



Conversations w/Tino

Guest	Bryan deLugo
	General Manager
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Tino Magnatta: Magnatta: Hello and welcome! Boy do we got a show for you tonight. I've done over 50 shows, and this is probably one of the greatest stories of how someone fell into the casino business. I haven't heard a story where someone decided when they were younger that they were gonna go into the casino business. Usually people fall into it, and the stories are so interesting. This is a good one.

Tino Magnatta: I'm really glad that we have a great guest tonight, and welcome Bryan deLugo. How are ya?

Bryan deLugo: Good. Good evening to you, and thanks for having me on the show!

Tino Magnatta: Yeah, great. Great to have you. So you grew up in Saint Thomas, in the Caribbean which, as far as I'm concerned is probably about one of the closest places you can get to paradise. Tell us what that was like, because that's a very unique place to grow up.

Bryan deLugo: It truly was paradise. We'd often go to the beach before school, after school. It had the whitest sands, the bluest waters, 85 degrees all year round. I wouldn't trade it for the world, it was a great place to grow up. When I was there, I learned a lot of valuable lessons that I probably couldn't have gotten anywhere else. That kind of formed who I am today, and some of my ... what makes me, me.

Bryan deLugo: But one of the main- [crosstalk 00:01:57]

Tino Magnatta: Your dad was very influential in you, right? With what he did.

Bryan deLugo: Yeah, yeah. Actually, yes. Some of the lessons that he taught me at an early age is, we liked to go to the beach. My parents would hand myself and my siblings, we'd get a trash bag each and they'd have us walk up and down the beach and we had to pick up all the trash before we could go play on the beach, which just drove me crazy at the time because I had never understood why did we have to pick up somebody else's trash? My dad would always say that, since he was raised there and he remembered it being pristine and beautiful, that you always gotta leave the place better than you found it. That's what I've always tried to do. Every business that I've ever worked at, I always try to leave it better than it was when I got there.

Bryan deLugo: He was in the Air Force for, I think he retired after 25 years, and he was extremely organized and structured. Before we'd take a trip anywhere, I remember we'd get in the car and again, it would drive me crazy then, where he'd have a checklist for everything. He'd check the air in the tires, the oil, the air filter, the battery cables, before we could go anywhere. He was just so structured like that, and now all these years later I guess through osmosis or whatever, it just kinda rubbed off on me.

Bryan deLugo: Now I'm very detail-oriented, structured, and very linear thinking, and I think a lot of that was from my upbringing, from my dad.

Tino Magnatta: And you need a lot of those skills to do some of the stuff you do, right, in your work and in your everyday life?

Bryan deLugo: Yeah, absolutely. Because it's gotta ... we have to have a plan, and he also always had a contingency plan, so that kind of rubbed off on me as well, because things never go always according to plan. If you don't know where you're going, then you're never gonna get wherever it is you're trying to get to. I'm just a list-maker, and I've got a ... that's how I keep track of time is how much I can check off of my list and determine, I guess, a self-evaluation. If I did everything I wanted to do today or not, I still have to have a plan, have to have a list.

Tino Magnatta: Yeah, of course. It's those attentions to details that makes all the difference when you're doing something that has a lot of moving parts like the casino business.

Bryan deLugo: Absolutely. There is ... like you said, there are so many moving parts, so many variables. You've gotta be organized or things are gonna fall through the cracks. It's so important, I think, and not everybody's like that. Some people do fine without that, where maybe they're a little more creative and not as structured, but for me it would just fall apart if I didn't have my list and a direction.

Tino Magnatta: Now you left the island and you went to study computer engineering, right?

Bryan deLugo: Yeah, in fact I was a computer science major in computer engineering at Arizona State, and then after a couple years I transferred out to UNLV in Las Vegas.

Tino Magnatta: How did you find those years, in comparison to your island life, so to speak? How was that transition, how did you find the whole computer science thing at that time?

Bryan deLugo: It's 180 degrees out of phase from where I started, left a beach environment, 85 degrees, one season all year round, to the desert where there's no water, and still no seasons I guess. But what was similar and where I was attracted was again the computer science or the programming where it's structured language, and there's rules, and it's just very structured. That was a very good ... again, I guess that would be the next phase of my upbringing that kind of helped mold me to what I am today, and helped me in my career, also again is that structure and solving the unknown, and plugging in different variables, which has helped me a lot throughout my career.

Tino Magnatta: So you kind of went into an area where you used your foundation growing up, that you could also apply to the modern era, which is the computer engineering, and you fit right into that, right?

Bryan deLugo: Yep, yeah. Absolutely.

Tino Magnatta: That's great.

Bryan deLugo: It was right at the time where the computers were exploding, so it was just ... I got every lucky and perfect timing.

Tino Magnatta: So tell us the story, because it's a great story. You had a girlfriend who was in the ... who's family was in the bail bond business, and while you were at UNLV in Vegas, you ended up in downtown Las Vegas. I'll let you tell the story from there.

Bryan deLugo: Oh, yeah. That's true. My girlfriend then, she's my wife today, we've been married ... in fact, today's our anniversary.

Tino Magnatta: Oh that's great! Congratulations.

Bryan deLugo: Yeah, thank you. 25 years.

Tino Magnatta: Oh, congratulations!

Bryan deLugo: Thank you.

Bryan deLugo: So what happened was we met at UNLV and I had absolutely no desire to work in the casino business. I'm more of an outdoors, hiking, climbing, swimming person. To me the casinos were always very loud and noisy and smoky. So my girlfriend then, her parents owned a bail bond business downtown Las Vegas, and her job was to go across the street and bail people out of jail and take them back to the office, which was ... she worked on swing shifts.

Bryan deLugo: It was a dark office, downtown Las Vegas, so it was directly across from the county jail, and about catty-corner to the Golden Nugget. So we would go over in the evening to the Golden Nugget and have dinner. We never gambled and didn't know anything about the casino business or video poker or whatever.

