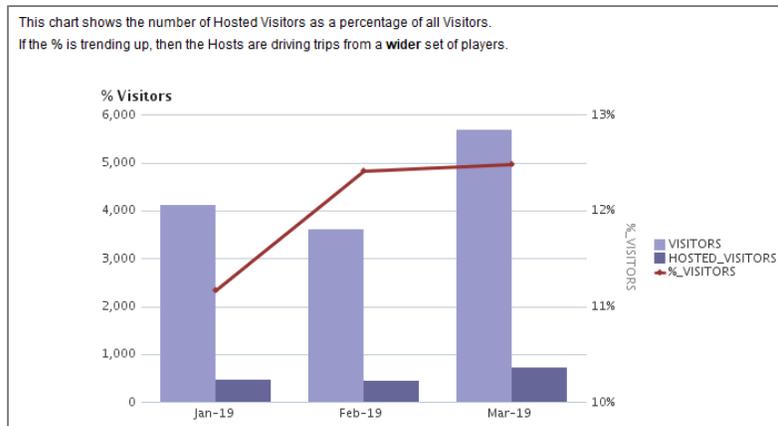
In this third chart from the same case study, we see the percentage of Days Played. The line is trending up because the Hosts are driving more trips.

This chart shows the number of days from Hosted Visitors as a percentage of all days played.
If the % is trending up, then the Hosts are driving more trips from their coded players.

So, in this case study, we have used the metrics of Theo, Unique Visitors and Days Played, to clearly show the initial impact of the team taking a strategic approach.

Here is the same chart, % of Total Theo, for a second casino that has been using the strategic approach for a longer period. You can see the trend up and to the right as the Hosts make a larger contribution to Total Theo and thus to revenue.

51
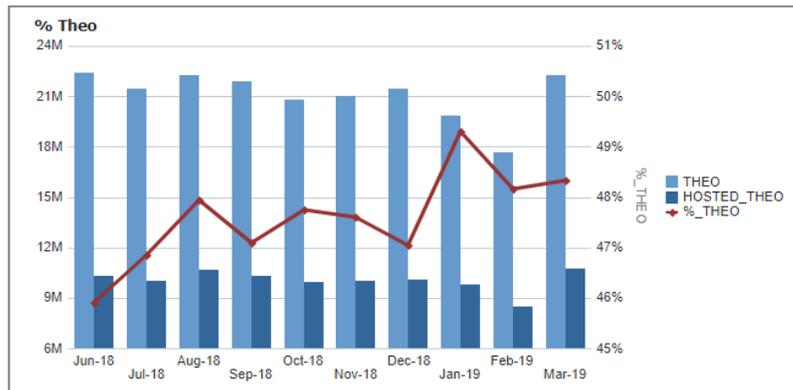
Chapter 9. THE IMPORTANCE OF PACE

We refer to Pace reports throughout this book, so let's provide a definition and explain how it helps the Player Development team.

To create a Pace report, we figure out three things:

(1) What is the percentage of the Goal? If the coded players for this Host have made 2,505 trips and the goal is 5,010 trips, then the Host is at 2505/5010 = 50%.

(2) What is the percentage of the quarter? If we are in Q2 then there is a total of 91 days from April 1st through June 30th. If yesterday was April 16th, the 16th day of Q2, then we are at 16/91 = 18% of the quarter.

(3) Finally, we compare the two percentages to determine if the Host is Ahead, On Goal, or Behind. If the Host already has 50% of their trips and we are only at 18% of the quarter, then the Host is most definitely Ahead! Congratulations!

Here is an example of a Pace report for Beth, a Player Development Executive, for the first day of the second quarter.

Even though we have only data for the first day of the quarter, we can tell Beth that she has started well, and she is Ahead of her goal.

> **You must drive 5,010 trips** for the Quarter.
> **As of 4/1**, you have generated **100** trips which is **2%** of your goal. We are at **1%** of the Quarter and so you are **Ahead**.

We have compared the percentage of the quarter (1/91 = 1%) with the percentage of the goal (100/5010 = 2%). After the first day, **1%** of the quarter has passed by, but Beth has generated **2**% of the necessary trips, so she is **Ahead**.

Do you follow the logic?

Here is another example. In this case, it is a Pace report for Beth after the **7th** day of the Quarter:

> You must drive 5,010 trips for the Quarter. **As of 4/7**, you have generated 105 trips which is **7%** of your goal. We are at **7%** of the Quarter and so you are **On Goal**.

We have compared the percentage of the quarter (7/91 = 7%) with the percentage of the goal (105/5010 = 7%). 7**%** of the quarter has passed by, and Beth has generated **7**% of the necessary trips, so she is **On Goal**.

And finally, here is an example of a Pace report for Beth after the **15th** day of the quarter.

> You must drive 5,010 trips for the Quarter. **As of 4/15**, you have generated 701 trips which is **14**% of your goal. We are at **16**% of the Quarter and so you are **Behind**.

Unfortunately, Beth has now fallen behind, but because we are only 15 days into the quarter, she has an early warning and has time to catch up.

As you can see from these three examples, it is important to provide a daily Pace report for each goal, so the Hosts can monitor their performance and adjust their tactics before it is too late. No more waiting for a report!

Management Pace Reporting

In the same vein, the manager of the PD team needs a weekly Pace report for all Hosts, so they can schedule a coaching session and find out why the Host is falling behind.

For example, here is a weekly Pace report for the fake Sandy Palace Casino.

The team must generate 1000 more trips from Active players which is a total of 26,100 trips for the Quarter. As of 4/15, the team has generated 1,080 trips which is **5**% of goal. We are at **16**% of the Quarter and the team is **Behind**.

Beth	Ahead	19%
Kenny	On Goal	16%
Kim	Behind	8%
Colleen	Behind	6%
Paul	Behind	5%

After reading this weekly Pace report, the manager of Player Development can meet with Kim, Colleen and Paul to find out why they are falling behind and dragging down the team.

The Strategic Manager pays close attention and ensures each Host stays Ahead or On Goal from the very beginning.

Otherwise it becomes too difficult to achieve the goals, and some members of the Host Team will give up and wait for the new Quarter to start over.

Making Recommendations

If you are a Database Analyst, or work in IT, you have probably realized that if you can calculate the Pace for individual coded players, then you can also make Recommendations on who to call and why.

For example, you can easily identify 36 of Beth's Active players who are Behind because they have not played at all this Quarter and you can add this into Beth's report.

> Here is the list of **36** Active players that you can contact to make a difference; they were valuable last Quarter, but they have not yet played this Quarter….

If you can record the number of trips by Player for last quarter and this quarter, then you can identify Beth's Active players who have played this Quarter but not as much as they need to:

> Here is the list of **50** Active players who have played this Quarter but are falling **Behind** because we are **15**% of the Quarter and they have not made 15% as many trips as last Quarter…

Does this sound as if we are making it too easy for Beth by telling her exactly who to call? If so, would you prefer that she wastes time looking through long lists of recent trips to decide who to call?

If the Hosts get the right guests back on Property, then everyone wins. We should all do our best to help the Hosts to meet their goals because if the goals are well constructed then the Property makes more money!

Chapter 10. ACTIVE GOALS

When you sit down to write a goal for increasing revenue from 'Active' players, you are considering the 300-400 players coded to each Host.

If the host coding is well maintained, these guests are already playing regularly with a high ADT, or they play infrequently with an extremely high ADT because, for example, they live in a distant market and visit for a long weekend each month.

If players are already playing close to their limit in money or time, how will the Host increase their contribution to the Casino?

The PD Manager needs to be ready to have a strategic discussion with each Host and provide suggestions on how they can grow their valuable coded players.

You also need to be ready for the Host Team to present you with a list of Coded players who should, in their opinion, be un-coded!

There is nothing like setting Active Goals to encourage the Host Team to study their Coded players and try to wean out the guests without potential.

What are we going to measure?

We have already said that we don't want to measure Actual, because it is out of the Host's control, so we either measure **an increase in Trips or an increase in Theo**. And we either provide a percentage of growth, such as 10%, or we specify a hard number for the increase, such as 200 more trips.

Here are four common approaches to writing Active Goals that we discuss in the following pages.

The first two examples specify an increase in **Trips** as either a number or a percentage:

> Example 1. Increase **trips** from Active players **by 200** trips over Q1

> Example 2. Increase **trips** from Active players **by 7%** over Q1

The next two examples specify an increase in **Theo** as either a number or a percentage:

> Example 3. Grow **Theo** from Active Players **by 102,033** over Q1

> Example 4. Grow Theo from Active Players by 7% over Q1

So which example is the **right way** to write your Active goal?

Well, there is not a 'right' way but we always prefer the goal that is easiest to understand, and which helps the Host decide 'who should I call and get back on property?"

In this case, we prefer Example 1, "Increase total trips from Active players by 200 trips over Q1".

It is very easy to understand. And the Host can easily be given a list of Active players that compares their trips for the current quarter with their trips from the previous quarter. The Host will first call people that have not played at all this

quarter, and then the Decliners who are not playing as much as they used to.

That said, we will now discuss each example in detail, so you can decide what approach is the 'right' one for your situation. We will also present some concepts that apply to all the subsequent goals.

Be warned!

This chapter presents the most algebra and spreadsheets in the entire book. Many PD Managers think of themselves as left-brained 'friendly people-people' and not as right-brained 'logic, math, and spreadsheet people'.

Please don't give up in this coming discussion of the different examples because, for one, you intuitively understand this logic better than you realize and, for two, the rest of the book is a breeze!

Example 1. Increase total trips by 200

Here is a straightforward Active goal for a Host to understand and execute against:

Increase total trips from Active players by 200 trips over last quarter.

It is easy for the Host to 'wrap their head' around this goal. If a Host has 300 coded players, then the Host needs one more trip from 200 out of 300 players. (Would that seem feasible to you, if it were your goal to achieve?)

We talked about the importance of pace and providing the Host with a sense of their progress. Here is an example from the 3rd day of the Quarter:

You need 200 extra trips which is 200+2,843=3,042 So far, you have **152** trips which is **5**%. We are at **3%** of the Quarter and you are **Ahead**.

Classification Report

We also provide a Classification report with details for each player. The Pace report provides the motivation to act, and the Classification report shows which players to contact.

Here is a Classification report for this goal:

Classification Report

Account	Name	Q1	Q2	**Trip Chg**	Last?	Phone
9012	Phil	22	12	**(-10**)	4/30	514-9382
5678	Joshua	45	40	**(-5)**	5/3	228-3827
1234	Denise	53	61	**8**	5/14	716-5167
7682	Robin	36	46	**10**	6/4	928-3826

For each Active player, the Host can see the total number of trips in Q1, the total number of trips in Q2, and the **change** in their number of trips from last Quarter to this Quarter.

(We include the Last Trip and phone number, so the Host can easily place a call and say "Hi, I haven't seen you since April, how are you?")

We sort the list by the 'Change in Trips' so the Host can first see the players who have not increased their number of trips because these are the players who need the most attention.

Phil made 22 trips in Q1 and has made only 12 trips in Q2, so Phil is behind by (-10) trips. By comparison, Robin made 36 trips in Q1 and has made 46 trips in Q2, so Robin is ahead by 10 trips. The Host will start by reaching out to Phil who is capable of many trips but has declined in play.

At the start of the Quarter, the players will all show as Behind. This is good because seeing so many red negative numbers will motivate the Host and prevent complacency.

