

## A bit of Background... Gaming in Western Sydney

# In the last year at Wests League Club, gaming contributed;

Revenue - \$39.8m @ \$314 per machine per day

Turnover - \$615 million dollars

→ Winners and losers post-COVID

DGR Ranking for Club Gaming Revenue, qtr Nov 2021;

League Club # 11 (490 of 490 machines – up 8 on '19)

Country Club # 37 (270 of 290 machines – up 15)

Golf Club # 432 (71 of 71 machines – up 107)

West Tradies #182 (125 of 143 machines – down 25)





Licence Name	Local Government Area (LGA)	EGMs At 2020 Nov	vs Last 3 Years	vs La Qtr	st vs Last Year	vs 5 Years	2020 Nov
Mt Pritchard & District Community Club Limited	Fairfield City Council	615	603	2	0	0	1
Bankstown Sports Club	Canterbury-Bankstown Council	743	745	-1	1	0	2
Cabra-Vale Ex-Active Servicemen's Club Ltd	Fairfield City Council	450	450	1	1	2	3
Rooty Hill RSL Club Limited	Blacktown City Council	709	726	-2	2	2	4
Canterbury League Club Ltd	Canterbury-Bankstown Council	713	695	0	0	-2	5
Wentworthville Leagues Club Limited	Cumberland Council	537	541	0	1	2	6
Liverpool Catholic Club	Liverpool City Council	435	435	2	2	8	7
Parramatta Leagues Club	City of Parramatta Council	509	520	3	2	-1	8
Revesby Workers' Club Ltd	Canterbury-Bankstown Council	525	525	-1	-1	0	9
Dooleys Lidcombe Catholic Club	Cumberland Council	448	450	0	-8	-6	10
Western Suburbs League Club (Campbelltown)	Campbelltown City Council	431	510	2	8	12	11
Smithfield RSL	Fairfield City Council	325	325	0	12	24	12
Penrith Rugby League Club Limited	Penrith City Council	625	625	1	-1	-2	13
Dee Why RSL Club Limited	Northern Beaches Council	494	494	5	-1	-4	14
Campbelltown Catholic Club Ltd	Campbelltown City Council	516	490	15	-1	3	15
City Of Fairfield RSL Memorial Club Limited	Fairfield City Council	332	332	1	4	-2	16
Western Suburbs Leagues Club Limited	Inner West Council	323	483	-2	5	-1	17
Western Suburbs (N'cle) Leagues Club Ltd	Newcastle City Council	538	554	0	-7	-5	18
Workers Blacktown	Blacktown City Council	430	430	2	-1	0	19
Castle Hill RSL Club	The Hills Shire Council	344	350	3	10	9	20
Country Club Gledswood Hills	Camden Council	251	204	8	15	84	37
Ingleburn RSL Sub-Branch Club Limited	Campbelltown City Council	255	245	-6	5	24	49
Campbelltown RSL Club Limited	Campbelltown City Council	192	192	-38	-9	1	111
Camden Golf Club Ltd	Camden Council	57	57	-19	16	38	289
Camden RSL Club Limited	Camden Council	50	50	-1	7	6	297
Ingleburn Bowling and Recreation Club Co-Op Ltd	Campbelltown City Council	38	38	74	53	103	423
Lakeside Golf Club - Camden	Camden Council	60	51	130	107	183	432
Wests Tennis Club	Campbelltown City Council	53	34	5	-49	-1	462
Campbelltown Golf Club	Campbelltown City Council	20	30	-16	-72	-119	587
Camden Sports Club Ltd	Camden Council	14	14	-27	-31	-46	723
Campbelltown City Bowling Club Co-operative Ltd	Campbelltown City Council	12	24	18	32	-86	748
NSW Harness Racing Club Limited Menangle Park	Campbelltown City Council	19	19	47	-71	19	925



2020 Postshutdown, three WGM venues achieved record high NSW club rankings for gaming revenue



## "Pokies Aren't Cool"

Where/how can we fix?