Bryan deLugo: One night we decided we would go over there and play a roll of quarters, a \$10 roll. I remember I put \$8 in, didn't win anything. I was so mad at myself for potentially losing \$10 that I hit max bet, and I had three hearts and two spades. I threw in the spades, two more hearts came up, and I thought that if you held all the same color you'd win something. I ended up getting a royal flush for \$15 thousand. So not a great strategy, but it turned out to be a great [inaudible 00:09:11].

Tino Magnatta: So there you were, you'd never played video poker before, you didn't have any desire to play. You hit a \$15 thousand jackpot. Then what happened?

Bryan deLugo: At 2:00 in the morning, downtown Las Vegas, the slot attendant or slot tech came over to verify the machine to make sure I wasn't cheating. Right then a slot attendant came over to pay me, and they asked me to come to the back of the cage so that they could pay me the \$15 thousand. I had seen every casino and Godfather movie, and there was no way I was going back to that cage, because I knew they'd pull out a hammer and beat my hand. True story.

Bryan deLugo: [crosstalk 00:09:53]

Tino Magnatta: That's great, I love it. That was hilarious.

Tino Magnatta: So there was something that the slot tech told you though when he came to do his stuff, that really ticked you off and kind of steered you in the casino direction. What did he say to you?

Bryan deLugo: Yeah, actually. Yep. A life-changing moment, definitely a career-changing moment. The slot tech came over and asked me, just making small-talk, said, "Hey, what do you do?" And I said, "I just recently graduated from UNLV." And I remember he made a comment, he said, "Oh, you're a college boy, you can't do real man's work like I do and get my hands dirty."

Bryan deLugo: Oh, I'll never forget that that pissed me off so much that there's somebody who just told me that there's something that I can't do, a total stranger. He doesn't even know anything about me. So I thought about it all night, and the next morning I went and enrolled in the slot tech school to show this stranger that I don't even know, that I can do what he said I couldn't do, and ended up getting hired a few weeks later with a facing casino at Palace Station.

Tino Magnatta: Wow. And that was back in the day when the Station just had the one casino, right?

Bryan deLugo: Yeah, yep. 20-25 plus years ago, that was ... all they had was Palace Station. That was it.

Tino Magnatta: So tell us what ... that kind of built your foundation, because you spent 11 years there. Tell us what you did there, how many casinos you opened, and everything that you absorbed during those 11 years.

Bryan deLugo: It was really an awesome experience, because I now have ... in a field I that I really don't know much of anything about, other than the little bit of training I had for the, to work on the slot machines. But I really enjoyed it, programming the machines. So I had upward mobility, I advanced up the work chart pretty quickly. Like I said when I started we only had one property, 11 years later I think there was 18. I was part of the opening team for many of those properties, and one thing I learned ... again, as I go on through my career, we are all just basically but a collection of life-experiences.

Bryan deLugo: What I learned there real quick was how to work with a multitude of nationalities, skillsets, management styles, and we always ran very lean. We had very tight deadlines, and you had to work as a team to meet those deadlines, because if you didn't, you weren't going to ... you were gonna fail. It was really a great experience of ... and also, not to mention being ... working very closely with a lot of departments like table games, or marketing, and the cage, and that type of stuff. So it gave me exposure to a lot of really good people and the departments and how they interact with each other, that I didn't know otherwise.

Bryan deLugo: And then having a computer science background, that sure helped with all of the reports and everything that needed to be done, because I already knew how to code. It was in the infancy for a lot of people, so that was ... it really, again, that was the next level of learning and molding into what I am today.

Tino Magnatta: Now, you not only were there, but you also were involved in opening the 18 casinos which they ended up owning, right?

Bryan deLugo: Yeah, yep, many of those. In fact, I went out to Casino Saint Charlie's in Saint Charles, Missouri. There was also acquisitions of a lot of property, so we'd go in there and kind of convert it over to the new culture, the new way of doing things with all the PNPs and SOPs and that type of stuff. So over the years, I was able to really get to work with a lot of really amazing people, amazing teams, and really get exposed to a lot of the casino business that I probably ... a property that's growing at the rate that Stations did, it was just, you get exposed to so many parts of that business that were just amazing.

Tino Magnatta: So you won a jackpot, decided to get into the casino business, landed a job at a company that was growing really rapidly when they only had one casino, helped them open over 15 casinos. What do you ... when you left, what was the two or three takeaways from that experience, the major ones?

Bryan deLugo: Yeah, so I I gotta go with ... it was the upward mobility. So i started as a slot tech, projects coordinator, director. So really, the takeaways were, I really started to learn how to motivate the team which involved working closely with the team, treating people like you wanna be treated, and just working with so many different, again, skillsets, educational backgrounds, and how to communicate with people to get things done. Which often meant understanding their style and what motivates them. Most importantly was the teamwork, how much more can get done if you work as a team, and if you try to a solo superstar and get out there and try to do it yourself. You're not gonna be very successful very long.

Tino Magnatta: It all boils down to people at the end of the day, right? How you treat them and how you move on in life.

Bryan deLugo: Absolutely.

Tino Magnatta: Yeah. Tell us a little bit how Thunder Valley came about, because that to you was a turning point. How did that all materialize?

Bryan deLugo: That was a great experience as well. At the time, Stations had the management contract of that property, so I was one of I think four people that came out to open that property. There was a lot of challenges there that we hadn't experienced anywhere else. The first being just the sheer volume of customers and revenues that I had never seen anywhere else, where we literally, when we opened, we had people standing eight, ten deep for the opportunity to play a slot machine. There was just all this pent-up demand, and not a lot of capacity in the market. The other thing that was different that really helped me mature in the business was the fact that there was little or no skilled ... there was a shortage of skilled labor or trade, where in Vegas we always had, you know, you open a new casino, you got eight teams to pull from, and you could call and say "Hey, I need 100 slot techs to come help."