For all the different goals, it is extremely important to provide the Hosts with both a daily Pace report and a daily Classification report. If a Host keeps themselves on pace from the very start of the Quarter, then there will be success.

Why 200 Trips?

The logic behind this goal "Increase total trips by 200 over last quarter" is that the PD team should be able to drive trips via personal relationship and reaching out to players who haven't been on property for a while... and these additional trips should translate into more Theo! So, this goal measures increased trips, but the outcome is focused on increasing Theo.

But why 200? How do we know that 200 trips will drive 'enough' extra Theo? Well, we don't <u>know</u> this, but we can make a good guess.

We create a 'model' in MS Excel and we write down our thought process for how we can translate the General Managers request for a 7% increase in Theo into a number of trips per Host.

A 'model' is just a way of thinking through a problem, from start to finish. In this case, our 'problem' is figuring out how many extra trips should create enough additional Theo.

First, we write down some **facts**:

The **Number of Active Players** for the Host is 300.

The **Average ADT for Active Players** is 450.

The **Total Theo Last Quarter** for this Host was 1,279,381.

The **% Increase need in Theo is 107%**

We create a formula in MS Excel:

Formula for "Increase Total Trips"		
	Number of Active Players:	300
	Average ADT for Active Players:	450
	Total Theo Last Quarter:	1,279,381
	% Increase need in Theo:	107%
	Calculate the Total Theo needed this quarter:	*1,369,381*
	(Formula is 1,279,381 * 107%)	
	What is the change in Total Theo?	*90,000*
	(Formula is 1,369,381 - 1,279,381)	
	How many extra trips do we need?	***200***
	(Formula takes the change in Total Theo	
	and divides it by the ADT. 90,000 / 450)	

And now we do some **calculations**:

We **Calculate the Total Theo needed this Quarter** by multiplying the total Theo from last Quarter by 107%. 1,279,381 * 1.07 = 1,369,381.

If the total Theo for last quarter <u>was</u> 1,279,381, and the total Theo for this quarter <u>needs</u> to be 1,369,381, then **What is the change in Total Theo?** 1,369,381 - 1,279,381 = 90,000.

So! The Host needs to get 90,000 in extra Theo.

But we want to turn that into a number of extra Trips. How? We know the ADT is 450, so we just divide 90,000 in Theo by the ADT to get the number of trips.

How many extra trips do we need? 90,000 Theo / 450 ADT = 200 Trips.

And this is an example of a 'model'! You can show this to others and it demonstrates your logic. If they don't agree with your thought process, then they can change it around.

The key point is that we have done the hard work of changing the overall goal, 'Increase Theo by 7%', into a straightforward goal for the Host that is easy to understand and easy to measure. 'Increase trips by 200'.

Example 2. Increase total trips by 7%

In this second example of an approach to Active Goals, we use a percentage growth in trips (7%) instead of an amount (200) because we believe it ties back nicely to the overall property goal. The assumption is that a 7% increase in trips will translate into a 7% increase in Total Theo.

Increase **trips** from Active players **by 7%** over Q1

It is straightforward for the management team to see that this goal ties back to the overall property goal, but it is not easy for the Player Development team to see what this means to them.

If you are Host with 300 players and you need to increase trips by 7% then what does that mean? To 'wrap your head around' this goal, you will need a report with the total number of trips, and the number of trips per player.

If a guest played 10 times last quarter, then they must play $10*1.07 = 10.7$ trips this quarter. If a guest played 48 times last quarter, then they must play $48*1.07 = 51.35$ trips this quarter.

You don't want to show a fraction of a trip so round up the numbers from 10.7 to 11 trips, and from 51.35 to 52 trips.

Here is an example of a Classification Report that shows each player, their number of trips in Q1, the target number of trips in Q2 to achieve 7% growth, the actual number of trips in Q2 so far, and the Result.

Classification Report

Account	Name	Q1	Goal	Q2	Result	Last?	Phone
1234	Denise	64	69	18	**(-51)**	4/18	716-5167
5678	Joshua	52	56	37	**(-19)**	6/3	228-3827
7682	Robin	48	52	7	**(-45)**	5/27	928-3826
9012	Phil	10	11	14	**3**	6/1	514-9382

Total trips**? (112)**

In this report, Denise made 64 trips in Q1, so she needs 64*1.07 =69 trips. So far, she has made 18 trips. So, she is short by 69-18 = (51) trips.

Phil made 10 trips in Q1, so he needs 10*1.07 = 11. Phil has made 14 trips, so he is ahead by 14-11= 3 trips.

Overall, the Host is short by (112) total trips.

We recommend you sort this Classification Report by descending number of total trips in the last quarter. Denise made the most number of trips in the last quarter, so she is at the top of the list. The Host needs to monitor the most frequent players and ensure they are not declining. If the most frequent players do not visit, then the Host will <u>never</u> achieve that 7% overall increase.

The Pace report looks very similar to the previous example:

You need 7% growth in trips. Last quarter, you had 2,843 trips so you need 3,042 trips. So far, you have **1200** trips which is **39**%. We are at **50**% of the Quarter and you are **Behind**.

If you are eagle-eyed with numbers, you will have noticed that in Example 1 we added 200 trips to 2,843 from last quarter and the goal was 200+2,843 = 3,043 trips. In Example 2, we applied 107% growth to 2,843 from last quarter and the goal was 3,042 trips. A difference of just 1 trip, because of rounding.

In summary, we recommend setting a goal with a target number (e.g. 200 trips) and not with a percentage (e.g. 7% more trips) for three reasons:

1. Hosts find it simpler to grasp the concept of 'add one more trip from 2/3rds of my players',

2. the Classification report is easier to create, and

3. the Pace is easier to calculate.

Now let's look the examples for Active goals that measure Theo instead of trips.

We prefer to measure trips
but most Casinos do measure Theo.

Example 3. Grow Theo from Active Players

This third example focuses explicitly on Theo.

Grow Theo for Active Players by 102,033 to 1,369,381 in Q2

The formula is simple. If a Host had 1,279.381 in Total Theo for last quarter, then their goal for this quarter is 1,279,381 * 107% = 1,369,381.

The Classification Report will show the total Theo for last quarter, the total Theo for this quarter, and the change in Theo.

Classification Report

Account	Name	Q1	Q2	Theo Chg	Last Visit	Phone
1234	Denise	7,040	3,840	**(3,200)**		
5678	Joshua	1,270	0	**(1270)**		
7682	Robin	1,052	1,578	**526**		
9012	Phil	990	2,188	**1,198**		

We recommend you sort this report by descending Total Theo for the last quarter (Q1), so the Host sees the most valuable players first. If the best players are declining, then the Host won't achieve the overall increase. In this example, the Host should be concerned about their two most valuable players, Denise and Joshua, who are both behind in their Theo.

The daily Pace report for this example has the same layout as before, it just talks about Theo instead of Trips. Here is an example:

You need 1,369,381 in Total Theo. So far, you have **136,938** in Total Theo which is **10**%. We are at **7**% of the Quarter and you are **Ahead**.

Example 4. Grow Theo by 7%

This final example is easy to write, and therefore we see it the most often, but we believe it is the least helpful to the PD team:

Grow Theo for Active Players by 7% over last Quarter

The Classification Report will show the total Theo for last quarter, the total Theo for this quarter, and the percentage change.

Classification Report

Account	Name	Q1	Q2	% Theo Change
1234	Denise	7,040	3,840	(45%)
5678	Joshua	1,270	0	(1270%)
7682	Robin	1,052	1,578	50%
9012	Phil	990	1,188	20%

We again recommend you sort this report by descending Total Theo for the last quarter, so the Host sees the most valuable players first. If the best players are declining, then the Host won't achieve an overall increase of 7%

Again, at the start of the Quarter, all the players will show as having a negative percentage change, and the Pace report is important for giving overall context.

The daily Pace report for this example has the same layout as before, it just talks about Theo instead of Trips. Here is an example from the end of the first week of the Quarter:

You need 1,369,381 in Total Theo. So far, you have **136,938** in Total Theo which is **10**%. We are at **7**% of the Quarter and you are **Ahead**.

Why Focus on Trips and not Theo?

We have seen all these approaches to Active Goals being used at Casinos, and they can all be successful goals. We prefer the simplicity of the first example, 'Add 200 trips', when communicating with the Hosts, and we definitely prefer measuring Trips over Theo.

Why do we prefer to measure trips and not Theo? Well, let's explore the notion that Hosts can increase Theo. There are two ways:

1. A Host might increase trips from Players with a High ADT and generate more Theo from those Trips.

    In which case why not just measure Trips and make sure that the coding is clean and that the players coded to the Hosts are players with high ADT?

2. A Host might increase the play of individual players while they are on Property, by using personal attention and perhaps comps to encourage the player to play for longer.

But is that an effective use of their time?

Let's assume a Player Development Executive can keep a Table games player with a 600 ADT at the Tables for two hours longer by paying personal attention.

During those two hours, the Host could have made at least twelve phone calls hours to valuable players with a 600 ADT who have not played recently.

The Table game player is here; the other dozen players are not here but should be!

If the Host generates additional 600 ADT trips from some of those other dozen players, then that would be a better use of their time because those players are not here.

Yes, your Player Development team should invest extended time on the Casino floor with some players, but only the 'best of the best'.

Decide the criteria for 'best of the best' at your Property so you can segment your coded players and add a flag to those players in your Host Contact Management system.

Provide guidelines for which players deserve that additional on-floor 'driving play' behavior from the Hosts.

As with everything in life, there needs to be balance, and a Strategic Host makes hourly decisions on where to best invest their time and meet their goals.

Steps to Implement Active Goals

In summary, these are the steps to implement Active goals:

☐ Focus the Player Development team on increasing trips and not Theo. If you have coded the correct Active players, then Theo will increase as well.

☐ Enlist an analyst from the Finance Department to create a model that calculates how many trips are needed to adequately increase Theo.

☐ Each Quarter, revisit the model and see how it needs to be tweaked based on experience.

☐ Provide the Player Development team with daily Pace and Classification reports to clearly show which players they need to call to increase trips over last year.

☐ Provide the manager with a Weekly Pace report so they can intervene and coach a Host that is falling behind, right from the beginning days of the Quarter.

☐ Decide the right balance, for your property, between time spent reacting to people who are here, and time invested in proactively reaching out to people who are not here.

Chapter 11.   INACTIVE GOALS

"We used to talk, and laugh all night
What happened to those days?"
- Aaron Hall

Inactive goals incent the Host to reach out to valuable players who have not played for a while, and 'reactivate them' i.e. get them back on property.

What does 'for a while' mean? It depends on your location, the competitive nature of your market, and the seasonality of your visitors. Generally, we see Inactive being set at six to nine months for Player Development whereas the Direct Mail program will define Inactive as being twelve to eighteen months.

Yes, the Direct Mail program is sending Inactive offers to these players, but it takes a live phone conversation with a Host to find out that the guest is unhappy with the service or frustrated by a change on the slot floor. The Host may be able to overcome these issues.

The Host must first find out 'what happened?' and then focus the conversation on 'how can we get you back?'

The Player Development professional needs to phone the guest and use friendly open questions to find out why the player has not been on property, and then use their powers of persuasion to lock the player into making a return trip.

While on the phone, the Host can also find out about life changes such as the person has moved away or even died. You should implement a way for the Player Development team to feed these facts back to the Database and improve the accuracy of your guest information.

A skilled Casino Host or Player Development Executive can connect personally with the Inactive player and influence their behavior. But the PD team will ask you to give them 'something to work with'; a freebie to give the guest such as a discretionary Comp, free room, gift from the Host, or VIP party.