# Pokies *in Clubs*Aren't Cool!

COVID-19 and the last decade of getting bashed by pubs have shown the way





# Crisis and Opportunity ...in every decision

Case Study - Uber vs Netflix





## Pareto's Guide to the evolving Role of a CEO / Gaming Manager

- Learn the COVID-19 / Darwin lesson the map exists
- Pursue the broader "frictionless economy"
- Create the strongest possible value proposition
- Concede that you will spend more time on 'people'
- In time-poor climate direct time, resources and people to tasks which will yield the best outcome
- Celebrate the patronage of members and espouse the values of "congratulatory" and "complimentary"





## Pareto's Guide to the evolving Role of a CEO / Gaming Manager

- "The vital few and trivial many" in any endeavour
  - 80% of effects come from 20% of causes
  - Know the 20% of staff/members/product/ departments responsible for 80% revenue
  - Focus on minority of repeated problems and causes which result in a majority of grievances
  - Elaborate why clubs need engagement
  - Do likewise the difference between a "loyalty" and a "rewards" program
  - Try it Inertia and inert management are the obstacle





### The Easy Part - Measuring Machine Performance

#### **Internal**

- Performance Rankings via Theo Win/Expected Net Per Day
  Theoretical Win Per Day = Turnover x RTP% / Days
- # Contribution Analysis, Heat Maps, Board, Occupancy, BI
- ★ Know Your Market Talk to Players, Frontline Managers

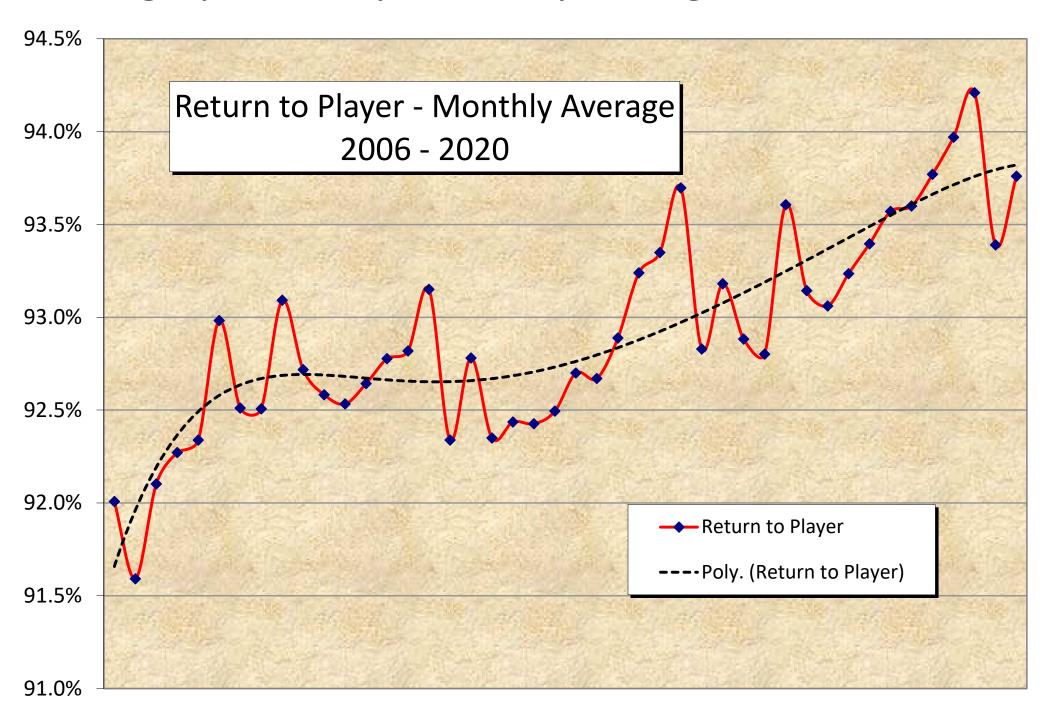
#### **External**

- ➡ Networking CMA, LCA, GMDC, LMOs, ClubsAustralia
- # Manufacturers, Reps, Techs & Service Agents
- # Astute BI, Max, Odyssey, DGR Rankings





### A graph for anyone lucky enough to hold 9%...



## "If you can't measure it, you can't manage it..."

- # Gaming is a very simple science get your performance reporting right, generate it quickly use 5 of 20 rule
- # Track performance, try new things, be innovative and responsive but be ready to react swiftly based on results

"What other business provides you with instant, daily feedback about what you're doing right and what you're doing wrong?"