Bryan deLugo: In California, there was no slot techs, there was no schools. So we had to create our own slot tech school, we had to create our own dealer schools. So again, it makes you ... when you have to teach, it makes you learn. So we had to go and go back to the fundamentals and to teach a group of people a skill that they didn't have, because there was nowhere to pull from. Where in Vegas you have second, third generations of people who've worked in the casino business, they're very easy to find, skilled talent. But it wasn't like that in California.

Bryan deLugo: And then the other thing that really helped me kind of develop was, once I mastered my craft, it gave me the opportunity, on the slot side, Thunder Valley gave me the opportunity to spend a lot of time with the marketing, advertising, promotions, player development, S&B teams, to better ... ask a lot of questions, watch what they do, and then to try to understand better how all those pieces fit together to form the whole. So that was, again, another evolution I guess in my career was when I was able to be exposed to more departments more intimately.

Tino Magnatta: You were getting the experience refined even more, another step, by being able to interact with all those departments, right?

Bryan deLugo: Yeah, absolutely.

Tino Magnatta: What happened after that?

Bryan deLugo: After Thunder Valley, another awesome opportunity became available at Red Hawk Casino, where I was able to join the team there as the VP of slots operations. After a short time, I had table games, slots, table games, poker, and bingo. So again, I got exposed to some more of the business and had to learn quickly by again, asking a lot of questions and learning a lot from a lot of really good people on the gaming side. I did that for, oh gosh, I guess about a year and

a half, almost two years. Then the GM position came available, and I was very very fortunate to get that about seven years ago.

Tino Magnatta: That transition that you made from managing certain games to the GM, what did you find was the major difference and how did you adapt to that?

Bryan deLugo: It really ... in a lot of ways it's the same, but really it's just scaled up. So before I would have two to three direct reports, and now we went to eight. The hardest part I'd say, initially, was really forcing myself not to get buried in the details, because you have to be in the details at the department level, but then as a GM that would not work. I had to, again, the fundamentals are still the same. You need good communication with your team, but I guess where the transition from the department head to running the casino is really, setting clear direction, establishing goals, meet with the team frequently, and really I think the most important lesson that I learned was to get out of the way. Just let the experts do their job.

Bryan deLugo: [crosstalk 00:21:22]

Tino Magnatta: Just built a great team, and get them to do what you needed them to do, right?

Bryan deLugo: Yeah, and during that transition, within I guess it was probably in the first year, I think it was, maybe two years that I was doing the GM position, I went and enrolled at SAK State to get my MBA. They emphasize in Mac programming, a lot of emphasis on replacing the command and control structure of the organization with more of a decentralized one.

Bryan deLugo: We're still ... it's still a work in progress, it's still developing. But that has really paid huge dividends on both my personal productivity, but really on the finances of the operation and really, also my work-life balance. Because that's allowing the department heads to manage their department and just meet with them and talk about what are the goals and did we meet 'em, did we not, and really kind of do the strategic plan and direction but then allow them to do their job and really do the taxable part and implement the plan. So that I guess, that's the big different between just the departmental ... running a department and running a property.

Tino Magnatta: How does one transition from some of the things that you were doing in the beginning, running a department or running two departments, to actually becoming a GM? How do people make that transition?

Bryan deLugo: I think, really ... I think that the hardest thing is ... because you're a subject matter expert in your area, that department, and now you're not necessarily gonna be an expert in all of the departments. That's a hard thing to wrap your brain around when you're now, you're in charge or you're responsible. So the easiest way, I guess, to transition is to understand that, that you don't have to be an expert in everything. You've got people who are, you just have to ask a lot

of questions, and the question usually is, whatever we're doing, how does that fit into the plan and the goal? Whatever that goal is, if it's improve customer service or improve revenue or improve margins or reduce expenses, is this answering that question? Is this going to do that?

Bryan deLugo: Really I think the best way is to just understand that you're not gonna be an expert in every area, and you don't have to be. But you have to stay involved and you do have to ask a lot of questions. That was, for me, the hardest thing, because I, again, am so driven and just focused, that I want to be the best at everything. That's not a realistic goal, but it's just asking a lot of questions and learning something every day.

Tino Magnatta: Yeah, you never stop learning, do you?

Bryan deLugo: No. [crosstalk 00:24:49]

Tino Magnatta: And you're a pretty big reader too, right?

Bryan deLugo: Yeah, right now I read, on average, about two to three books a month. I have for years, and that's one thing that's really, I think, helped the team as well is that, a lot of times when I find a book that I really enjoy, I buy it for all of the VPs and give it to them, and then we meet weekly and they kind of ... as a group, and they tell me hey, this is what we're gonna, this is how we're gonna apply these principals to the department, and how we're gonna ... whatever, again, the goal is and how we're gonna make it better.

Bryan deLugo: So they're also learning every day, and reading a lot of really good business books as well. That's been a byproduct of the MBA program, that I got so used to reading so many books that I really enjoy it, and there's a lot of nuggets in 'em that we can apply to the business, and now I pass that on to my direct reports, who then in turn pass it on to theirs.

Tino Magnatta: That's pretty unique. I've never heard anybody say that on all the shows that we've done. That's really cool. Bryan, you know what's going on in California and what's going on all over the country. Competition on business is rising, expansions, new casinos, new pools, new clubs, new restaurants. What's going on? In three to five years, what's gonna happen here? Are we gonna be saturated? Tell me a little bit about your thoughts on that.