The Host needs a 'hook' to incent the guest to return but Management does not want to add cost. If you can make the Hosts aware of available Inactive offers from the Direct Mail program, then you have provided an incentive without adding cost. The Host can call and say "Hi, we haven't seen you for a while… and I don't want you to miss out on this free room and some Free play…"

If you have a contact management system, load the Direct Mail offers so Hosts can easily see available offers on the guest profile, and use them as a Hook

Writing Inactive Goals

Your intention with an Inactive goal is for the Host to make cold calls to valuable players who have not played for a while and get them back on property.

How many Inactive players do you think they should be able to persuade?

Let's say that your goals are set for each Quarter (which is twelve or thirteen weeks) so the Host will place phone calls for eight to ten weeks to try to get the players back in for a trip within the next two weeks. Once you are in the last two weeks of the Quarter, it is too late to get someone in before the end of the Quarter, so the Hosts will ignore their Inactive goal and focus elsewhere. They will only make calls for the first 10 weeks of the quarter.

So, if we assume that they can persuade two people a week, for ten weeks, then your target number is twenty!

Reactivate 20 Inactive Players.

The Daily Pace report is straightforward: Here is an example from the end of the first week of the Quarter:

You need to re-activate 20 Inactive players. So far, you have re-activated 2 which is 10%. We are at **7**% of the Quarter and you are **Ahead**.

Assigning Inactive Players to Hosts

First, you pull a list of players from the Database that meet your criteria for Inactive.

For example, if you are preparing for Q4 then create a list of everyone who did not play in Q2 or Q3 but had an ADT of 700+ in Q1. They have not played for six months but were very valuable when they were last active.

Sort the list by decreasing previous worth.

Then go down the list and add each Host in rotating order. So, if you have Beth, Romero and Yan in your host team, you give the first Inactive to Beth, the second Inactive to Romero, and the third Inactive to Yan. This is called a *round robin* approach to assigning the Hosts.

Each host gets a similar set of Inactive players with a range of previous value.

How many players does each Host need? You should provide twice as many players as their goal. If the goal is to reactivate 20 Inactive players, then provide each Host with a list of 40-50 players.

Of course, you may find that some of these Inactive players are already coded to a Host as Active because the coding list has not been kept 100% clean. In these cases, you have a choice about what to do:

1) Leave the Inactive player coded to the Host as Active and assume the Host will try to get the player on property to achieve the Active goal. A savvy host will realize the best way to achieve the Active goal is to focus on people who have not played in the last few Quarters because two extra trips will show as a 200% increase from zero trips!

2) Or, delete the Active coding of the Inactive player to the Host, and assign the Inactive player to a different Host. The assumption behind this choice is that there is a reason why the first Host cannot, or will not, form a relationship with the player, so it is time to introduce a fresh Host.

This decision is another example of how writing Host Goals is not just a mathematical exercise. Yes, there are formulas and numbers involved, but the goals must be written to address the behavior of the Hosts and provide the biggest incentive to consistently be proactive and drive more trips and play every day.

Criteria for Re-activation

What do you consider Re-activation? Is it enough if the Inactive player shows up one weekend and loses $50 while enjoying their free room and meal? No!

We are hoping to reactivate the most valuable players and increase revenue, so we want the Player Development team to focus on the players who seem to have a propensity to play. We don't want to reward a Host for bringing back an Inactive player who has had a major life-change in their financial situation and has a much smaller entertainment budget to play with.

So, we adjust the Inactive goal to place a value on that trip:

Player qualifies **after 1 trip with 500+ ADT**.

Is one trip enough? We want the Hosts to find Inactive players who are dissatisfied for some reason, or have been attracted to the competition, and persuade them to resume their commitment to our Property. We might adjust the goal to require two trips:

Player qualifies **with 2+ trips averaging 500+**

But, if we require two trips, the Host will realize towards the end of the Quarter that there is not enough time to get two more trips, and they will give up on the Goal!

You want Hosts to consistently work at all goals even towards the end of the Quarter.

This is solved by allowing the guest to qualify on their first trip if it has a large enough Theo:

Player qualifies with 2+ trips averaging 500+
or first trip with 1000+ ADT

With this goal, even if we are in the last two weeks of the Quarter, it is worthwhile for the Host to cold call an Inactive player with a previous worth of 1000+ and try to get them on property in the coming week.

We now have a SMART goal for reactivating Inactive goal that focuses the Hosts on finding the most valuable players and persuading them to make one or more trips based on their worth.

Advanced Inactive Goals

A cynical manager may point out that a percentage of the Inactive players are going to show up anyway, regardless of the Host activities, so the Host is getting some 'free help' to achieve this goal.

Do you care?

If you do want to demonstrate that the Hosts are causing the trips, and if you have a Host Contact Management System, then add a requirement that the Host did make contact before the trip. For example:

Reactivate 20 Inactive Players.
Player qualifies after 2 consecutive trips 500+ ADT
or first trip 1000+ ADT.
1st trip made within 14 days of Host contact.

With this Inactive goal, the Player Development team only gets credit if they contacted the player in the two weeks prior to the first trip.

If the Host has not contacted the player, then clearly the Host cannot claim to have influenced the trip.

What is the right number of days?

This is a judgement call based on your Market and the guest's home location. In a local market, then the Host should have talked to them within the previous week.

If you are a destination market, where the guest would have had to plan ahead and make travel arrangements for a weekend visit, then perhaps the Host should have talked to them in the previous 30 days.

Alternatives to Assigning Inactive Players to Hosts

You have alternatives to using the PD team. Some casinos use staff from the Players Club, and some casinos outsource the entire process.

Why use staff from the Players Club?

If you want to create a pool of potential Hosts from within the Property, then you might be watching for talent within the Players Club (or within the Slot or Table departments). You might even create special roles such as 'Club Ambassador' to groom and try-out future Hosts.

You create a list of around 50 Inactive players and provide some coaching to the non-Host on how to place a cold call.

You now have a way to determine if they can talk to strangers in a positive way and drive trips. And you also learn if they have the initiative, discipline, and drive to achieve an assigned goal.

How does outsourcing work?

You provide a list of names and phone numbers to a third party and they will call each person on behalf of the Casino and provide you with valuable feedback such as the number is bad, the guest has moved away or died, or the guest is unhappy with your Property.

This approach can be cost-effective if you only pay for specific outcomes. For example, the outsourcing company could invite the guest to an upcoming event. You then pay a fee for any Inactive player that makes a trip, plus a smaller fee for valuable information. You don't pay for 'left voicemail' or 'no answer' so the outsourcing company takes the burden of placing multiple calls to get an outcome.

In both cases, you will provide an incentive that they can offer the guest. As discussed earlier, the cost-effective approach is to remind the guest of their existing offers, or of an upcoming event or free promotion.

Steps to Implement Inactive Goals

In summary, these are the steps to implement Inactive goals:

☐ Decide what you consider to be Inactive. Instead of assigning your Player Development team, consider using other Player Club staff to call Inactive players so they can demonstrate their ability to become Hosts in the future. Or even consider outsourcing the Inactive Player program to a vendor.

☐ Decide how many Inactive players a Host can realistically get back on property in a Quarter. E.g. 20.

☐ Decide what you mean by 're-activation'

☐ Pull a list of Inactive players with previous worth and sort by decreasing Theo.

☐ Assign each Inactive player to each Host in rotation so each host gets a similar set of Inactive players with a range of previous value. If your goal is to re-activate 20 Inactive players, then give them a list of 2x20 = 40 names.

☐ Create the Pace and Classification reports to focus the Hosts on the Inactive players who have almost qualified.

☐ Ak the Database Team to load Inactive Offers to the Contact Management System. The Host can call and say, "We haven't seen you for a while and I'd hate for you to miss this offer".

Chapter 12.   RETENTION GOALS

We have discussed goals that focus on increasing trips from Active players, and goals that incent the Host to reach out and re-active Inactive players. But, how about preventing those Active players from becoming Inactive in the first place?

The objective of Retention Goals is to encourage the Player Development team to monitor their assigned Active players and ensure they do not disappear!

A typical host will have 300-400 Active players at the start of the quarter. How many players will really still be Active at the end of the quarter? I.e. how many of those Active players will make trips during the Quarter?

Your Retention goal will define a minimum percentage of these Active players that must make one, or more, trips during the quarter.

> 75% retention. You had 300 Active players at the start
> so 225 of them must make at least 1 trip this Quarter

---

*The Retention rate will not be 100%
because of uncontrollable outcomes.*

Some people will die, move away, or experience a change in their lifestyle or employment status that effects their propensity to visit the Casino.

So, we do not set the Retention rate to 100% because SMART goals are Achievable.

What we are trying to prevent is the scenario where valuable Active players stop visiting your property because they are unhappy with the gaming selection, or they feel ignored and un-appreciated by their Host, or they are attracted to the competition.

The Player Development team must be told about these missing guests so they can place a cold call and find out more details about the situation.

From a reporting perspective, we need an At-Risk section in the Classification report to tell the Hosts about Active players who have **not** played for a period of time:

Players At Risk of Becoming Inactive

Account	Name	Last Played	Phone
1234	Denise	1/14	716-5167
5678	Joshua	2/3	228-3827
7682	Robin	3/4	928-3826
9012	Phil	3/30	514-9382

What is the appropriate 'period' of time? This depends on a number of factors:

- Where does the guest live? A valuable local player should have been on property in the last 7 days whereas someone who lives 2+ hours away might only come twice a month on the weekend.

- How frequently does the guest play? If Phil usually plays 20+ times a month then he is on property every 1-2 days. The Host should be alerted to Phil after 5 days.

The phone number is on the At Risk report so the Host can quickly make a call and find out what is happening with

the guest, with an approach such as 'Hi Phil, I haven't seen you around this week, is everything okay?".

There may be a very good reason for the absence, such as illness or surgery, in which case the phone call provides the Host with an opportunity to extend good wishes and deepen the relationship with the guest.

If there is a service issue, such as the guest was offended by an employee's attitude, the Host can jump on the concern before it festers in the player's mind. And we have all encountered the player who gets very upset because they lost a large amount of money in a short period of time.

(A positive side-effect of Retention goals is that the Hosts will help you to clean out the Active coding. Without a Retention goal, the PD team does not have any reason to 'cleanse the database' by finding out which players have died, re-located, or had some other life-changing event that will prevent future play. With a Retention goal, the Hosts will provide their Manager with recommendations on who should be removed from Active coding.)

The Importance of Avoiding Churn

"Churn, baby, Churn"

If you do not measure Retention, then you are risk of enabling 'churn'. This is a term used across all industries that basically asks, "Are you busy generating new customers but losing your existing customers at the same rate?"

If a Host acquires 20 new players but allows 60 Active players to slip away because they are dissatisfied, then the Host is down by 40 valuable players.

Across industries, the churn rate is calculated as the number of customers that you lost last quarter, divided by the number of customers that you started with last quarter. For example, a small business had 300 customers at the end of Q1. In Q2, the company lost 150 customers. The churn rate = 150/300 = 50% and the company has an issue. This might not be obvious because the company is adding new customers all the time, and this hides the Churn.

What does Churn have to do with Player Development?

We often take the Active players for granted and focus on New Player and re-activating Inactive players. But the Churn Rate is a way of measuring the 'underlying story'.

If a Host starts with 400 Active players and 40 do not play at all during the quarter, then it does not help if the Host adds 10 new players and reactivates 30 players. It is a wash. But calculating the churn rate of 40/400 = 10% will highlight the rate at which players are declining in trips and trending towards Inactive.

