

RAISING THE BAR:

Dennis Gomes on Marketing, Team Building and His Vision

"The vision must be followed by the venture. It is not enough to stare up the steps — we must step up the stairs."

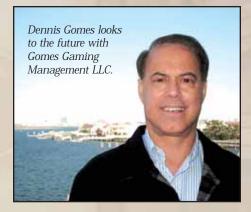
— Vance Havner

The New York Times once called him "Mr. Fix-It," a moniker earned from a unique ability to make a failing resort profitable. He is Dennis Gomes, a man known for cutting-edge thinking, creative passion and marketing visions that most would deem impossible. He fostered amazing revenue and profit growth as president of the Taj Mahal in Atlantic City, and later did the same as president of resort properties for Aztar Corporation, including the Tropicana properties in Atlantic City and Las Vegas. His vision brought "The Quarter" to the Tropicana, a \$245 million Havanathemed retail, dining and entertainment experience that raised the bar in Atlantic City. Other properties have tried to duplicate it, but The Quarter's popularity is unmatched.

Now, as president of Gomes Gaming Management LLC, his mission is twofold. First, with the tremendous growth of gaming throughout the United States and the world, Gomes sees a serious shortage of qualified gaming executives. According to Gomes, one of his objectives is to fill that void. "Our goal is to provide turnkey operations to equity investors who want to get into gaming, but do not have the expertise to manage such facilities," he said.

The company's secondary objective, he added, "is to provide turnaround expertise to gaming companies that have not done well financially."

Gomes has a long history of dramatically out performing the competition with his business plans.



The Road to the Top

The former Trump and MGM MIRAGE executive has been in the industry for 40 years; few can match the time Gomes has spent in the gaming regulatory environment and high-profile executive positions.

Gomes graduated from the University of Nevada with an accounting degree and holds a master's degree in business and finance from the University of Washington. After working as an accountant for Peat, Marwick, Mitchell and Company (one of the world's largest public accounting firms) and as a business management consultant for Coopers and Lybrand (another "Big Eight" international firm), Gomes earned his CPA certificate.

The Nevada Gaming Control Board (NGCB) later recruited him to be an agent and division chief. While in this position in the early '70s, he led a team of agents on raids at the Stardust, Hacienda, Marina and Fremont Casinos in Las Vegas. These raids uncovered a hard count scam that was netting millions of dollars for casino owners involved in organized crime, and later served as an inspiration for the movie *Casino*.

In the late '70s, as a chief special investigator for the New Jersey Division of Gaming Enforcement (DGE), Gomes led the licensing investigation of Resorts International, the first gaming resort to open in Atlantic City.

Groundbreaking Style

Thanks to his years in law enforcement and his experience with investigative formulas, Gomes said he can quickly get to the bottom of most problems. He feels that his regulatory background gives him credibility with regulators and law enforcement agencies. "I am generally acknowledged as one of the key creators of many of the internal control systems and investigative procedures still followed by agents of the Nevada Gaming Control Board and the New Jersey Division of Gaming Enforcement," Gomes said. These credentials support his groundbreaking style as he develops, plans and lays out his vision for a resort property.

While at the Tropicana, Gomes' visionary marketing style led his team to create major casino floor innovations, such as the Fortune Dome, the Cash Contraption, and — who could forget? — the Tic-Tac-Toe Chicken Challenge, where customers played against a live chicken. "Originally

there were a lot of jokes about that promotion. The jokes stopped when people saw lines of customers waiting to play," Gomes said. The promotion became so big, media outlets from world around the requested interviews about it.

While Gomes was overseeing the Tropicana East and West, his peers at other resort properties in Atlantic City nominated him to become president of the Casino Association of New Jersey (CANJ), which collectively represents the interests of the Atlantic City gaming industry. This period of time (2002-2004) was pivotal in Atlantic City's gaming history. At first, Gomes was reluctant to accept the position he knew he would be busy developing plans for The Quarter at the Tropicana. Then Gomes' friend, Tim Wilmont, stepped in. Wilmont was then president of Harrah's Atlantic City and the outgoing president of the CANJ. He told Gomes not to worry, as there would be little for him to do regarding association matters.

How wrong he was. During Gomes' term in office, then-Gov. Jim McGreevy and his cabinet wanted to place slots at the Meadow Lands Sports Complex in northern New Jersey. The state also wanted to raise gaming industry taxes. The CANJ was heavily embattled with these industry issues, and the conflict played out daily in the press. With Gomes at the helm, the industry prevailed on both fronts.

Leading the Way

Gomes' blend of unique skills and personality attracts certain types of people — those who join his team follow him on his adventures. Gomes will be the first to tell you he is all about people. "I know this marketplace. I can get the best employees and the best executives to work in an environment where everyone cares about one another," he said.

While running the Trump Taj Mahal in Atlantic City, Gomes was able to incorporate dealer customer service programs that maximized tips through better service. He did the same at the Las Vegas Hilton, where dealers had been making \$50 a day in tips. "Through the programs we started, [the dealers]

they could make more money through a soft hustle as apposed to a hard hustle," Gomes said

Gomes also looks out for the whole employee, not just his or her paycheck. Gomes' work philosophy encourages employees to join programs offered on the job, including karate, yoga and meditation. He was offering these programs to employees fifteen years ago, and was criticized for it in some circles. Now it is considered a normal part of the business day at many successful business environments, including Google.