Bryan deLugo: That's a great, great question. What we've seen over the last, gosh, I've been in California now for 15 years, and it's just been this huge explosion in new competition coming online, expansions with the current properties that are out there, continually upping their game, going from what would be the traditional bingo type of structure to these mega-resorts that rival a lot of what Vegas has to offer. I don't think we're going backwards. I think going forward, the next three to five years, I think we're gonna continue. Hell, we've seen it right now

just in our area, I think I've got four new casinos coming online here in the next one to three years.

Tino Magnatta:

Wow.

Bryan deLugo:

We've got club rooms that are popping up constantly. I think the ... we're gonna continue to see the expansion provided that the interest rates don't go up too much, and for us, the gas prices. As long as those kind of level off, that helps us as well. I think, at some point it will get saturated.

Bryan deLugo:

The one nice thing that we had, unlike I guess in Las Vegas where your competitor is across the street, ours are 30 miles away, 60 miles away. But it's still very very competitive, and we still have budgets, we still have to make or increase numbers every year. So it's still a challenge, and still hard.

Tino Magnatta:

You think that we'll get to a point where it's really gonna affect the business? Because we still have that silver lining, like you said, that you can open a casino across the street. Is that gonna chance in the future, is it gonna become like Walmart coming in and gobbling up all the mom-and-pop shops, and we're gonna see more consolidation? What's gonna happen?

Bryan deLugo:

The other ... I guess kind of the nice thing about, in the tribal space, is that we don't have any of the M&A acquisitions like you would find in a commercial, because they're all set in tribes.

Tino Magnatta:

Yeah.

Bryan deLugo:

So that part, we're good there. But there's more tribes opening more casinos. So I think some of the uncertainty and the unknowns in the three to five years out is, what's gaming gonna look like then? Is that ... is it another casino opening down the road? Is that my competition, or is it online? Is it people logging in?

Tino Magnatta:

Right. Good point. You don't know where it's coming from.

Bryan deLugo:

So that's what, I guess, keeps us up, awake at night, is trying to ... all of us, is trying to figure out where is that, where are we going and what's that look like? Our demographic is 66-67 plus, and now you've got the millennials or whatever who are not necessarily excited about playing an old-fashioned stepper reel or video poker. So what does that mean to the bricks and mortar? So there's a lot of unknowns.

Tino Magnatta:

Yeah, keeps you on your toes. And like you said, sometimes you get some sleepless nights thinking about the future.

Tino Magnatta:

Hey, this has been great. Let's take some calls. Let's do that right now, hang on a sec.

Bryan deLugo: Sure.

Tino Magnatta: Let's bring on the first call here.

Tino Magnatta: Hello, this is Tino Magnatta. Do you have a question for Bryan?

Linda Gordon: Hey Tino, this is Linda Gordon with STA Gaming. Hi Bryan.

Bryan deLugo: Hello! How are you?

Linda Gordon: I'm good.

Tino Magnatta: Hey Linda, how are ya?

Linda Gordon: I'm good! I'm enjoying this a lot.

Tino Magnatta: Good! I'm glad you called in.

Tino Magnatta: Good!

Linda Gordon: This is great.

Tino Magnatta: Did you love that story about how he got into the casino business?

Linda Gordon: Yeah, I love it. I love it. I knew when he won \$15 thousand, he was doomed.

Tino Magnatta: Yup. I'll tell you what, if I would have won 15 grand like that, I would have been doomed too!

Linda Gordon: That's just the way it works.

Tino Magnatta: That's so funny. That's just the way it works, yeah. Don't we know that too well. Oh my god.

Linda Gordon: So Bryan, congratulations on your anniversary.

Bryan deLugo: Oh, thank you.

Linda Gordon: My pleasure.

Linda Gordon: I just have a couple of questions with regard to, you have had tremendous success there. Haven't you been voted Best Casino for seven years in a row? Is that correct?

Bryan deLugo: Ah, eight. Eight years now.

Linda Gordon: Eight? Okay! Eight years in a row.

Linda Gordon: I guess I have a question with regard to how your teamwork and team building management style goes. Do you feel that that contributes to the success of your casino with regard to allowing the staff to run their own departments, and being able ... this is very interesting to me, because I'm a very detailed person and I wanna be a subject matter expert on everything, but you can't as you mentioned. So do you feel that this management style has helped you and helped the staff be able to make a success of your casino, and guests as well?

Bryan deLugo: Absolutely. There's that old saying where the ... you gotta take care of your customers, and the customer is always right. That's mostly true. I think the employees are equally important in the success of the operation, if not more so, because if they don't feel like there's ownership and that they're not treating the customers right, then there's no customers, and then there is no business.

Bryan deLugo: I have a story that I share with our new hires every ... well, twice a month. It's a ... I guess emphasizes where we were and where we are. Just briefly, what happened a few years ago, we have a stage bar on the main casino floor that wasn't the best design. We, myself and some of the executive felt that we could definitely make it better with all of our knowledge and expertise. Surely we can do a better job.

Bryan deLugo: So I met with the VP of service, and the architects, and we went through and decided how this bar could be so much better. We tore the old one down, rebuilt it, and the day that we did the ribbon cutting, I went up there and the first person I saw was the bar-back. I said, "Hey, what do you think of this beautiful bar that we just built?" And he said, "Oh yeah, it's beautiful, but the cart that I bring the beverages to is too wide. You made this too narrow, so now I have to take it off this cart and re-palletize it, and put it on a smaller cart. But if you had built that, it probably would have been nicer, but actually it's not functional."

Bryan deLugo: I said, "Oh, wow." So we talked to the beverage server and I said, "What do you think?" And they said, "Oh, it's nice but when we stand here, we could have been over there or whatever." So it was very clear that it wasn't functional for them either. So I asked the bartender, "Well what do you think of this beautiful bar?" And he said, "Well, you put the sink here. We have to wash our glasses, but the are on the other side of the bar, and these bottles are here."

Linda Gordon: Oh my gosh.