Let's say that Beth and Phil both start with 400 Active players, and they both add 10 new guests and reactivate 50 guests.

- Beth achieves her New and Inactive goals by neglecting her Active players and only 300 of them make 1+ trips. She has lost 100. Beth's churn rate is 100/400 = 25%.

- Phil takes a more balanced approach and makes sure he regularly reaches out to Active players that have not been on property for two weeks; for Phil, 350 Active players make 1+ trips and his churn rate is lower at 50/400 = approx. 12%

Beth's churn rate is 25% and Phil's is 12%. The Hosts and Player Development Executives with the lowest churn rate are doing their best to maintain their Active players.

The key characteristic of Player Development is an optimistic, positive attitude, so instead of focusing on the negative connotation of churn, we measure the positive factor of Retention! Instead of measuring the bad news that the guests are churning, we measure the good news that the Hosts are retaining their guests.

Phil had churn of 12% which means he had a retention rate of 88%. Beth had churn of 25% so she had a retention rate of 75%.

'You must retain 78% of your Active Players:

Phil   88%   Ahead

Beth   75%   Behind

How do you decide on the correct percentage to use in your Retention goal?

You may find that someone in the organization is already creating a churn report for the General Manager; this might be an analyst in Finance, IT, or Marketing. If the churn rate for the entire property is 30% then you should expect your PD team to do better, for example 25% churn, which means 100-25 = 75% of Active players must make at least one trip.

Another approach is to use your own experience and expectations. If a Host starts the quarter with 300 Active players, then what might happen? Deceased (4), restricted (6), moved away (30), lost employment or lifestyle change (4). The total is 4+6+30+4 = 44. The expected churn is 44/300 = 15%. If 15% will fall away, then 100-15 = 85% is your Retention goal.

You also need to define what you mean by a positive outcome? The usual approach is to say the Active player must make at least one trip per quarter. This is the most straightforward for the Host to understand and manage:

> Your goal is 85% retention.
> You had 400 Active players at the start of this Quarter
> so 340 players must make 1+ trips this Quarter.

This goal is also straightforward to measure and report, including the Pace:

> Your goal is 85% retention.
> You had 400 Active players at the start of this Quarter
> so 340 players must make 1+ trips this Quarter.
>
> As of yesterday, 204 players had made 1+ trips.
> 204 is 60% of your goal.
>
> We are at 50% of the Quarter and you are Ahead.

(We see Casino's specifying one trip per quarter, but this is not frequent enough for Active players. We would recommend at least 3 trips per quarter i.e. once a month.)

You need frequent reporting to the PD team if they are going to immediately react to dissatisfied guests. You will need an At-Risk report to be updated on a daily/weekly basis that focuses the Player Development team on the highest Theo/ADT players who have not played 'recently'.

> At Risk report for: Beth
>
> You have **10** Local players who have played this Quarter but not for the last 14 days. Here is the list…
>
> You have **25** Regional players how have played this Quarter but not for the last 30 days. Here is the list...
>
> You have **100** players who have **not played** this Quarter. Here is the list sorted in decreasing value…

If that is too difficult for your reporting team then just provide a list of all Active players who have not played this Quarter, sorted by decreasing past ADT:

At Risk report for: Beth

You have **100** players who have **not played** this Quarter. Here is the list sorted in decreasing value…

Advanced Retention Goals

Over time, and if you have the reporting capabilities, you might want to have a more elaborate Retention goal that uses trips and Theo to ensure the Active players are not only playing but playing at the same pace or better.

Here are two examples.

The first definition ensures the Active players are not falling off in trips:

A host retains a player in a quarter if that player makes at least as many trips as in the previous quarter.

This second definition ensures the Active players are not falling off in trips and play:

A host retains a player in a quarter when that player makes at least as many trips as in the previous quarter, and total Theo is 50% or more of the total Theo in the previous quarter.

These goals have gone beyond measuring simple Retention to measuring whether Active players are 'declining' and the PD team is held to a higher standard.

This may be appropriate if you are in a highly competitive market, or you find yourself in competitive situation for the first time. However, this requires more sophisticated reporting from your team or your vendor.

If you add trips and Theo criteria to your Retention goals then the Classification report expands into more sections, such as in the following example:

> At Risk report for: Beth
>
> You have 10 players who have **not played** 'recently'. Here are those players….
>
> You have 25 players who have **not made enough trips** 'recently'. Here are those players…
>
> You have 14 players who have made enough trips but have not **generated enough Theo** 'recently'. Here are those players…

We strongly recommend a simple Retention goal at the start of your Host program because, if coded correctly, the Active players are key contributors to the revenue success of the Property, and you do not want them to become Inactive because of controllable factors such as customer service issues or neglect.

Steps to Implement Retention Goals

☐ Pull a list of the number of players coded to each Host.

☐ Decide what percentage of coded players should be making at least one trip per Quarter. (It <u>won't</u> be 100% due to moving home, or changes to personal finances and circumstances.) E.g. 75%

☐ Decide what you mean by 'retention'. Is it enough if the player makes just one trip?

☐ Create the Pace and Classification reports to focus the Host on which Active players have not been contacted and have not played.

Chapter 13. CONTACT GOALS

Contact goals measure the number of interactions that the Hosts are having with their coded and un-coded players.

As a manager, you set these Contact goals to ensure that your Hosts are reaching a wide number of guests on a regular basis. Of course, you must first provide your Hosts with a way to easily and quickly track their activities in a Contact Management System.

Here is a simple goal:

Each quarter, contact 300 Active players coded to you.

Why 300? This number should be a very high percentage of the total number of players coded to the Host. If they have 400 players coded to them, then 300 is 75%.

You might be thinking that the Host should contact 100% of their coded player each quarter?

Each quarter, contact 100% of players coded to you.

But you need to double-check this goal to see if it is Achievable under the SMART definition.

Let's say I have 400 players coded to me, so 100% is 400. To contact 400 players in 12 weeks, I would have to average 33 unique guests per week, or 7 per day (assuming a five-day week), which is 1 per hour. This seems aggressive when you look it from my perspective, so let's try 250.

250 per quarter / 12 weeks = 20 per week

20 per week / 5 days = 4 unique guests per day

If the Host set aside an hour a day to make phone calls to untouched guests, then they could meet this goal for the quarter.

Each quarter, contact 250 unique players coded to you.

There is no right answer of course and it all depends on your expectations. The appropriate number is somewhere between 250 and 400!

Each quarter, contact 300 coded players.

During their shift, the Hosts will inevitably take calls from and interact with un-coded players and players coded to other Hosts. You should give credit for this activity as well because you don't want the Host to dis-regard these customers!

Each quarter, contact 200 **other** players

Contact with different Classifications

Back in Chapter 2, The Strategic Approach, we talked about different Classifications (or lifecycle) and expecting the Hosts to work hard at reaching those guests who have started to fade away. Don't forget to take this into consideration as well.

Host will contact all Active-Due Back and Active-Fading every month.

Host will contact all Pending and Pending Inactive every quarter.

Team Contact Goals

It is important to create Contact goals for the entire Team in addition to individual Host goals.

Team goals have two positive effects:

1. The Hosts are given credit when they help guests who are coded to another Host, and that Host is unavailable. This improves overall guest satisfaction.

2. The Hosts will put subtle pressure on each other to 'meet your goals' and help the team. (This assumes that you let the Hosts know where each other stand against some, or all, of the Goals. We recommend that the Hosts have visibility to each other's Contact Goals, but not other goals.)

To create the team goal for coded contacts, you simply multiply your Achievable number per host by the number of Hosts. 6x200=1200.

Each quarter, the team contacts 1**200 coded** players

We strongly recommend that you pick a number and not a percentage. The number of coded players coded to each Host tends to vary during the quarter because people come and go, and because you move coded players between Hosts for various reasons. This re-coding makes it challenge for the reporting team do the analysis on whether the Host really did contact 100%.

To calculate the team goal for 'other' we start with 6 x 300 = 1800. But there will be overlap in the people that are being contacted by different Hosts. So, you might drop it down to 1500.

Each quarter, the team contacts **1500 other** players

If you already have a contact management system in place then you can run reports to find the rate of contact that the Hosts are already achieving, and perhaps bump it up by 10%.

If you are only just implementing a contact management system, we recommend that you let the Hosts use that system for a few months, so you can monitor their behavior, and then introduce Contact Goals at the start of the following Quarter.

Intermediate Monthly Goals

In our experience, there is always that one team member who leaves everything to the last minute and tries to contact 100 people in the last week of the Quarter. We strongly recommend that you set Monthly goals in addition to Quarterly goals. If you are measuring your Hosts each month then tardy team members will have three opportunities to keep up the pace.

You simply divide your Quarterly goals by three, and write your monthly goals:

Each **month**, contact **100 coded** players.

Each **month**, contact **70 other** players

Classification Reports and Pace for Contact Goals

Each day, the Host should see where they stand against their contact goals. Each day, the reporting system/team will add up all the contacts and calculate the current percentage. The summary of the pace of the goal will be as simple as something like this:

Each month, you must contact **70** coded players. You have contacted **35** which is **50%.** We are at **75%** of the month, and so you are **Behind**.

Note how we always show the current result (35 of 70 = 50%) and compare it to how much of the period has already gone by. On the 23rd of September, we are already at 100*23/30 = 75% of the month. It is this pace that is important to put in front of the Host every day, so they are given a daily reminder of how much work is ahead of them. The current result (35 contacts) is not helpful without the context of the passage of time.

To meet these goals, and we always want the Hosts to meet or exceed their goals, we must provide a daily indication of the coded players that have not yet been contacted. You might provide a daily list via email, or you might classify these uncontacted coded players in your contact management system, so the Host can easily find them.

A disciplined Host will set aside a small amount of time each day and place calls to these players or will take advantage of the time that it takes them to walk between the office and the casino floor.

Here is an example of a daily report re: coded players. We include the phone number, so the Host can quickly place a call, and we provide the Last Trip and Last Touch, so the Host has some context for the call.

Daily List of Coded Players without Contact

Account	Name	Last Trip	Last Touch	Phone
12421	RALPH	9/14	8/7	534-5127
12627	MANUEL	3/10	3/10	534-8398

Ralph has played recently but has not been contacted for a while, so the call will be along the lines of "Sorry that I missed you last week". Whereas Manuel hasn't played for a

93

while and the call will be positioned as "Hi Manuel! We haven't seen you for a while, is everything ok?"

If your contact management system can make Recommendations then it is really helpful to the Hosts if you recommend, each day, a list of 10 coded players who have not yet been contacted this quarter. Worse case, send them a weekly report of 'Not Touched'.

Weekly Goals – A Detailed Approach

If you prefer to manage your host team at a more detailed level, then you will set Weekly goals instead of Quarterly goals. At this level of detail, you can direct the type of behavior that you are expecting from the team.

Here are some examples of weekly goals:

> Meet 40 guests on the casino floor per week.
>
> Call 50 guests per week.
>
> Write 30 letters per week.
>
> Book 12 room nights per week.

As you can see from these examples, this approach enables you to be very clear about how the Hosts should spend their time each day.

The question is, how do you measure success? Especially if you have bonuses tied to achieving these goals. Depending on how you are setting your bonus periods, you can add a Quarterly or Annual goal on top of these weekly goals. For example:

> Meet your Contact Goals for **8 out of 12 weeks** in each Quarter.