"A leader cares about his people, and the people know it. I care about people," Gomes said. "My goal has been to help people reach their highest potential. That's the difference between an executive who is an administrator and one who is a true leader."

The Dennis Gomes philosophy creates a happy and secure environment for his employees. He feels happy employees create energy that transcends to the customers. "Love is the most powerful force in the universe," he said.





The Trump Taj Mahal, an anchor on the Atlantic City boardwalk and part of Dennis Gomes' history.



The Tropicana Atlantic City, which Dennis Gomes managed as part of the Aztar Group of resort properties.

"I use it as the basis of everything I do. It's the basis of every decision."

Speaking to Gomes on a sunny spring day at his bayfront home in New Jersey, I was afforded the opportunity to ask him questions that are on many of your minds.

Casino Enterprise Management: How will gaming in Pennsylvania impact Atlantic City?

Dennis Gomes: I don't think the expansion of gaming in New York and Pennsylvania is really going to hurt Atlantic City. It is going to help long term. No other surrounding jurisdiction can create a critical mass of casino resorts, retail, dining and entertainment. This is what Atlantic City and Las Vegas offer. Pennsylvania's gaming properties are scattered. Because of [the state's] super-high tax rate, [operators] are creating slot warehouses and their other offerings will be limited. Ultimately, it gets more people interested in gaming. And everybody interested in gaming wants to go to Las Vegas and Atlantic City.

CEM: What do you think about the possibility of video slots at the Meadow Lands in New Jersey, something you led a charge against many years ago?

DG: New Jersey would be smart to keep the tax structure where it is and not spread gaming to other cities in New Jersey. If taxes are raised and slots spread to other areas of the state, such as the Meadow Lands, it will dilute the Atlantic City market. Investors are not going to want to come and put a lot of money in their projects or build multibillion dollar properties with high taxes in a diluted market

CEM: Do you think the recent purchase of the Harrah's properties, which account for about 40 percent of the gaming properties in Atlantic City, could slow the resorts' growth?

DG: There are many projects currently underway at the Harrah's properties that will continue. Caesars has done a tremendous job with its remodeling. With the Sands and the

Morgan Stanley project in development, I think they will have to keep going to keep up with the competition.

CEM: We see technology creating so many staff reductions in the hospitality resort industry. Is there a "tipping point" where this becomes counter-productive in terms of customer service?

DG: Steve Wynn once said to me, "You can't save your way to profits," and I never forgot that. Sometimes accountants don't have this vision. It's about figuring out creative ways to motivate customers to come to the property. Sometimes, all [accountants] look at is the cost, and they forget about the revenues. Cutting costs is sometimes necessary, but if not handled properly, it could destroy a property. It is imperative you understand how the customers think, feel and react. It's about understanding how to motivate. You must be people oriented. Sometimes the accountants have a hard time with the people side of things and, consequently, can't figure out how to increase the top of the income statement or the revenue line. Instead they focus on the next thing that impacts profit, and that is cost. [Staff reductions] are easy and measurable, but often counter productive. (Note: Answer was given with all due respect to the accountants, and Gomes reminds us he has an accounting back-

CEM: The Gomes style of management brought tremendous revenue increases to the Trump and Aztar properties during your leadership. When you visit other gaming properties, how are they viewed in Dennis Gomes terms?

DG: It's not what I see, it is really what I feel when I visit a successful property — and that is energy. When I operate properties, I want to bring an energy level to them that helps create that critical mass of fun, excitement and experience visitors can feel. I feel it, or I don't.

CEM: Your reputation precedes you when it comes to promotions. Would you agree that the most successful promotions are often the simplest and least costly?

DG: The most effective marketing plan is giving someone a message that is easy to understand. Direct them to do something, and show them how they are going to benefit. It should be a direct message. Simplicity and creativity are critical. Sometimes the things I do are considered crazy, but they have been very effective.

CEM: You have worked for titans in the gaming industry, including Baron Hilton, Steve Wynn and Donald Trump. How would you describe these key executives?

DG: All of them are complex and fascinating individuals. Baron Hilton was an intelligent, elegant, adventurous man, and I would say that fairness and honesty were his most valued characteristics. Steve Wynn is the

most intelligent man I have ever known. He is truly a visionary, has incredibly great taste, understands what motivates people and knows this business better than anyone. Donald Trump knows buildings and design, and is the greatest promoter and dealmaker I have ever worked with. He is full of energy and knows how to manage. When I worked for him, it was a total pleasure because he did not get involved in the details and let me do what I do.

CEM: Casino executives live busy lives. You are a recent father of the bride, and have maintained a strong family base with your lovely wife Barbara and five children. What would you tell executives who are caught up in doing all the right things on the job while trying to balance work and family?

DG: People must maintain a balance of mind, body and spirit. That includes family, relationships and activities outside of work. When they do that, they are better people, better employees and function in a more balanced way. The one-dimensional executive who is totally devoted to work and who eats, sleeps and breathes work was valued by corporations at one time. The more hours worked, the more valuable they were per-

ceived. I believe there is a new paradigm in corporate America. CEOs want whole people, not just the one dimensional workaholic.

Looking at the casino-dotted Atlantic City skyline from Gomes' deck, we can only imagine how his view will change in the next few years. With mergers and acquisitions an ongoing event of gaming resort operations, we find companies entering the marketplace that have never operated a gaming property. One thing is for sure: Gomes and his team will play a big role in shaping the future.



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