Bryan deLugo: They just tore it apart. So we learned a very valuable lesson about that. We never asked the stakeholders that have to use it what they wanted. So we shut it down, tore it back down to the studs, and invited the bartenders, the bar backs, the beverage servers, and some of the EDF team, and we formed a committee and said, "If you were gonna build it, what would make it perfect?" And we did it based on [crosstalk 00:34:44].

Tino Magnatta: Ah, there you go.

Bryan deLugo: Everything we do now, we do it that way, and it has, again, been huge. But they've gotta be part of the solution, or it's not gonna be ... it's gonna be substandard.

Linda Gordon: Yeah, I agree. That's a great story. Thanks for sharing that.

Bryan deLugo: Absolutely.

Linda Gordon: I just had one other question, if you don't mind. I noticed that you're very heavily involved in community outreach.

Bryan deLugo: Mm-hmm (affirmative).

Linda Gordon: Sponsorships and giving.

Bryan deLugo: Yes.

Linda Gordon: No, that's okay. It's very substantial, and it's ... and I guess to me, that commitment to your community and to the people who live there and the people who visit you and the staff that work for you, I think that has a great deal to do with your success. I could be wrong, but I don't think so. I think that you [crosstalk 00:35:44].

Bryan deLugo: The tribe is very, very giving, and it's just an honor to work with them. They really do care. They're members of the community as well. Their kids go to the same schools, and they shop at the same grocery stores, and they realized that their community comes and patronizes the casino. So it's important to them to make sure that we give back to the community, but it's very important to the team members as well. We have one team member just recently whose brother had ... was recently disabled, and his house, he needed a ramp built so his wheelchair could get up to the house, because they had stairs.

Bryan deLugo: One of the team members happened to be just mentioning that story in front of some other team members, and the whole facility department just volunteered. Said "We'll be there this weekend. We'll build a ramp. We'll make sure your brother gets home." That's just how they are. It's like a big family, they look out for each other. It doesn't happen overnight, and it's a lot of work. But it's really ... it's from the bottom up, it's not from the top down.

Tino Magnatta: Yeah, and I think ... Bryan, I think, and Linda you probably know about this too. The best lessons you learn are the ones that you pay for. So when you have to build something, and then you have to tear it out again, you betcha you're not gonna make those same mistakes again, because that costs you a lot of money. I mean, those are lessons that ... the ones that sting are the ones that you remember. So yeah, that's definitely a great way to-

Bryan deLugo: I guess, Linda, I guess the collaborative is in any area, in your world too, right? I mean, it's just not in the casino, right?

Linda Gordon: No. You can't be [crosstalk 00:37:49] work, right.

Bryan deLugo: Yeah, you can't be ... you have to have a great team around you, no question.

Linda Gordon: Yeah, and everybody has their own skillset, and everybody's good at some things. We're all not good at everything.

Bryan deLugo: Yeah.

Linda Gordon: Doesn't work.

Tino Magnatta: Well thank you so much for calling in. Really appreciate it. Did you have another question?

Linda Gordon: No, I think I'm good, and thank you, Bryan, very much.

Tino Magnatta: Are you sure?

Linda Gordon: Yeah, I think so. I think I'm good.

Tino Magnatta: Okay.

Linda Gordon: I congratulate you again, and you both have been wonderful. Thanks so much.

Tino Magnatta: Thank you, Linda. Thanks for calling in.

Linda Gordon: Sure. Bye-bye.

Tino Magnatta: Bye.

Tino Magnatta: Hello, this is Tino Magnatta, I have Bryan deLugo on the line. Do you have a question for him?

Jacques Romero: Hey Tino, this is Jacques Romero.

Tino Magnatta: Jacques, how are you my friend?

Jacques Romero: Great, great. [crosstalk 00:38:43]

Tino Magnatta: Good, good, glad you're ... great. I'm glad you're calling in.

Jacques Romero: Hey Bryan, great talk. I couldn't agree with you more about getting the buy-in on the front line associates. It's easy to have a really nice conceptual drawing and get it all nice and pretty, but it's not functional and you haven't got the buy-

in from the people who need to utilize it. Then you can impact their morale, which you're always trying to motivate. You can decrease their morale without even intending to, you know?

Bryan deLugo: Yeah, absolutely.

Jacques Romero: So I think Tino and you spoke to it some, some great stories in there. Do you ... I learned in ... what kind of challenges you've already overcome. What do you see facing either your property or California ending gaming in general, the next challenges that you're looking at? Or maybe just the industry in general?

Bryan deLugo: I think the ... for us, the biggest unknown or uncertainty is, where is the industry gonna go with the ... you have the online poker, and then now soon, not in California today but very soon, probably the next year or two, would be the sports betting. Again, that may or may not be exclusive to tribal gaming. So there's a lot of ... again, if somebody can do this without physically coming into the bricks and mortar building, that's a concern unless we're participating in the online version of the entertainment.

Bryan deLugo: So that's probably further out, but that's long-term a very real concern. Again, the ... what is that next group of gamers, what's gonna appeal to them? What does that look like, and is it still the casino? Do they still wanna come in here? So that's a challenge. And then for us in the near future, we currently ... our goal for the last, gosh, seven years or so was to de-lever and pay down debt and be debt-free. I thought that would be the best long-term solution for the tribe, to put them in a position, as new competition comes on, that they're not burdened with a lot of debt. Even though it's inexpensive money, it is getting more expensive. But I figure if we had to be cash in the bank, we'll be able to weather some of those storms in the near future. So we're very close right now to being 100% debt-free.

Jacques Romero: Wow.

Bryan deLugo: We're just really kind of ... keep our finger on the pulse of where everything's going. But we are very positioned to weather probably any foreseeable storm in the near future.

Tino Magnatta: That's great.

Jacques Romero: That's a great position to be in. Congratulations.

Bryan deLugo: Thank you.