Why not set the goal at 100%? Because the Hosts are

going to be out on vacation or sick leave, and because supporting events and initiatives at your Property will not leave them with enough time to achieve this result every week.

And if you set the bar too high then early in the Quarter they might realize that they are not going to meet the goal, and then they have no incentive to continue to try.

We admire the way that these weekly goals are crystal clear about the expected results, but a considerable downside is the Hosts could be constantly interacting with a small subset of their players. We advocate for monthly goals and, if you need those Hotel rooms to be booked, then include a monthly goal for hotel reservations.

What is a 'contact'?

Your Contact Management system should have the ability for the Host to indicate what kind of contact was made.

There are 'out-going' contacts initiated by the Host:

> Met Guest
> Called Guest
> Emailed Guest
> Texted Guest
> Sent Letter
> Sent Birthday Card
> Booked Hotel
> Delivered Comp to Guest
> Invited to Event
> Confirmed Event

There are failed attempts to speak to the guest:

Left Voicemail

Call Attempt (No answer, no voicemail)

There are 'in-coming' contacts initiated by the Guest:

Guest Called

Guest Emailed

Guest Texted

And there are 'facts' that the Host captures:

No Phone or Email on File

Bad Phone Number when dialed

Does not speak English

Do not call

You will decide which of these outcomes count towards your Contact goals. In the following example, the Manager has received a weekly report from the Contact Management system that shows how each Host has spent their time.
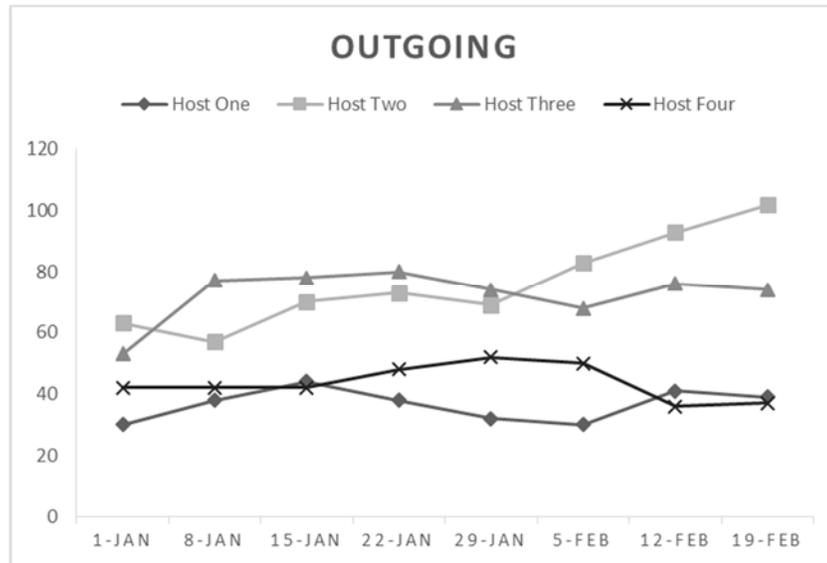
		Host One	Host Two	Host Three	Host Four	
Incoming						
	Guest Called	21	7	11	21	60
	Guest Emailed	10	16	15	20	61
	Guest Texted	32	14	9	23	78
		63	37	35	64	**199**
Outgoing						
	Met Guest	12	31	32	24	99
	Called Guest	6	28	23	2	59
	Emailed Guest	25	8	21	4	58
	Texted Guest	45	11	3	1	60
	Sent Letter	18	23	15	5	61
	Sent Birthday Card	1	8	23	3	35
	Booked Hotel	8	7	12	3	30
	Delivered Comp	11	7	15	2	35
	Invited to Event	15	16	17	6	54
	Confirmed Event	10	12	8	6	36
		151	151	169	56	**527**

The manager can see a difference in behavior in Host One and Host Four.

- Host One is more likely to send an Email (25 times) or a Text (45 times) than to place a phone call (6 times). This lack of phone calls may be entirely appropriate for the demographic of your guests, or it might indicate a fear of placing 'cold calls' to guests.

- Host Four is not proactively reaching out to the guests and has placed few calls (2) and sent few emails (4) and texts (1). The manager needs to talk to Host Four and discuss why they are not keeping up with the productivity of the other Hosts.

A weekly trend line will help the manager to clearly see the different patterns in behavior for each host.

In the following chart, the outgoing activity is shown for each Host over the last 8 weeks. The manager can clearly see

that Host Two and Host Three (the two top lines) are regularly reaching out to more guests that Host One and Host Four. This raises questions about why the other Hosts cannot improve their performance.

Using this type of information, the Manager can proactively reach out to the individual Hosts and provide timely feedback on expectations, plus coach them through their concerns about making unsolicited phone calls.

Chapter 14.   NEW PLAYER GOALS

New Player goals are designed to encourage the Host to reach out to people who enroll and have a high Theo on their first day, or in their first few days. The Host needs to vet the player via direct contact and encourage them to return if they have high potential.

In this definition, we are not addressing whether the Host brought the player to the Property or identified the player on the casino floor and signed them up. We discuss these scenarios towards the end of this Chapter.

With New Player goals, we are methodically checking the enrollments and assigning a Host to build a relationship and find out if the Casino should invest in keeping them coming back to the Property. You particularly want to 'catch' a valuable player who has made a trip to your Property to check it out for the first time.

Just about every Casino has a New Mailer program where the Direct Mail team sends a physical mail piece to newly enrolled guests. However, this program probably executes every 30 days, so the new player will wait for several weeks to be acknowledged and most high-value players like to be appreciated on a timely basis with a personal touch.

Some Casinos have a Player Development initiative where every week, the PD Manager pulls a list of new enrollments, sorts them by Theo, and assigns a Host to send a 'Welcome' letter to the most valuable new players. This approach is timely,   and   the   valuable   guest   receives   written

acknowledgement from a Host, but the Host needs to follow up with a call, text, or email to continue the dialogue and find out the true value of the player. A form letter does not go far enough because only a real live person can ask open questions.

By comparison, New Player goals are written so the Host must contact the guest and bring them back on property for a minimum number of trips at a minimum average worth.

New Player goals incent the Host to build a personal relationship with the guest and determine, via conversation, whether they have the potential to be an on-going valuable player, or whether they are a 'fly-by'.

(What is a fly-by? Someone from out of town who enrolls, and plays high for a day or two, but does not return. They might have been traveling through on pleasure or business or visiting family.)

Again, a piece from the Direct Mail program, or a letter from a Host, cannot elicit significant information about whether the guest can, and will, evolve from a high Theo new enrollment, to a valuable player. You must provide the Player Development team with goals that encourage them to reach out and place phone calls with this new guest, to determine their true potential and cultivate a relationship.

Here is an example of a goal for New Players:

Qualify 10 New Players. Player qualifies after 2 consecutive trips. 500+ ADT.

Each day, we check the enrollments and identify valuable players. These players are assigned to each Host in turn; and the Host has to reach out to the player and get them back on property for 2+ trips, with an ADT of 500+.

A variation on this approach is to qualify the player with one trip with a significantly large Theo, because this demonstrates they have the potential to play high. For example:

Qualify 10 New Players. Player qualifies after 2 consecutive trips with 500+ ADT, or 1 trip with 1000+ Theo.

And now we have a clear New Player goal that focuses the Hosts on contacting valuable new players, assessing their potential, and getting them back on property if they are high value.

Leveraging Your Contact Management System

There is a possibility that the new player will return even if the Host does not make contact.

If you want to demonstrate that the Hosts are causing the trips, and if you have a Host Contact Management System, then add a requirement that the Host did make contact before the trip.

With the following goal, the Host only gets credit if they contacted the player prior to the qualifying trip.

Qualify 10 New Players. Player qualifies after 2 consecutive trips with 500+ ADT, or 1 trip with 1000+ Theo. Trips only qualify if they are made on the day, or after, Host first contacted the Player.

This New Player goal may seem familiar to you because it is very similar to the Inactive goal, defined earlier in this book, to incent the Host to reactivate players who have not played for some time. For example:

Reactivate 20 Inactive Players.
Player qualifies after 2 consecutive trips
with 500+ ADT, or 1 trip with 1000+ Theo.
1st trip made within 14 days of Host contact.

You want to have consistency between your goals to keep them straightforward for the Hosts. It also helps your IT department or vendor to implement reporting for you.

Days or Trips

Many player tracking systems can differentiate between days-played and trips.

If Jose plays on Friday, Saturday, and Sunday then does your system count that as three separate ratings for three different days? Or can your system combine those three days into one trip, with one trip rating?

We raise this point because you should change your goals to reflect the capabilities of your player tracking system.

Let's think through a scenario where a new player, Jose, enrolls in the Club early on Friday, plays through the evening, and has a 500+ Theo.

On Saturday morning, we code Jose to a Host as a New Player. The Host has an incentive to reach out to Jose that same day, Saturday, and log a touchpoint in the Contact Management System.

If Jose then plays 500+ on Saturday and Sunday, the Host has qualified the new player! We have achieved our business objective of ensuring a new player receives immediate attention, but the Host has not 'driven a return trip' so this really should not count towards the goal.

If you can measure trips, then re-write the goal as follows:

Qualify 10 New Players. Player qualifies after 2 consecutive trips with 500+ ADT, or 1 trip with 1000+ Theo. **The enrollment trip does not count.** Trips only qualify if they are made after the Host first contacted the Player.

If can only measure days, then the entire goal needs to be rewritten to be based on days. For example:

Qualify 10 New Players. Player qualifies after 2+ days played with 500+ ADT, or 1 day with 1000+ Theo. **The enrollment day and the subsequent 6 days do not count. Days only qualify if they are made after the Host first contacted the Player.**

In this goal, we say that the enrollment day and the subsequent six days do not count because we are allowing for the possibility of a new player being in town for the week and making a 7-day trip to the Property. None of their play will count from that week but the Host has a definite incentive to reach out to the New Player and make personal contact during the extended visit. When the Player returns, their days of play will be after the first date of contact and the Host has a chance to qualify the player.

Selecting New Players

We have discussed selecting valuable new players based on their Theo for the day of enrollment. But there are some additional considerations beyond just the value of the play.

Market? Does it make sense to assign a new player to a Host if that person clearly does not live locally and is probably just traveling through? The answer to this question is entirely dependent on your geographical location and the nature of your Property.

Contactable? A Host will become extremely frustrated if they are assigned New Players that they cannot reach because the Player Club did not collect personal details, or the player refused contact. When you pull the list of enrollments, you should remove anyone that does not have a phone number, email address, or physical address. And don't forget to remove people flagged as no-contact!

Language? Language can be another issue; the Hosts will be embarrassed if they try to reach out to New Players who do not speak a common language as the Host. If there are language flags in your Player Tracking System, then take advantage of these indicators.

Enrollment day or beyond? We just discussed a new player, Jose, who enrolled on Friday night and played high. Let's think about a different scenario where Jose enrolls very late on Friday night, drops $100 in a slot machine, and goes to bed. When we look at Friday's enrollments, Jose will not make the list and won't be assigned to a Host. But Jose might then play at 500+ for Saturday and Sunday!

If your IT team or vendor can cope with it, you should look at the play for the enrollment day and the subsequent 3-5 days to identify valuable new players. A new player is coded if they average 500+ ADT over those days, or if they have one day at 1000+

How Long Do They Have?

The last question is, how long does the Host have to qualify the New Player? How many days before that relationship expires and the Host has lost the opportunity to qualify the New Player?

30 days? 60 days? 90 days?