- The Cashbox





### "If you can't measure it, you can't manage it..."

- → Product -> player segmentation
- Aggressive warranty conversions in the Hold & Spin Dragon age for dead cat bounce factor
- # First to market to maximise honeymoon periods
- ➡ Volume (c. -33%) vs spend (c. 50%) of players
- # Building banks & zones in multi-game –denom
- # Competitive advantage vs retaining existing play





### Who's Making the Money?

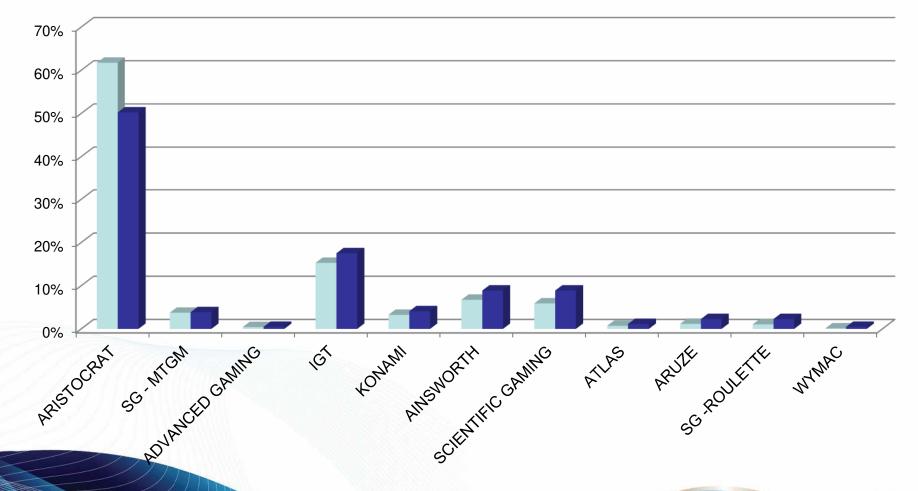
God bless Aristocrat, again...