Jacques Romero: It also allows you the opportunity to pursue those opportunities that may arise in the future.

Bryan deLugo: Absolutely.

Tino Magnatta: Yeah, that's a good way, good position, right? Very good positioning.

Tino Magnatta: Great. Jacques, did you have anymore questions?

Jacques Romero: No, thank you. Great call, guys.

Bryan deLugo: Jacques, thank you so much.

Tino Magnatta: Really appreciate you calling in, thank you.

Jacques Romero: Yeah, very interesting. Thank you.

Tino Magnatta: You got it. Thanks. Have a good night.

Tino Magnatta: Okay, great. Let's take the next caller here. See what we've got. Okay.

Tino Magnatta: Hello, this is GT Radio. We have Bryan deLugo on the line. Do you have a question for him?

Michael: Good evening Bryan, good evening Tino. How are you guys doing?

Tino Magnatta: Good, good! Is this Mike?

Bryan deLugo: Good evening. Great, thank you.

Michael: This is Michael, from Catalyst Marketing down in Fresno.

Tino Magnatta: Oh, great!

Bryan deLugo: Hi Mike.

Michael: Yeah, yeah, yeah. Great stories. I've been around the industry for a little over 20 years, so it's always some funny stuff. I got the opportunity to open up a casino in Belize and train some kids off a banana packing cart to be cage cashiers, so I certainly understand some of the-

Tino Magnatta: Oh yeah, that'll be the [inaudible 00:43:25].

Michael: Including ... I was down there for about, almost three years and the ... what I used to joke about it in posts on Facebook, my commute was a 200-yard walk down the beach. It was amazing. Certainly can relate to the [inaudible 00:43:40].

Michael: So I understand you have mostly slot operations background before stepping into the GM role. Specifically from a marketing standpoint, that's the background I had, how was the transition to understanding some of the principles and some of the things that you had for your VP of marketing, or your

director of marketing underneath you, and kind of understanding the trials and tribulations that they go through on a daily basis?

Bryan deLugo: I've been really fortunate to be surrounded by a very good team. One ... I guess, from the gaming background, it's a lot of trial also. We don't know what is going to be ... we can guess at what will be a great slot machine or a great table game. We look at the map and compare it to what's worked in the past, and this one may still have the same map but it looks a little bit different, but it should work because it's the same map, and then it doesn't. So there's a lot of that trial and error from the gaming side, that I think exists on the marketing side as well.

Bryan deLugo: Again, a lot of uncertainty, so you do your AB testing. You don't know necessarily what's gonna work, but you build your model and you make your best guess, and then you always have the control group. We test on a portion of it, but it's always trying to improve, I guess, and just get better at what we do. Sometimes we get it right, often we get it wrong, and again I guess the scariest thing for me is, when you get it right but you got it right for not the reasons that you thought. It just-

Michael: Goes right?

Bryan deLugo: So that, again, I guess it's fun but it's also, part of that learning thing is, not to already know what the answer is or look at the data. Sometimes it tells you something, and sometimes it doesn't because your brain won't let it. So I have a very good marketing person who's been in the business for longer than I have, and has really taught me a lot. We spend a lot of time together and go over a lot of stuff.

Bryan deLugo: One thing that I think people might find surprising, maybe, is that I actually, I spent a lot more of my, I guess, learning time, often outside of the industry because we are often very fortunate to have extremely good margins. But I like to look at other industries and see what they do. Grocery stores, for instance, who they don't have that luxury of having really strong margins. So they have to be better, and have to be more efficient. So sometimes we try to incorporate things from other industries than what we've seen done in our own, if that makes any sense.

Michael: It actually makes perfect sense. [crosstalk 00:47:06], thank you. I'm actually, I think I'm gonna float through your way in a couple of weeks, so I might give you a ring and stop in and say hi.

Bryan deLugo: Oh, please do! Absolutely.

Michael: Sounds good! Thanks for taking the call.

Bryan deLugo: I'd love to give you the nickel tour.

Michael: Great, you have a great show.

Tino Magnatta: Thank you. All right, thank you so much. So Bryan, you brought an interesting point up, because a lot of people don't know this but, Wayne McCormick, who was the GM of Chickasaw, the property up in Sackerville, he came from the grocery business. He was in the grocery business for 32 years, and he'd never been in the casino business and he fell into it. He was hugely successful as a GM, hugely successful, because he brought that same mentality from the grocery business into the casino business.

Bryan deLugo: Yeah, absolutely. It's funny, one of my ... when I had a position available here, one of the ... a lot of very good candidates, they were all very, all had a lot of experience and they all were very experts in their area. But the one I ended up going with was the one that came from a property that had no money and no budget, because I know, sometimes it's easy to make things happen if you have an unlimited blank check, but it's a lot harder when you have no money at all and you have to make something happen. So that was pretty important to ... you know, I want somebody that's been from a big property and been experienced and been exposed to a lot of things, but sometimes that's a detriment when they have unlimited budgets.

Tino Magnatta: Yep.

Bryan deLugo: So yeah, I think that's a great observation that you shared there.

Tino Magnatta: Yeah, and you know, I asked ... the way you work reminds me. The way I work, and the way you work. But I asked him. He said to me, he said, "You know, I work really hard. I have a suite here at the hotel, and I come down at midnight sometimes, or two in the morning, to see how everything's going and watch stuff." And he goes, "A lot of my employees ask me why I work so hard."

Tino Magnatta: And this is what he said to me, I'll never forget this. He said, he turns to his employee and says, "Because having had to shut down all the Safeway branches when they went under, I had to deliver a lot of pink slips to people that had families." And he said, "I never wanted to have that feeling again." That's what he told them.

Bryan deLugo: I can totally relate.

Tino Magnatta: That's what he did.