This is another question that depends on your Property and location. But let's assume you choose 90 days and you amend your New Player goal as follows:

Qualify 10 New Players. Player qualifies after 2+ days played with 500+ ADT, or 1 day with 1000+ Theo. **Host has 90 days from the date of enrollment.**

Can you see what is going to happen?

In most cases, that 90-day period is going to end in the next Quarter. If, for example, Jose enrolls on January 10th in Q1 and the Host has 90 days to qualify Jose then that relationship will extend to April 10th in Q2.

Some casinos solve this problem by saying the Host must qualify the New Player in the current Quarter, and they write their New Player goal like this:

Qualify 10 New Players. Player qualifies after 2+ days played with 500+ ADT, or 1 day with 1000+ Theo. **Player must qualify in the same Quarter.**

This approach is easier for IT or your vendor to report but it does not incent the Host to develop **all** New Players.

Why?

There are only twelve weeks in a Quarter and a Host needs a week, or two, to get the New Player back in frequently enough to qualify. Once the clock ticks past the 9th week, the Hosts are not going to try to qualify their New Players. They will instead focus on their other goals to increase Theo from Active players, meet their Retention goal, and perhaps qualify some Inactive players. There is a track history with these other players whereas the New Players are, forgive the pun, the 'wild cards'. You, and your General Manager, want the Hosts to develop all valuable New Players and not be selective.

Our recommendation is to implement a rolling 90-day program that was invented by one of our more creative customers (who gave us permission to share!).

Rolling Goals

With a rolling goal, the Host has 90 days to qualify the New Player even if this time period crosses into a new Quarter.

When the Host qualifies the New Player, this counts towards the New Player goal for the quarter in which the qualification occurs and not the quarter in which the player enrolled.

So, going back to Jose, if he enrolls in Q1 and the Host qualifies him in Q2 then that qualification counts towards the New Player goal for Q2. This approach gives the Host an incentive to develop every New Player of value, because their efforts will not be lost as the Quarter rolls over. In fact, the Host can work hard at getting ahead for the next Quarter by developing relationships with New Players that will qualify in the next Quarter.

Qualify 10 New Players. Player qualifies after 2+ days played with 500+ ADT, or 1 day with 1000+ Theo. **Host has 90 days from date of enrollment.**

In addition, with this rolling 90-day program, the Host can double-count the New Player once they qualify them.

If the Host qualifies our new valuable player, Jose, on April 6th then Jose counts towards the "Increase Theo from Active players" goal for Q2 as well! The objective here is to really incent the Hosts to vet the new players and then work hard to build a relationship if that new players has high potential.

We have since seen a variation on this approach where instead of counting towards "Increase Theo from Active players", Jose will count towards the goal "Reactive 10 Inactive players".

Which approach should you take? You should let the new players count towards which ever goal is hardest to achieve so that the Host is happy to get the boost. If it is harder to reactivate Inactives, than to grow Theo from Actives, then qualifying new players should count towards that goal, and vice versa.

Fixed Number or Percentage?

You can write the New Player goal to qualify a fixed number (e.g. 10 total) or to qualify a percentage of the New Players assigned to them (e.g. 20%).

If you go with a percentage then your goal changes to something like this:

Qualify 20% of assigned New Players. Player qualifies after 2+ days played with 500+ ADT, or 1 day with 1000+ Theo. Host has 90 days from date of enrollment.

We recommend that you use a percentage because you do not want to put any kind of limit on how hard a Host should work to develop the business. Once they achieve that goal of developing 10 new players then they will switch their focus to other goals, and the casino may miss out on securing new business. But setting the goal as a percentage will keep them continuously working on developing the new players that you identify as having potential.

Classification Reports and Pace for New Players

Each day, the Host needs to be made aware of the New Players that have been assigned to them, their Pace, and the status of the players in their 'pool' of New Players.

This is a straightforward Classification report to provide each day. It has three sections; alerting the Host to New

Players, providing the overall Pace to goal, and listing players who have not yet qualified.

Alert

Today, you have been assigned 1 New Player.
12345   DENISE SMITH   LOCAL-MARKET   827-2928

Pace to Goal

Your goal is to qualify 25% of New Players. You have been assigned 40 in the last 90 days. You have qualified 20 of them which is 50%. You are Ahead.

Players that have Not Qualified

Here is a list of your New Players that have NOT qualified.

JONES	10 DAYS LEFT	2 TRIP(S)	ADT 290.
WANG	8 DAYS LEFT	1 TRIP(S)	ADT 450.
SMITH	1 DAY LEFT	2 TRIP(S)	ADT 180

The Host can immediately see that they have a new player contact: Denise Smith and place a phone call. If you have a flexible Contact Management System, then you can automatically generate a Task for the Host to contact Denise within 2 days. And you can provide a report for the Manager that lets them know whether the Hosts are actually completing these tasks and reaching out to the New Players.

Management Reporting

Each week, send the manager a list of New Players who have been coded for seven days and have not yet been contacted. As soon as the Manager uses this No Contact report to raise the issue with a Host, the entire team will become aware that they are being monitored, and they will do a better job of reaching out to new players.

Provide the manager with the list of New Players who will soon 'expire'. If, for example, you have given each Host 90

days to qualify the New Player, then the Account Numbers should go on the Expire List at 60 days. The Manager can initiate a conversation with the Host regarding their strategy for these players.

Immediate Sign-Up

Have you implemented the ability for a Host to issue a loyalty card from the Casino floor?

In many cases, the Hosts are equipped with technology that will alert them to a high-volume guest playing without a card. The Host is expected to immediately approach the guest, talk to them about the loyalty program, and sign them up for a card.

If so, we still recommend that you check daily for valuable New Players that enrolled yesterday, or in the last few days, that meet your criteria for high potential.

You can check to see if the new player is already coded, or credited, to the Host that signed them up and you can expect that same Host to build the relationship and get the new player back on property to qualify for the goal.

This gives the Hosts an even greater incentive to identify and sign-up valuable players on the Casino floor, because this gives them a way to populate their assigned pool of New Players with a larger number of higher value players, and thus increase their chances of exceeding their goal.

Finally, this approach also covers the scenario where the Player Development Executive brings new guests to the Property and wants the credit for their play. These valuable players are included in the New Player goal and are measured consistently with other new players.

Steps to Implement New Player Goals

In summary, these are the steps to implement New Player goals:

☐ Each day, the system/reports should check the new enrollments with the highest potential.

☐ Monitor new enrollments for 5 to 7 days. Select them as soon as they have one day at a high Theo, or if they have a high ADT across the days.

☐ Assign a Host in round-robin order.

☐ Automatically create a Task in the Contact Management System if you can.

☐ Provide the Hosts with a rolling 90 days to qualify these guests.

☐ Use your contact management system, to track whether the Hosts are proactively contacting these new players.

☐ Create Pace and Classification Reports to focus the Host on which New Players have not yet been contacted.

☐ 'Double-down' on the Goals. When the Host qualifies a new player, it also counts towards either their Inactive or Active goal.

Chapter 15. GROWTH GOALS

"Tomorrow belongs to the people who prepare for it today."
- Malcolm X

If you have an Growth program then you focus on players who are not newly enrolled, and not coded to a Host, but are playing often enough, and with enough Theo, to be coded to a Host in the future.

These players are 'incliners' who have changed behavior and started to play more frequently and/or with greater value. Why? Perhaps they have had a lifestyle change that increases their entertainment budget, moved closer to your property, or decided to visit you and not your competition. You will only find out via a personal conversation between the player and a Host.

Growth goals are used to incent the Host to reach out to these players and try to develop them.

The positive outcome for your Property is that these players receive attention and are encouraged to continue to visit and play. The Direct Mail program should have caught their increased value and sent higher offers; and some personal attention from a Host can give them a taste of the experience of being a top player at your property. In some casinos, the opportunity to be assigned to a Host is considered one of the major perks of the top tier of the Loyalty Club.

Criteria for Growth

At the start of the Quarter, you run an analysis that finds all un-coded players who meet certain criteria. You assign these to the Hosts in round-robin fashion, just as we assigned the Inactive players. Sort the list by decreasing previous worth. Then go down the list and add each Host in rotating order. So, if you have Dee, Romero and Yan in your host team, you give the first Growth to Dee, the second Growth to Romero, and the third Growth to Yan. Each host gets a similar set of Growth players with a range of previous value.

So, what is the criteria? You have decisions to make about the required ADT and about the time periods that you want to compare. We have consistently used 500+ ADT in the examples in this book, so we will look for players who had an ADT lower than 500 in the first period and 500+ in the second period.

What are the time periods? We usually see casinos comparing the last two quarters. If we are setting goals for Q3, starting on July 1st, then we compare the play in Q1 (Jan-Mar) with the play in Q2 (Apr-Jun).

This is an example of a definition that you would give to your IT team or vendor, to identify the Growth players for Q3:

An Growth player for Q3 is someone with an ADT < 500 in Q1 and 500+ in Q2.

During the last month of the Quarter, you can ask for a list of players who meet these criteria but are also not coded to a Host and can be contacted via email or phone. Ask to see their number of trips and total Theo in each quarter.

Look at the list and decide if you need to refine the criteria to 'weed out' some of the low frequency visitors. Depending on your Property, you may have a lot of people who only made 1 or 2 trips high value trips. If they only played a couple of times in an entire Quarter, then they are not going to grow into meeting your definition of Active.

For example, you may refine the criteria to 3+ trips to eliminate people who play less often than monthly:

An Growth player for Q3 had 3+ trips and ADT < 500 in Q1 and 3+ trips and 500+ in Q2.

How Many Growth Players?

You have to decide how many Growth players a Host can pay attention to and grow during a Quarter.

We did a similar exercise in an earlier chapter about Inactive goals. To remind you, we assumed that a Host could probably persuade one or more Inactive player a week to come back on property for the first ten weeks of a Quarter, so we chose the number '20'.

With Growth players, we can assign a lot more because the Host has less work to do. These players played more in Q2 than Q1, so we assume they will play in Q3. The Host is not persuading the player to return, they are monitoring their Classification report to ensure these Growth players don't 'fall off' and they are implementing techniques to increase trips and play from these motivated guests. For example, you might assign 50 to 60 Growth players to each Host.

Now that we have defined how to identify the Growth players, we can focus on setting the goal.

Writing Growth Goals

The business objective is for the Hosts to proactively reach out to Growth players, discover their life-story, and determine if the Host can increase trips and play from these guests. How will you measure the result?

You are going to compare the trips and Theo in the new Quarter with the previous Quarter and see if the intervention of a Host has increased the play.

Back in the chapter on Active goals, we explained our preference for focusing on trips and not Theo because it is easier for the Host to manage and because, if you are keeping your Active coding clean, then Active players are already playing high and the focus should be on trips to ensure they stay frequent and don't disappear into Past Due.

In the case of Growth Goals, it makes more sense to focus on increasing Theo because our business objective is to try to continue to lift the ADT of players that have demonstrated their financial ability and willingness to 'play up'.

That said, you can write an Growth Goal to focus on either Theo or trips:

Increase Total **Theo** from Growth Players by **10**%
over the last Quarter.

Why increase total Theo by 10%? Our criteria identified people who are newly playing at 500+ ADT. If we can get them to 550+ then is that enough growth for the Property?

As we discussed before, it is hard for the Host to determine strategies around which Growth players to focus on based on increasing Theo. If you have picked the right people with your Growth criteria, then the Hosts should be able to grow the business by increasing trips. For example,

here is a Growth goal focused on trips:

Increase Total **Trips** from Growth Players by **25**% over last Quarter.