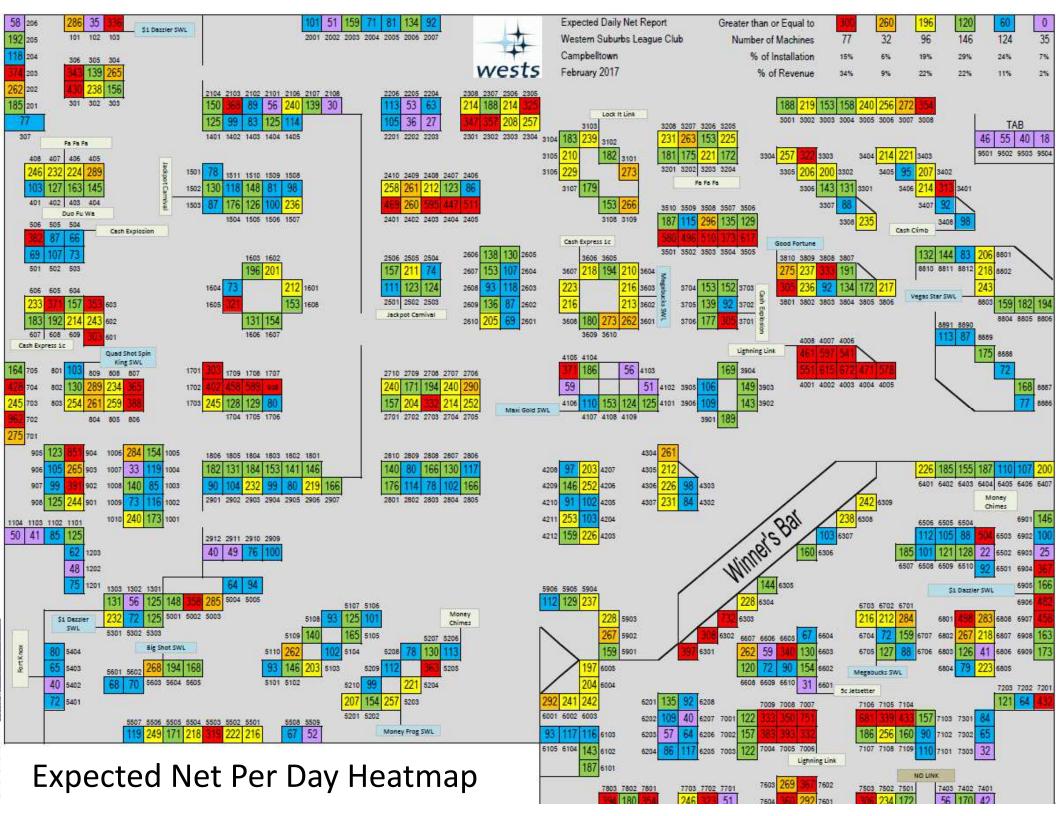


■ Mach %









2	Wk 17/	8	+	8	6	4	5	9	5	1(	7	8	4	2	9	4	4	9	2	4	9	4	9	7	5	6	_	7	7	5	_	5	3	4	4	3	4	5	2	2	9	2
215	Wk En ~	785	584	264	889	839	265	267	1025	919	438	882	752	194	1022	232	344	873	551	830	583	927	919	114	354	409	946	603	357	724	163	515	717	610	720	395	431	614	307	292	781	384
	Exp 🛴	8.78%	9.10%	8.53%	8.78%	8.60%	6.46%	6.83%	9.10%	8.78%	8.53%	6.72%	7.61%	8.53%	6.83%	8.78%	6.83%	8.78%	8.78%	6.83%	8.78%	2.30%	6.65%	8.53%	6.83%	8.18%	8.53%	8.78%	8.78%	2.50%	8.60%	8.60%	8.78%	2.30%	2.30%	8.78%	6.72%	2.50%	6.72%	9.10%	6.72%	6.83%
	Der	Mulfi	0.01	Multi	Multi	Multi	Multi	Multi	0.01	Multi	Multi	Multi	Multi	Multi	Multi	Multi	Multi	Multi	Multi	Multi	Multi	MTGM	Multi	Multi	Multi	Multi	Multi	Multi	Multi	MTGM	Multi	Multi	Multi	MTGM	MTGM	Multi	Multi	MTGM	Multi	0.01	Multi	Multi
Day Average	F							1																															1		1	
Leagues Club Exp Net per Day Average		MAGIC PEARL - LIGHTNING CASH		PANDA MAGIC - DRAGON CASH	PANDA MAGIC - DRAGON CASH	TIKI FIRE - LIGHTNING LINK	PC DIAMOND EDITION V01	HAPPY AND PROSPEROUS - DRAGON LIN	QUEEN OF THE NILE	HIGH STAKES - LIGHTNING CASH	HIGH STAKES - LIGHTNING CASH	HAPPY AND PROSPEROUS - DRAGON LIN	HYPER HITS LONGSHIP LEGEND	AUTUMN MOON - DRAGON CASH	AUTUMN MOON - DRAGON LINK	MOON RACE - LIGHTNING CASH	GOLDEN CENTURY - DRAGON LINK	TIKI FIRE - LIGHTNING CASH	BENGAL TREASURES - LIGHTNING CASH	PANDA MAGIC - DRAGON LINK	AUTUMN MOON - DRAGON CASH	VEGAS STAR MULTI GAME W BJ	MS CHAMPION SERIES GOLD	MOON RACE - LIGHTNING CASH	AUTUMN MOON - DRAGON LINK	PC DIAMOND EDITION V03	WILD CHUCO - LIGHTNING CASH	PANDA MAGIC - DRAGON CASH	HAPPY AND PROSPEROUS - DRAGON CA	VEGAS STAR MULTI GAME - SWL	WILD CHUCO - LIGHTNING LINK	HIGH STAKES - LIGHTNING LINK	BENGAL TREASURES - LIGHTNING CASH	VEGAS STAR MULTI GAME W BJ	VEGAS STAR MULTI GAME W BJ	GOLDEN CENTURY - DRAGON CASH	GOLDEN CENTURY - DRAGON LINK	VEGAS STAR MULTI GAME - SWL	HAPPY AND PROSPEROUS - DRAGON LIN	QUEEN OF THE NILE	AUTUMN MOON - DRAGON LINK	PANDA MAGIC - DRAGON LINK
24/06/18	Install Date	22/03/17	11/10/05	09/08/17	30/10/17	01/06/16	03/09/13	15/05/18	07/04/03	06/10/15	12/06/15	14/05/18	17/08/17	09/08/17	15/05/18	29/03/16	15/05/18	13/04/16	12/10/16	15/05/18	30/10/17	09/12/15	24/09/15	29/03/16	15/05/18	27/11/13	12/10/16	09/08/17	09/08/17	28/01/15	09/08/16	11/07/17	06/12/17	09/12/15	09/12/15	09/08/17	14/05/18	28/01/15	14/05/18	07/04/03	14/05/18	15/05/18