Bryan deLugo: Yeah, that's what kept me up at night for years, was yeah, I got 1,400 people that are relying on me, or at least that's the way I viewed it. But in reality, we're all a team that rely on each other. It's easier to sleep at night now, knowing that I'm not carrying them. We're working together.

Tino Magnatta: Yeah, I'm glad you brought that up.

Tino Magnatta: Let's take the next caller.

Tino Magnatta: Hello, this is Tino Magnatta, GT Radio. I have Bryan deLugo on the line.

Bobby: Hi Tino, it's Bobby from Las Vegas. Hi Bryan.

Tino Magnatta: Bobby, how you doing?

Bryan deLugo: Hey, how are you, Bobby?

Bobby: Good, good. Listen, I wanted to say congratulations on your eight years as voted the best casino, and your marriage. 25 years, that's a heck of a lot to be proud of there.

Bryan deLugo: Thank you, sir.

Bobby: Curious just if you had any specific moments or memories that your most proud of in your current role or in your previous life.

Bryan deLugo: Oh, gosh. For me, it really ... I would say the most proud is when I've had, and it's happened frequently where I have somebody on my team where everyone knows that they're not gonna succeed, and they should be terminated, they're just not a fit and they're not cutting it. To work with them, and take on that challenge, because you see something in them that nobody else sees or maybe they see everything else but not what's important, and working with them to develop into a productive, functioning member of the team.

Bryan deLugo: Often, it tends to be people who are critical, which that doesn't bother me but it bothers a lot of people that if they tell you that it's gonna fail and here's 100 ways why it's gonna fail or whatever. That often sets a lot of people off. For me, I like having those kind of people on the team, that don't sugarcoat it and are gonna give it to you straight, or at least how they see it, because they help you with a better product. If they can tell you all the holes, and if you can start plugging them, it will ... again, the whole property's better, the team is better.

Bryan deLugo: So for me, I really, when I look back those are the moments where, there's a lot of people now that I've worked with who people gave up on and I didn't, because it was like a mission. I see that they can be so beneficial, but there's some fringe thought that they've gotta work on, they don't have a filter or whatever, and they gotta learn how to deal with different personalities.

Bryan deLugo: But for me, that's what I ... I look back, and I just, that's the best legacy, I guess, is when you look at the people who now have a very successful career, are able to take care of their families, and in turn are now taking care of people and helping people develop when no one else thought that they could.

Bobby: Oh, that's fantastic. I think that it's amazing that you can be responsible for those 1,400 folks, as you said, and still find the greatest achievement in nurturing personal growth for your team members. That's impressive.

Bryan deLugo: Oh, thank you.

Bobby: Is there a part of managing the people that you find the most difficult, or least palatable?

Bryan deLugo: You know what's ... I guess, and a lot of people probably wouldn't believe ... well I guess if they knew me real well they would, but for me, one of the challenges that I deal with frequently is, I am more on the introverted spectrum, I guess. I'm very, very comfortable with a spreadsheet and with very small groups. So I enjoy the one-on-one mentor type thing, but when it ... when the group gets larger, then I'm not as comfortable in that environment.

Bryan deLugo: That's the one area that one, has held me back often throughout my career, is that I knew that I would have to go do public speaking and be in a big room. If it's a subject that I'm passionate about, that I really like, I have no problem about it. But if it's something that is not ... that I enjoy but I'm not overly passionate or whatever, if the room's big or whatever, or the crowd might be too big, then it's a little more challenging for me at that time.

Bryan deLugo: So that's the part that I ... I like a smaller, intimate group. As things get bigger or medium bigger and there's more participants, I don't feel it's as productive, so I don't enjoy that one as much.

Bobby: I can absolutely relate to that. It doesn't seem to have held you back too far, though.

Bryan deLugo: Well thank you.

Bobby: Thank you guys. Terrific show as always.

Bryan deLugo: Thank you so much.

Mike: Aloha, Mike A'hanuey. How's it going Bryan?

Tino Magnatta: How you doing, Mike?

Bryan deLugo: Really good, thank you. How about yourself?

Mike: Good, thank you! You know, you talked a lot about a lot of good points out there. I just got a couple questions for ya. One, I think Tino mentioned it, but you alluded to it. There's always been challenges in careers and the difficult mistakes that you've made. Can you think of one that has come up in your

career where you definitely learned from it, and it was something that you almost look to check at each step along your career now?

Bryan deLugo: Hm, that's a great question. A challenge where ... that I regret, is that the question?

Mike: Oh, not that you regret. There was a mistake that happened, it was something that didn't go as anticipated, and it obviously became a learning opportunity.

Bryan deLugo: Oh, well, I'll tell you that the second day on the job as a slot tech, I wasn't very skilled. I had just got out of school and I was up there working on a sign, and I wanted to prove that I knew how to do it, I didn't necessarily need help. I ended up shorting two wires together that were line voltage 110, and ended up catching the sign on fire. So I sure regretted that, almost burned the casino down on my first day.

Mike: It wasn't funny at the time, it wasn't funny at the time.

Bryan deLugo: Yeah.

Mike: You must have been freaking out. I can just imagine.

Bryan deLugo: Yeah, definitely as the flames went up and I didn't really know what to do. But that wasn't a good start.

Mike: Second day on the job, yeah.

Bryan deLugo: But really, one of the lessons, I think, that I've learned and I learn every day and I think we talked about it briefly, kind of the transition from being a department head to being the GM was, again, believing that I need to be an expert in every area. That caused me a lot of grief, personally, because I didn't want to let the team down and let them know that I wasn't expert in their area, when I don't think any of them expected me to be. I regret that, looking back, because there was a lot of sleepless nights and I think I ended up losing a lot of weight trying to be an expert in everything, just pulling my hair out.