Why increase Total Trips by 25%? Let's try this percentage with three different guests and see if it makes sense:

- ✓ Denise made 1 trip per week, which was12 trips per quarter. Adding 3 trips would be 25% growth.

- ✓ Yan made 2 trips per month, which was 8 trips per quarter. Adding 2 more trips would be 25% growth.

- ✓ And Jose made 1 trip per month, which was 3 trips in the last Quarter. Adding 1 trip would be 33% growth and exceeds the goal.

So, 25% seems to be achievable and remember that our goals must be SMART[5].

Classification Reports and Pace for Growth

Each day, the Host needs to be made aware of their Pace, and the status of their Growth Players.

Here is a daily Pace for the goal to increase Theo:

Grow Total **Theo** from your Growth Players by 10%.
Total Theo was 107,444 in Q2 so you need 112,816.
You have 25,474 which is 22.6% of what you need.
We are at 20.0% of the Quarter and you are Ahead.

And here is a daily Pace for the goal to increase Trips:

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[5] SMART – Specific, Measurable, Achievable, Responsible, and Time-bound.

Grow Total **Trips** from your Growth Players by 25%. Total trips were 2,148 in Q2 so you need 2,686. You have 607 which is 22.6% of what you need. We are at 20.0% of the Quarter and you are Ahead.

In addition to the Pace, you need to provide a daily report that classifies the Growth Players, so the Host can focus on the guests who are not inclining and need some attention:

The most important classification is Growth Players that have not yet played in this quarter. You sort them by their previous Theo in declining order, so the Hosts focus on the most valuable players first. At the start of the quarter, this list will be all the Growth Players and should shrink as the weeks pass by.

Here is a list of your Growth Players that have NOT yet played with their previous Theo and Trips:

Last	Prev ADT(Trips)	Last Trip	Phone
JONES	530 (4)	2/13	372-3927
WANG	610 (3)	3/14	382-3029

If you are measuring an increase in Theo, which you probably will, then the second classification is Growth Players that have increased in ADT during the current quarter compared to the last quarter. These people are moving in the right direction so if the Host makes personal contact then that is probably a good return on the Host's time:

In summary, you implement Growth goals to focus on players who are playing often enough, and with enough Theo, to be coded to a Host in the future.

This is usually the last goal that a casino adds to the raft of Host Goals because it is of the least priority. By definition, these people are inclining in their play and growing your business so are they really a priority for your PD team?

If you are in a highly competitive market, then there is a

risk of losing these players and you should probably groom them. If you not in a competitive market, then you can probably afford to add this goal last of all.

Besides, it is always good to have a few goals 'in your back pocket' that you can add in coming quarters as the Host team figures out how to meet and beat their existing goals. So, keep the Growth Goal to add later.

Steps to Implement Growth Goals

In summary, these are the steps to implement Growth goals:

☐ Pull a list of un-coded players who meet your criteria for "might be coded in the future". Make sure that everyone on the list has either a phone number of an email address, and they are flagged as 'ok to contact' by a Host.

☐ Go through the list and refine your criteria if it is a long list. E.g. you might decide that the player had to have 3+ trips in Q2.

☐ Decide how many Growth players a Host can pay attention to and grow during a Quarter. E.g. 50.

☐ Assign each Growth player to each Host in rotation so each host gets a similar set of Growth players.

☐ Create the Pace and Classification reports to focus the Hosts on the Growth players that have not played, or not played enough.

Chapter 16.   INVESTMENT GOALS

Investment Goals measure the success of the Hosts in driving trips and Theo without over-investing in the guests.

There is a trend towards only issuing comps from a Comp Balance that the system tracks and the guest earns from their play. However, many properties are still issuing manual comps and even 'discretionary comps' or 'free comps' which means a Host has deliberately issued a comp that is beyond what the guest 'is qualified for'.

(The Host will often issue a free comp when the guest has been highly irritated by a service issue, or the fact that the guest made a trip to redeem a promotional item that had run out by the time the guest arrived.)

Skip this Chapter if your Property does not enable the Hosts to make any kind of investment with comps, gifts, or other freebies.

Here is an example of an investment goal:

Host will control expenses to be no greater than 10% of Theo.

What do we mean by expenses? We have seen two approaches. The first approach is to only measure comps, regardless of whether the Host gave the comp, or someone else on the team issued the comp. The second approach is to include all expenses from the Direct Marketing program.

Approach 1. Measure Only Comps

Here is an example of a goal that only measures the expense of comps:

Host will control **total comps** to be no greater than 10% of Theo.

Why 10%? Well that is the result of a discussion with the VP Marketing and/or with the Finance team to ensure everyone is on the same page about how much money your Property wants to invest in comps for the guests.

So, assuming that the Host team has control over some aspect of Comps, then the first approach is to call this out in an investment goal.

Because any member of the Host team can issue a comp to a guest, then it makes sense to also give an investment goal to the overall team. This gives each Host an incentive to double-check before they issue a comp to a guest that is coded to another Host. (We all know about players who shop around the Host team to try to get as much as they can.).

Team will control total comps to be no greater than 10% of Theo.

Approach 2. Measure All Expenses

A second approach is to hold the Hosts accountable for being aware of the total investment in the player.

In this model, the expenses will include literally everything that can be measured: Points, Comps, Offers, Bonus Credits, Free play, Promotional Items, Tickets etc.

This may seem strange at first. Why measure the Host when they cannot control the way in which the Direct Marketing team issues offers to the coded players?

The answer is that if the Host is aware of all this expenditure then they can use the Comps to adjust accordingly:

- If Jose is using all his offers then the Host should not also give large discretionary comps, or Host gifts and VIP party invitations, because then the investment in that one player is too high.

- If, by comparison, Denise is not using all her offers, then the Host has some more room to maneuver when dealing with an unhappy Denise or when trying to tempt her back onto property with a complimentary hotel room or a gift from the Host.

If you are measuring all expenses, then the percentage of Theo will be higher, perhaps in the mid-twenties. Again, this will be determined via a conversation with the VP Marketing:

Host will control **all expenses** to be no greater than **23**% of Theo.

Team will control all expenses to be no greater than 23% of Theo.

As of writing this book, many casinos cannot accurately track the expense of coupons redeemed for F&B (food and beverage) and Hotel. If this is the case, then you just reduce your percentage by a couple of points. So, if your goal is 23% of Theo but you cannot measure POS (point of sale) then you might take your goal down to 21% because of the missing expense information.

Comp Rules and Exceptions

Most Casinos, and Gaming Authorities, have rules in place about the criteria that must be met to issue a larger comp, and most require tracking and reporting of 'comp exceptions' i.e. breaking those rules.

The primary objective is to control costs by preventing the Host from over-investing in any player and identify guests who are 'shopping around' for Comps. There is also the need to identify collusion or an inappropriate personal relationship, between a Host and a guest.

Here are three examples:

Report any player with $300+ comp(s) on one gaming day.

Report any player with 6+ comps within 30 days.

Host must not issue comp > than 10% of 30-day ADT.

Our recommendation is that you decide which rules must be reported on, for Compliance, and which rules could be replaced with investment goals that achieve the same end in a more efficient manner.

Let's consider two common situations where a Host is using Comps to influence guest behavior:

First, the Host is called by the Club Manager to deal with a very unhappy Active player who is threatening to take their table winnings across the street to a competitor. The culture on the casino floor is such that the Hosts are regularly called upon to deal with service issues, and the Host calls their Manager to get permission for a Comp Exception which is a given.

Second, the Host is dealing with a really valuable Inactive player who became dissatisfied and stopped coming, but decided to come back and try us again, and the Host wants to exercise some discretion and comp that guest? Again, the Host is going to find their manager and ask for a Comp Exception, which just slows down customer service and wastes the manager's time.

Perhaps we can save time and improve service if we empower the Hosts to make these kinds of decisions but with goals in place to control their overall expenditure?

For example, we create this goal:

Total reinvestment in Active Players
must not exceed 10% of total Theo.

With this goal, we put an overall limit of 10% on the investment in Active players but we empower the Hosts to selectively invest more in some of the Active players. The Host is going to have to dial back on all Active players, to over-comp the challenging guests.

You might say "Yes, but we still have to justify any comp that is over $300." That's fine. These rules can be measured along with the Goals.

Different Investment Rates

We have talked a lot about the need for a Host to have a 'hook' or 'incentive' that they can use to encourage a player back on property. We also recommended that you re-use your Offers, so the Host can call and say "Hi, I would hate you to miss out on this great free play offer and hotel room. Can I book you in for next weekend?"

But you are inevitably going to end up using comps, or special gifts from the Host, or any number of different types of VIP parties and events.

We recommend that you keep it simple to start with but, over time, you might set different investment rates for the different types of goals.

For example, we might set the investment rate a little

higher for Inactive players because return trips will bring additional revenue to the Property and help the bottom line.

Reinvestment in Inactive Players must not exceed 15% of Theo.

Or we might increase the investment in New Players to help sweeten the pot and secure their business.

We just take the existing goals that we wrote earlier for the different types of players, and we just add a sentence about expenses, as follow:

Qualify 10 New Players. Player qualifies after 2+ days played with 500+ ADT, or 1 day with 1000+ Theo. Host has 90 days from the date of enrollment. **Comps must be 15% of less of Theo**.

Classification Reports and Pace for Reinvestment

Each day, the Host should see where they stand against their goal for investment. Each day, the reporting system/team will add up all the expenses, and all the Theo, and calculate the current percentage. The summary of the goal will be as simple as something like this:

Host will control all expenses to be no greater than 23% of Theo.
**For this quarter, expenses have been 20% of Theo
and Host is Ahead.**

Yes, you can send out daily spreadsheets with long lists of expenses and reinvestment percentage by player; but if you have a host contact management system then it is a much better approach to include the current reinvestment percentage in the player profile inside that system. The Host can quickly see the percentage when they look that player up:

If you are going to send out lists, then be sure to start with the list of players who are way over the investment goal. This alerts the Hosts to the players who are taking full advantage of every opportunity for comps, gifts, offers and promotions.

Steps to Implement Investment Goals

In summary, these are the steps to implement Investment goals:

☐ Decide whether to measure comps or all expenses.

☐ If you want to measure the Hosts on overall investment, can you provide the Hosts with daily information about that total expense?

☐ Set the percentage based on input from VP Marketing and/or Finance.

☐ Create team goals as well as individual goals because a player can 'work the team' to get comps.

☐ If you have a contact management system, put the reinvestment percentage onto the player profile each day.

☐ Create Pace and Classification reports with a focus on which players have a high level of investment.

☐ Take a close look at the culture on your casino floor; can the Host make informed decisions based on available data? Is there an expectation that Hosts will always issue a comp for a Service Recovery? How many Comp Exceptions are being requested and is this an effective use of management time?

The investment goals are probably the easiest goals to design, to communicate to the Hosts, and to provide daily reporting. And it should be very easy to decide on the appropriate percentage because it will already be built into the budget. Just ask the VP Marketing.

Chapter 17.   MISCELLANEOUS GOALS

So far, we have described generic goals that could apply to any Casino. By comparison, miscellaneous goals are written in response to a specific initiative at the Property.

Tactical Goals

Here are some examples of Tactical goals that have been written in response to a very specific situation at a Property.

The first two goals are designed to focus the Hosts on increasing Black Jack or Table play. These goals would be written in response to a noted downturn in play at these games or, perhaps, because the Property has added these games within the last six months and they want the Hosts to leverage the new amenity.