through	Manu/Cabiner	Ali - Helix	Ali - MK5	Ali - Helix	Ali - Helix+	Ali - Helix	Ali - Vir 22 Inch	Ali - Helix+	Ali - MK5	Ali - Helix	Ali - Helix	Ali - Helix+	IGT - Crystal Dual	Ali - Helix+	Ali - Helix+	Ali - Helix	Ali - Helix+	Ali - Helix	Ali - Helix	Ali - Helix+	Ali - Helix+	TGM - Multi Game	IGT - Neo N	Ali - Helix	Ali - Helix+	Ali - Vir 22 Inch	Ali - Helix	Ali - Helix	Ali - Helix+	TGM - Multi Game	Ali - Helix	Ali - Helix	Ali - Helix	MTGM - Multi Game	ATGM - Multi Game	Ali - Helix	Ali - Helix+	TGM - Multi Game	Ali - Helix+	Ali - Mk5	Ali - Helix+	Ali - Helix+
28/05/18	Serial	XAW908986	XAW328306	XAW908930	XAWA25859	XAW932054	XAW880671	XAWA28681	XAW328337	XAW947711	XAW943053	XAWA23575	XGT502320	XAWA21447	XAWA28674	XAW930512	XAWA28677	XAW940144	XAW908927	XAWA28685	XAWA25856	XSG306265 M	XGT667108	XAW947709	XAWA28673	XAW890497	XAW908931	XAW941047	XAWA21450	XSG305422 W	XAW932051	XAW943054	XAW908982	XSG306266 M	XSG306267 M	XAW943055	XAWA23568	XSG305421 M	XAWA23572	XAW328339	XAWA23574	XAWA28682
	Floor	1708	5205	7801	2008	7007	304	6404	5201	4304	6305	3809	3404	201	6405	704	6402	1710	2401	6407	2007	6001	6805	6301	6401	7104	6304	1705	1501	9880	2707	9002	2002	6002	6003	1704	4005	8805	4007	5203	4008	5404
	Rain	<b>~</b>	2	3	4	2	9	7	œ	6	10	Ħ	12	13	14	15	16	17	9	19	50	21	55	23	24	52	56	27	58	53	30	31	35	33	34	32	36	37	38	33	40	41
197	Prev -	229	265	452	353	417	376	399	157	292	370	336	408	275	889	628	424	561	238	327	174	202	286	262	381	300	287	436	671	191	330	218	463	189	195	349	336	255	294	144	322	183
213	4 WI ↓↓ Ave	805	804	784	750	735	729	727	672	628	618	584	573	571	999	545	532	523	512	511	510	909	501	501	480	473	472	470	464	463	463	459	458	458	450	446	445	444	440	431	431	429
8.06%	lnc/Dec	252.03%	203.23%	73.58%	112.72%	76.19%	93.69%	82.08%	328.42%	114.90%	67.16%	73.74%	40.46%	107.43%	-17.25%	-13.29%	25.50%	-6.83%	115.16%	56.54%	192.87%	150.24%	75.48%	91.33%	26.01%	57.62%	64.51%	7.74%	-30.74%	142.90%	40.25%	110.86%	-0.94%	142.51%	130.49%	27.93%	32.19%	74.10%	49.57%	199.03%	33.67%	134.26%

### The Hard Part – People

We are in the hospitality business. So be hospitable!