Bryan deLugo: That's a hard, I guess that's probably ... everyone probably goes through that, but that's a regret that I wish I had not put myself through that heartache and just realized that hey, just be straight with the team and tell 'em I don't have all the answers. Hopefully you do, I sure don't, but let's talk through what we wanna get accomplished here and you figure it out. Give me a plan and if it makes sense and we both agree, then let's get it done.

Mike: Yeah, good points. Good points. You know, with your market there's gonna be some incoming competition. I think down in Elk Grove, and that's just gonna make the job pool that much smaller in terms of talented individuals. You brought it up earlier in the conversation. What do you look for when you can't

find experience in the business? What do you look for in potential candidates for roles that you're looking to fill? And then, on the second part of that, how are you going to look to retain some of your top-end talent with the idea that competitors are gonna try to come in and cherry pick those who they can from your property?

Bryan deLugo: Those are both excellent questions. One thing that we do, we've done and we do, is I meet with the VP, that's the next level here, I guess, and their directors that report to them, and in some cases even the managers. Years ago, we made a list of what we call the high-potentials, people that we all see something in. They have a very positive attitude, they have the can-do attitude, they're just ... they just ... they're problem solvers and they're team players, problem solvers, and they just wanna get the job done. They wanna have a great attitude. So we've identified literally hundreds of them in each department.

Bryan deLugo: We meet probably quarterly, and say, "All right, what are we doing for these individuals to make sure that they are progressing upward? Do they need training?" Or whatever it is, and sometimes over time, some of them will fall off the list because we see the potential, but they don't. They don't want to, at least at this time, they wanna just do what they're doing and that's fine too.

Bryan deLugo: But the list, like I said we go over it frequently, and we make sure that we're getting ... that we're communicating with the team and saying, okay. And candid feedback, you know? Here's your strengths that we see, and here's what we think your weaknesses are, and here's how we think together we can work on these. So we invest a lot of time and money, but more time, into internal training programs.

Bryan deLugo: That's one thing, as new competition comes online, I don't ... that would be the last thing that I would ever voluntarily cut the budget to, because that is so important. The guest service training, but all the leadership development training that we have internally as well. So that's what we do with our list, and we've identified a lot of team members who are in a zip code of where there will be future competition. So we make sure that we are constantly, frequently in communication with them. Are we doing everything that we can do? What else are we not providing you? We have just a really great team.

Bryan deLugo: And to answer your question about what are ... the job market right now is very tight and keeps getting tighter as the economy gets better and people can ... they have a lot of options to work at. In California, minimum wage is gonna go up to \$15 an hour here in another two years, I think it is. So the job market's getting tighter and tighter.

Bryan deLugo: What we look for, and it kind of takes me full circle back to, I think, what I talked about earlier about our new-hire orientation which we do twice a month. I make sure I go can talk there every time, so that they, the new team ... our current team has already heard the message, but I wanna make sure that the new team hears it from the top, that this is our culture, this is how we do things,

and to answer that every question for them. How do you get promoted? Or how do you succeed?

Bryan deLugo: So I make sure that they know that we have a lot of, again, internal leadership development programs. We offer if you're NIT, we offer all the certifications, and if you're in security, EMT certifications, and those type things to again try to retain good talent. What I look for is number one, is attitude. If somebody has a great attitude, I don't know that you can train that. They have to be conscious of it, and only they can, the employee can change that. But if they come in with a great attitude, we can train almost any skill. The attitude is the most important thing.

Bryan deLugo: The other thing that I explain to all of the new hires as well, is one thing that we look for to make it to this list, is we look for people who are team players. But when we do incentives in, let's say, food and beverage where, whoever sell the most desserts or this or that or whatever. When we track who did it, who sold the most, we also look to see how they did it. If we have, again, an individual superstar that pushed everybody out of the way to get to the top of the board, but they walked past tables that are not in their section that need drinks refilled or silverware that needed to be taken away, or plates, and they walked right past their coworker's station to make sure they took care of their own customers, those are not gonna be the team members who are gonna be future leaders or promoted.

Bryan deLugo: It's gonna be the ones who actually look out for their team members, work as a team, and make sure that they all get on the board and that they all succeed. That's what we look for, is that quality of person. There's that old saying, it's not how much money you make, it's how you make your money. So that's very important in our culture here, too, that everyone support each other and they work very hard to make sure that the whole team succeeds and not an individual succeeding.

Mike: Yeah.

Tino Magnatta: Great points, great points.

Mike: Well thank you. Good show. It was a good one, thank you.

Tino Magnatta: Thank you Mike.

Bryan deLugo: Thank you so much.

Tino Magnatta: Bryan, it's been a great show. I really appreciate you coming on. Again congratulations for all your success, but more importantly, congratulations on 25 years of successful marriage. That's a milestone.

Bryan deLugo: Thank you. Thank you so much, Tino. Appreciate it.

Tino Magnatta: Good, and we'll talk very soon. Thank you.

Bryan deLugo: Okay. Thanks so much for having me. Talk to you soon.

Tino Magnatta: Have a good night.

Bryan deLugo: Okay, you too.

Tino Magnatta: No problem. Bye-bye.

Bryan deLugo: Bye.

Tino Magnatta: Well, great interview. Bryan is the ... like I said, it's the best story you'll ever hear about someone getting into the casino business. Win a jackpot and see how it changes your life.

Tino Magnatta: So November eight, we have Bruce Howard. He's the GM over at Valley View. Now Bruce is an amazing person, and he has some great stories, especially from Las Vegas because he worked with the legendary Terry Lani, who was one of his mentors at Caesar's. Terry, of course, was a legend in the business, was responsible for Caesar's, was the head guy there, and then was also responsible for the Mirage and then MGM buying the Mirage.

Tino Magnatta: So you're gonna hear a lot of great stories, you'll hear a lot of great wisdom, and it'll be a lot of fun. Remember, everybody's got a story to tell, you just have time to listen. Have a great evening, and we'll see you November eighth. Ciao!