BPTrends COLUMN

Process Improvement at a Casino

I recently got a solicitation for a Process Management job at a casino. I read the job description, and then considered, as a thought experiment, how I might approach the opportunity, if I were interested in the job.

Just for the purposes of this column, I am going to ignore the pandemic and questions about whether anyone would want to visit or work in a crowded indoor place, and frame my response on the assumption that the pandemic will pass, one day, and we will be able to consider such questions without having to consider the whole range of coronavirus considerations.

My first thought is that a casino business is a very complex business. If you start to imagine the high level business processes involved in a successful casino, you think right off of gambling operations, but you should also think of hotel operations and restaurant operations. If the casino is a large one, you should probably also think of convention services.

Focusing just on restaurants, many large casinos run 5-10 restaurants and coffee shops. At the same time they, provide 24-hour room service and food services for conventions. Managing the business processes on a restaurant can be a major job. Managing not only a set of restaurant processes, but an overall restaurant management process that manages 5-10 restaurants is an even more complex problem for anyone who has ever considered modeling and improving the processes required by a well-run restaurant. (The logistics alone is a considerable problem, when you consider that Las Vegas is in the middle of a desert and that almost all food must be trucked or flown in – and, in the case of some items, they must be fresh on a daily basis.) And then there are world-class restaurants that require near perfection with regard to food, service and ambiance.

In a similar way, thinking about all the business processes involved in managing a large hotel – from reservations and rooms, to room service and pool side service – is still another huge challenge.

Then there are the operations involved in offering various games of chance – everything from finance and credit operations, to hiring and monitoring employees and maintaining complex gambling machinery, not to mention security for all these operations.

Beyond all that, like all modern businesses, a casino is a set of digital operations, powered by databases and software applications – systems that are largely connected. Guests can place restaurant reservations from their rooms, by phone, or via TV which is integrated with hotel computers. Games are monitored via computer, credit lines are updated, and accounts are maintained. Similarly passkeys, and thus entry to rooms, are monitored, while food can be ordered from the poolside via room numbers, and so forth and so on.

Anyone attempting to understand a casino's operations needs to begin with a not only a good overview of the basic business processes being managed and integrated, but with a computer architecture, explaining how the various software applications and databases work together to deliver digital support.

Reading the job description I was sent, it's likely the job is included with an IT department, and the applicant is expected to think primarily in terms of how to better organize the casino's computer architecture. For me, that would be a non-starter. I've always conceptualized process work as requiring one to establish an overview of how management, employees, workflows, and software systems work together. Computer processes are only support processes, when you consider the larger value chains they support. I expect a good process manager to begin with a business architecture, formal or informal, and some metrics that establish which high level process changes would yield the greatest improvement in productivity and profitability. If I were to take a process manager's job, I would expect to report to the CEO, not the CIO. Ultimately, it comes down to what one considers, and what levers one can manipulate.

Over the years I've certainly seen lots of process problems that result from defective or ill-designed IT systems. More to the point, today's management is especially committed to improving IT and the CIO has a lot of power to improve an organization. At the same time, however, I've seen problems attributed to IT that are really management problems. I've seen senior managers pursue vague strategies that make efficient operations nearly impossible. I've seen middle managers who don't set reasonable goals, don't hire the right people, don't provide adequate incentives, and don't provide adequate training. I've also seen plenty of problems that result from people doing the wrong things. Salespeople can't meet sales goals if they are trying to sell products that are mispriced or clearly inferior to products offered by the competition. Employees can't produce items on time, if inadequate projections result in parts arriving at the wrong time.

I've seen lots of process redesign projects fail for lots of different reasons, and I'm too old to undertake a job with one hand tied behind my back. If I can't sit at the table with senior management, review the problem in a comprehensive way, and then be given an assignment that allows me to manipulate all the levers involved in generating superior performance, I don't want the job.

I realize that if I was really serious about the job, I would need to interview with the Casino managers and see what leeway there was in their job description. Obviously there is nothing wrong with IT having someone whose job is to improve IT systems architecture, or to improve IT "processes" – although I would not want to apply for that specific job. At the same time, I would insist that a process position within IT is not Business Process Management, as I understand it – it's just a subsidiary position, and the person occupying it should be part of a larger team of people who seek to address real business process problems – a team that can look at a process that

starts with customers and considers everything necessary to generate value that will make those customers happy.

Assuming everything worked out and I took the job, my first task would be to sketch a high level business process architecture for the casino. I'd want to identify the major line processes and the major support processes and to understand where they interacted with each other. I'd also want to have the key metrics that management watched and some historical data on each one. Then I'd want to understand how the existing processes generated the results (metrics) management wanted. If management wanted more hotel bookings, I'd want to be sure I understood the processes involved in generating bookings, and I'd ask people involved to determine what things were working and what wasn't.

My concern would be to identify that changes that would significantly boost results. My focus wouldn't be to identify broken or deficient activities, as such, but to identify the kinds of changes that would make a big difference to the bottom line.

Once I understand the overall processes of the casino, and how those processes generated value for customers and for the corporation, I'd develop a list of the major changes I'd want to achieve. In effect, I would define my goals for the next months and years and assure that senior management and I were in agreement on what I was going to try to do.

Someone more inexperienced than I am would have a hard time putting time and cost estimates on specific problems. More important they would have trouble estimating what would need to be done to effect desired changes and how likely different responses would succeed. Having worked at process improvement for several decades and consulted on a very large number of projects, I would be a lot more likely to generate good estimates. That isn't to say that I wouldn't have to do some experimenting in some cases, but broadly, I can spot a management problem and differentiate it from a process flow problem or an IT support problem. And I know from experience what takes time, and what is nearly impossible to change without really a really strong senior management push. (This is why I usually work as a consultant and help someone less experienced to deal with these initial estimates – it's the key to a good intervention, and it requires a lot of experience.)

Only when I had a broad program in place, had a clear set of change goals and project estimates, and had management's clear agreement and support would I consider starting to work on a specific project and drilling down into the process in considerable detail. It's the drilling down that lots of people think of as project analysis and design – but as I suggest, that comes later. And that's a matter for a different column.

My broad point here, however, is that there are different ways of conceptualizing the job of Business Process Management, and individuals who want to succeed had better have a clear idea of what they seek to do, and how they should go about structuring the job, if they hope to succeed. More to the point, if you want to do really good work, you need to start with a good overview of the business, and a clear understanding of what management wants.

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