Invest time in managing relations with key stakeholders around your venues, use their favourite word, feed the beast ceaselessly. Don't be the two mouthed, one eared Club Manager - learn from the fabled masters;

- → Raff and the Sports Bar Bleeder
- McAleer's Bilby's and Silence is approval
- → Ballesty & Levett Red flag of probies
- # Chase the 1%'ers via information & peers SOCG (judiciously read Bill Friedman, Simon Sinek, Daniel Kahnemann, James Kerr...)





### The Hard Part – People

Less resilient staff, low unemployment and flexible workplace expectations make for a very tough HR / IR Climate, thus impact on Gaming & Hospitality Service provision.

If they don't bark as puppies...

They will not bark as dogs!

When interviewing and employing prospective staff, it's not always easy to pick the good ones so use probation periods mercilessly...





When you have twins, it's not always easy to figure out which one is the evil one, but sometimes ...





### Unique Features v Common Sense

- Feng Shui vs Common Sense
  - Master plan –? Identify prime real estate
  - ATMs in foyer, audio, discretion, scenting
  - Footprints in the snow Wynn the traffic flow
  - Give them what they want millennials?
- No al fresco? Control the controllables and 'Make hay while the sun shines!'
- Understand your market & product
  - Teach staff to have tough discussions
  - Explain cognitive dissonance & RTP reality
- Preparing for Digital Wallet & Cashless economy





### Time, Space & Money

- Management Focus and the inequity of how we allocate Time Vs Space Vs Money
- ❖ Gaming is fundamental to the financial feasibility of the business
   aggressively pursue the sum of cumulative gains 1% more is a lot of schooners so, "nothing is not your job"
- Spend time with staff and supervisors on the gaming floor
- Stay informed & in touch with each other
- Speak with players and hear their concerns, criticisms, praise and feedback – engage them, be "complimentary"
- Everything else is marketing...

Including F&B, Craig's washer/dryer, every new car...





### Marketing and Promotions

- # Gaming-specific promotions aside, it is essential that all club-wide promotions return a yield if not directly; from the gaming dept
- → Get or make gaming savvy Marketing & HR Mgrs
- # Typically measured by looking at pre- and post-promotion turnover and machine occupancy levels to ensure that a breakeven point has been achieved
- → Reduced scatter gun marketing/promo spend
- → New Product Launches & Player Education Campaigns, Club-wide promos inc. gaming
- # Members & Major Draws -> Use accelerated earns

In NSW, the capacity to break the shackles of S.10.1(i) of the Registered Clubs Act and drive targeted returns to deserving recipients is the crux of VIP in Sydney clubs...





# HOW DO I QUALIFY?

Over a rolling 12 month period, members need to accumulate the following:

POINTS NEEDED	+++++ 200,000 POINTS	++++	40,000 POINTS	15,000 POINTS	5,000 POINTS	1,500 POINTS
EVEL	****	***	**	‡	*	•
MEMBERSHIP LEVEL	DIAMOND+	DIAMOND	PLATINUM	GOLD	SILVER	BRONZE

# WHAT YOU NEED TO KNOW

- Tier eligibility is reviewed on the 20th of every month (or next business day)
- Tier relegation is reviewed on the 20th of every April and October (or next business day)
- and weekly bonus points via Wests Members Assessment shall be made on points earned (excluding points awarded by promotions Rewards Program)
- Those eligible automatically receive all the benefits unless the member "Opts Out"
- Rewards are limited to the member and one guest (guest must be on premises)
- One Wests Members Rewards point is equal to one cent (1c)
- Displayed discounts are in addition to standard membership discounts
- Player activity statements and full Terms and Conditions of the Wests Members Rewards Program are available on request
- Think! About your choices. Call Gambling Help 1800 858 858



## BENEFITS FOR MEMBERS OF WESTS GROUP MACARTHUR

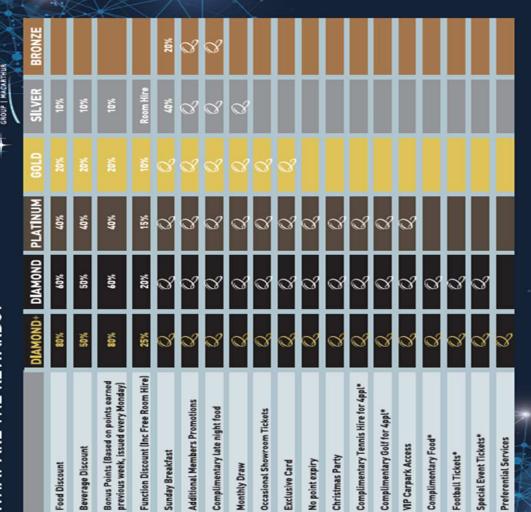
member of Wests Group Macarthur with so many There has never been a better time to become a fantastic venues, events and benefits.

