



by Kell Houston

The Power of Strategic Partnerships

In today's business world, partnerships are more important than ever before. In our casino world it is the same. Often these partnerships get referred to as outsourcing. Outsourcing just doesn't sound as powerful as partnerships, and is often misunderstood. The reality here is that powerful and competent strategic partnerships are behind every successful business.

Everywhere you look, businesses are cutting back on staff, trimming spending and looking for ways to stretch their budgets. Casinos are in the same boat. Employees are being asked to do more with less money. They are scrutinizing all expenditures and they are asking for accountability. Successful businesses leave clues, and their partnerships are, for the most part, the difference.

When it comes to the marketing and entertainment departments in your casino, the same strategy applies. Outside partnerships with advertising, marketing and entertainment buying are a very important part of the partnership process. Companies that specialize in these specific areas are much more connected to their respective business fields than any stand alone casino person. Plus they have a much broader view of the new trends and success stories being created. Additionally, they will get you the "real" price. An outside company's buying power and experience will far outweigh a stand alone buyer in a casino.

One of the common misconceptions about partnerships with outside companies is that the outside people cost too much money. However, what is not being understood is that the outside people are specialized, experienced, very well versed in their particular field, and maintain a lot of important relationships. How much is too much money? If your outside company saves you time, phone calls and research, plus gets you answers, what is that worth? If they can bring options to your table that you haven't looked at before and that are successful, what is that worth? Do you have time to go to all the conventions and conferences and still get your job done at the casino? Do you have time to sit on the phone all day building relationships and making calls? The bottom line is your strategic partnerships.

For example, an inside entertainment buyer for a casino is directed to get the concert entertainment booked directly and in doing so, the thought is that it will save the casino money. An outside buyer is working with a bigger picture scenario and will know what is really going on with that

particular artist and the routing the agency is working on. They also know what the "real" price for the act should be. When it all gets added up, the inside buyer is oftentimes paying from 10-20% more for the artist.

Another unknown to an inside buyer, is that agencies representing artists have agendas. In their weekly planning meetings, the emphasis will shift to and from which groups need the most help in a region or which manager is pressuring the agency to book more dates. The act you are being presented may not be the right act for you, but for the agent, he has to get that act booked in your territory. They are pros at selling their acts, but what's in their best interest is not always the best for you and your casino. An inside buyer seldom has this kind of information.

Wouldn't it make more sense to be included in a series of dates, rather than anchor those same dates? Wouldn't it be better to have access to the inside information so that you can make the best decisions possible? That's what a qualified outside buyer brings to your casino. An outside company will have much more buying power because of the volume of work they do with other casino businesses and agencies around the country. They bring routing, pricing and yes or no answers. They bring acts and special events to the table that the inside buyer has never considered, been exposed to or heard about.

Most casino employees wear several hats and are asked to cover a lot of projects and events. The inside person only deals with their world and they seldom have the opportunity or the time to look at a bigger picture perspective. Their day is full of meetings, managing upcoming events and trying to get caught up. How can an inside buyer operate and do their job successfully and effectively with out a "qualified" outside buyer? That is why you see so many successful casinos using outside partnerships. They qualify these outside businesses by using vendor licensing and by checking references. Once the outside person or business is qualified, an important partnership can be put in place. This partnership now benefits both businesses and a win/win scenario is created. The more you build successful partnerships, the more your network expands. ♣

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