> Increase Black Jack Theo by 10% over last Quarter.

> Increase Table Play from the Local Market by 12% over last Quarter.

The following goal is focused on Platinum players (the top tier for this particular property.)

> Gain one extra trip over last Quarter from 80% of Platinum players.

Analytics had shown a worrying decline in results from this level of player and the Hosts were given a goal to focus in this arena. The added benefit of having the Hosts reach out to these Platinum players was the collection of personal

anecdotes as to why this tier of player was unhappy with the Casino and changes to service.

In this next example, 'a new General Manager wanted to sure that the Host team was in close contact with the best-of-the-best players.

Contact the top 100 players every ten days.

Birthday Goals

You can create goals that enforce your policy for Birthdays. Perhaps you want a card sent 30 days before the birthday and a phone call made 14 days before the birthday. (Why do casinos do this? Not just to make the guest feel special but to try to get the guest to spend their birthday on property with their friends.)

Send letter to guest 30 days before their birthday.

Call guest 14 days before their birthday.

Your reporting team or vendor will know the date of birth, and hence the birthday, and they can take data from the Contact Management system to see if the Host sent a card, and made a call, in the correct timeframes.

Gift Programs

There is all manner of techniques that are used by Hosts to try to get additional trips and play from their coded players. One systematic approach is a Gift program.

Each month the PD Manager purchases one to two types of gifts. The Hosts offer the gifts to guests who might play up, and then the reporting solution tracks whether those specific guests have increased their trips or play for that month. You may not think of this Gift Program in the

context of Host Goals, but it is the same principle from the perspective of your reporting team or vendor.

In conclusion, if you are talking to vendors about their solution for tracking Host Goals then you should give some of these examples and see if their solution is flexible enough to accommodate them.

You may not envisage having these miscellaneous goals but, as soon as the General Manager and VP Marketing see that the Hosts respond well to pursuing generic goals, they will ask for these kinds of tactical goals.

Chapter 18.   FINAL THOUGHTS

As you move forward on your journey, please remember these key principles and perhaps share them with your Executive Team:

- We set goals, so the PD Team members are **crystal clear on their priorities** and how to allocate their time.

- We want the PD team to **meet and exceed their goals** because if the goals are correctly written then the Property will benefit.

- We will do everything we can to **help** the PD Team including daily Pace and Classification reports, and preferably a contact management system. (If you cannot get the PD Team these tools, then don't move forward with Host Goals.)

- We are now asking the PD team to divide their time between the players **who are here** playing and the players **who are not here** playing but should be!

- We recognize that **this a big change** for the PD Team. They may need coaching from Management, or onsite training, on how to plan their time and focus on the right guests.

- We also recognize that just because someone is good face-to-face with a known and familiar player, **it does**

not mean they have the skills to place a successful phone call to an unknown, unfamiliar player. We may have to invest in onsite training with **role play.**

- We will **not overwhelm the team** by implementing lots of goals from the start. We will run the program for two Quarters and let the PD Team adjust and then we will add more goals.

- We won't implement a bonus scheme until we have run the program long enough to make sure that the Goals are set where they are achievable but not easy. Just like Goldilocks, **we want the Goals to be 'just right'**.

- We will include **Team Goals,** so Hosts are given credit when they help guests who are coded to another Host, and that Host is unavailable. This improves overall guest satisfaction.

- As Managers, we will play our part by monitoring weekly progress, and **intervening with coaching** as soon as we see a member of the PD Team fall behind.

Congratulations on deciding to adopt a Strategic Approach! You will implement a framework that enables the PD Team to correctly spread their time and energy across the range of challenges. Your team members will learn new skills, the Executive Team will have a consistent expectation of the team, and your goal program is sure to drive a higher rate of Trip and Theo from these hosted-players.

Good luck and enjoy the journey!

And don't forget the Framework!

Using the following diagram, you can demonstrate that you have a balanced set of Host Goals that address every outcome that is expected from the PD team.

We encourage you to copy this page and share it with the Finance team, VP Marketing, and Director of Player Development. Working as a team, you create top-down goals with the numbers that make sense for your Property and then present the details to the General Manager for sign-off.

How can Player Development help?		Measures
Protect revenue	Ensure valuable Active players keep up their frequency and worth.	Contact Goals
	Monitor and don't lose valuable Active players to the competition.	Retention Goals
	Resolve customer satisfaction issues before they drive the player away.	
Increase revenue	Increase play from the valuable Active players.	Active Goals
	Ensure valuable new players make return trips.	New Goals
	Spot existing players with high potential and encourage them to 'grow'.	Growth Goals
	Persuade Inactive valuable players to come back.	Inactive Goals
	Book hotel rooms, dinner reservations, concert tickets, and amenities.	Reservation Goals
Control Expense	If discretionary comps are allowed, then invest them wisely. Ensure VIP parties and gifts drive trips and play.	Expense Goals

A LIST OF SAMPLE GOALS

Here is a list of sample goals that you can edit and make your own. You can copy this text from playerdevelopment.casino

Increase total **trips** from **Active** players by 200 trips over last quarter.

Reactivate 20 Inactive Players. Player qualifies after 2 consecutive trips. 500+ ADT or first trip with 1000+ ADT. 1st trip made within 14 days of Host contact.

Qualify 20% of assigned **New** Players. Player qualifies after 2+ days played with 500+ ADT, or 1 day with 1000+ Theo. Host has 90 days from date of enrollment.

Retain 85% of Active players. A player is retained if they make 6+ trips in the Quarter.

Increase Total Trips from **Growth** Players by **25**% over last Quarter. An Growth player for Q3 is someone with 3+ trips and ADT < 500 in Q1, and 3+ trips and 500+ in Q2.

Host will control all **expenses** to be no greater than 23% of Theo.

Each month, **contact** 70 Active players.

Each month, contact 100 other players

Each quarter, contact 200 Active players.

Each quarter, contact 300 other players

Each quarter, **Team** will contact 800 **Active** players.

Each quarter, **Team** will contact 1000 **other** players.

GLOSSARY

There are many different terms used across the Gaming industry for the same concept, so these are the terms we use in this Book. You will find a more up to date list at playerdevelopment.casino, along with some interesting articles on Player Development.

Is your background in Database Marketing or IT? This will be of help to you, as you define the types of analytics and reporting that are needed to support your Player Development team. And if you are in Player Development, then we suggest you photocopy these pages and share them with your reporting team.

Here are the definitions of the terms that we use in this book:

Churn. "Are you busy generating new customers but losing your existing customers at the same rate?" If a Host acquires 20 new players but allows 60 Active players to slip away because they are dissatisfied, then the Host is down by 40 valuable players.

Coded. A player that is coded to a Host in the Player Tracking System or a spreadsheet. There will typically be 300-400 players coded to each Host. (We are not advocating that many players, we are just making an observation on what we have seen.)

Active. The Active players are making regular enough Trips with a high-end ADT. For example, 450+ ADT and

12+ trips over the last six months.

These players have visited 'recently' which has a different definition by Property and Market. If your casino serves local players within a two-hour drive, then 'recently' might be a trip within the last 3 months, but you may also have some high-end players that come in twice a year from a distant major city and deserve VIP attention.

In Database Marketing, we take a longer view so 'Active' tends to mean 'played in the last 12 months'. In Player Development, we are focused on a small set of highly valuable players who should be visiting with above average frequency, so 'Active' may mean 3 months.

Earned Benefit. In some Properties, it is considered a valuable benefit to be coded to a Host, and a player can 'earn' this VIP Service as part of their Tier benefits in the loyalty program. A player is automatically coded if their play is high enough and will be automatically de-coded if their play falls away.

Inactive. A player that used to play with a high ADT and frequency of trips but has not visited 'recently'. If the Player Development team can get these people back on property, then that is called **Reactivation**.

At Risk. A player 'at risk' is an Active player that is almost Inactive! For example, if your criteria for Active is that they have played with six months, then an Active player might be considered 'at risk' if they have not played for four months. You can focus the Player Development team on these at-risk players by setting a Retention Goal. For example, "80% of Active coded players must play at least once a Quarter."

Incliner and Decliner. We refer to a player as an Incliner if contribution is increasing because of increased trips, increased ADT, or both. Conversely, a player is Declining if

they have few trips, lower ADT, or both.

New. A player that signed up within the last few days and has played with a high enough Theo to suggest they could be valuable in the future. These are sometimes referred to as **Dibbed** players meaning a Host has dibs on them, or as **Ghosted** to describe the fact that the Host is quietly monitoring the player.

Growth. A player that is not coded to a Host but is playing often enough, and with enough Theo, to be coded to a Host in the future. Many PD programs will monitor these players and assign a Host to reach out and develop them.

Valuable. Does a valuable player have a 200+ ADT or a 600+ ADT? The definition of valuable varies by Property and Market. A valuable player to a casino on the Strip is playing much higher than a valuable player in a casino in a rural area. But the 80:20 rule applies in both cases. Who are the 20% of players that are contributing 80% of revenue?

Profitable. If you want a lively discussion in your next team meeting, then initiate this debate about who is most profitable?

- Denise who plays 20 days each month with a 100 ADT and receives a free buffet?

- Or, Rob who plays twice a month with a 1000 ADT but demands the penthouse and a dinner comp, and drinks all the Jack Daniels in the VIP room?

Their total Theo per month is the same and Dee's expenses are less, so she is more profitable to the Casino. In most Properties, Rob will have a VIP Host because of his 500 ADT and Denise will not, with her 100 ADT. But some Properties use both ADT and total Theo as criteria for

decisions in both Direct Mail and Player Development.

Upside Down. A player that is 'upside down' is consuming more expenses than is warranted by their Theo. Let's say the VP Marketing has set a maximum investment of 23% in players. A player is upside down if their total expenses for the month are $280 and their total Theo is $1000 i.e. investment is 28% of Theo.

Net Theo (Total Theo – Total Expenses) is sometimes used in the Host Goals to measure value. For example, the goal "Increase Net Theo from Active players by 10% over the same quarter last year" is measuring both an increase in Theo and a control on expenses.

ABOUT THE AUTHOR

This book came about because the sales team at Harvest Trends is frequently asked 'what kinds of goals should we set for our PD team?".

Jackie Parker, President of Harvest Trends, took the lead on writing this book based on many years of conversation with Player Development professionals about their Host Goal program. She finally put pen to paper and the team contributed their experience.

In 2009, Jackie co-founded Harvest Trends to provide affordable software solutions for casinos of all sizes and to level the playing field with 'the big guys'.

One such solution is PowerHost; recognized by Casino Journal as an award-winning, innovative solution. PowerHost is a host contact management system designed for Player Development professionals and has all the capabilities and reporting described in this book.
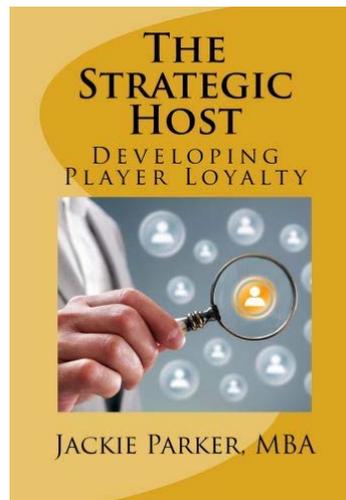
Learn more at www.harvesttrends.com.

I welcome your feedback on this book. Please email suggestions to jparker@harvesttrends.com. And thank you!

Jackie Parker

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