## WHAT IS IT?

Group Macarthur's venues. Points are allocated for all bar and catering transactions, as well as members based on their use at any of Wests A card based loyalty program, rewarding gaming machines



# WHAT ARE THE REWARDS?



ADDITIONAL REWARDS (Wests Tennis Club and Lakeside Golf Club Camden)

	DIAMOND	DIAMOND	PLATINUM	COLD	SILVER	BRONZE
Food Discount	%08	80%	%09	%07	30%	10%
Beverage Discount	20%	20%	%07	30%	20%	10%
Discount off Chinese Restaurant Meals	20%	20%	30%	20%	<b>10%</b>	

Some restrictions apply

Country Club

\*\* wests

📫 Lakeside

















## Members Rewards Program

- ₩ No longer a competitive advantage, but...
- # Single greatest driver of membership and reven**Wests**growth over the last decade
- # Commercial emulating casinos, hotels
- Origins in indiscriminate pickle distribution
- → Staff selection, pruning & education is vital
- # Emphasing "complimentary" not "free"
- # Concept easy implementation is fraught with pitfalls in consistently delivering promise
- # Be honest with dissenters "VIP's money built this place and subsidize your beer!"
- # The VIP Promise... carparks and kudos...

## Members Rewards Program

- # The agricultural start it yesterday philosophy
- # Start by conceding, "we're not that smart!" Wests
- # Aggressively acquire gaming assets
- → Importance of Parking for discretion & kudos
- # The Casual Meritocracy
- # Aggressive use of probationary period to counter entitlement and lack of resilience
- Pursue the frictionless transaction remove roadblocks and impediments to loyalty
- # Utilize Values to empower staff and management





















**PROGRESSIVE** 

INTEGRITY

CUSTOMER

RESPECT















## Members Rewards Program

- # Zebras attract zebras consider the impact of communal thinking on your staff, management and players
- # Importance of the fine print in your T's & C's and LTPS's. Enact the Superman clause judiciously
- # Brace yourself a strong program will mobilise and unite a group of your "biggest losers"
- # Try to comprehend *cognitive dissonance* in gaming players' inconsistent thoughts and beliefs contradicted by their own actions
- # Market engagement and philanthropy
  Ensure advocates know the difference between pubs & clubs









Place Your Bets Here





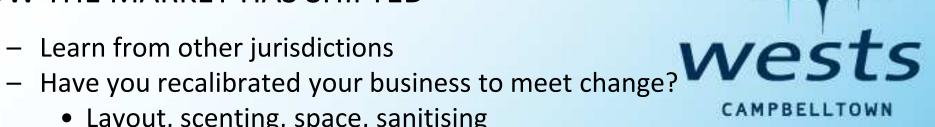


### Running clubs in a post-COVID-19 world...

#### HOW THE MARKET HAS SHIFTED

- - Layout, scenting, space, sanitising
  - Invisible tasks suddenly, cleaners are cool!
  - Staff
  - AEMP Spend
- Regulatory appetite Digital Wallet
- Barriers to Entry diluted
- Younger, hungrier, time-poor client base has emerged
- Staff and Community engagement prioritised
- Excruciating labour market
  - Capacity to attract and retain talent is challenged
  - Capacity to earn is enhanced

EVERYONE MAKES MONEY IN A BOOM, BUT A GOOD CRISIS POLARISES...



### Leadership and Culture; unproven tenets of...

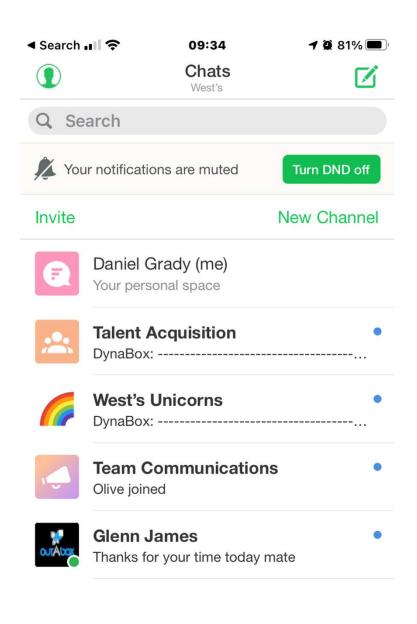
- Have a personal impact on values and culture via recruitment and retention.
- Imbed expectation. Use probation judiciously
- Ask yourself if this was my money, would I do it?
- Be grateful and gracious acknowledge excellence, whether in sporadic displays by suppliers, staff or any other minor victory that deserves celebrating
- Be a good, loyal lieutenant including butting heads and
   fighting the good fight when necessary
- Get a good, loyal lieutenant find like-minded people and be patient with delegation; "follow the spearhead"
- Definition of teamwork is...

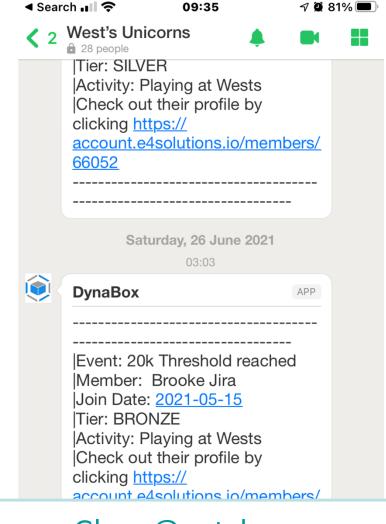
### Planting the post-COVID seeds...

- Duty of Care in COVID-19 world
- Loyalty Programs vs Rewards Programs
- ❖ The RTP% complaint "Russia in a box"
- ❖ 18 to <del>38yo</del> don't go to clubs relevance?
- Know your market and engage!
- Fit-out emulate hotels Post-COVID
  - Facilitate social distance wider and shallower
- Innovate
  - No need to reinvent build on knowledge and XP
  - Other jurisdictions Service, space, finite capacity
  - Dynamic Player Recognition
  - Get them Flocking to you



#### Dynamic BI - Get FLOCKED with OutAbox (or Cherry Hub)





Glenn@outabox.com.au

0498 045 313

or Frank & Mandy @ Cherry Hub

### Leadership and Culture; unproven tenets of...

- Have a personal impact on Recruitment and Retention
- Don't over-complicate we're not that smart
   Ask yourself if this was my money, would I do it?



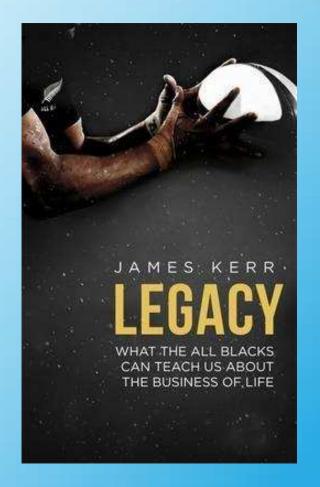
- Butt heads and fight the good fight when appropriate
- Be a good lieutenant; get a good lieutenant;
  - row together
- Be Grateful and Gracious acknowledge excellence, whether in sporadic displays by suppliers, staff or any other minor victory that deserves celebrating
- Be adaptable and opportunistic (if regs change...)

### Leadership and Culture; unproven tenets of...

### **Building a Legacy**

- Do more "Champions do extra"
- The power of humility as a foundation
- "Sweep the sheds"
- No dickheads policy who's got the time?
- Be a good ancestor by espousing the "legacy" of actions and the planting of seeds which you may never see grow
- Authenticity everything becomes easier when
   people become the key to good judgement;
- How do you put the best team on the park?
  - "Better people make better All Blacks [and everything else...]" — James Kerr





### Questions?

Any questions, queries, philosophical objections or employment applications available from;



**Daniel Grady** 

Chief Executive Officer

**West Tradies** 

danielg@westtradies.com.au