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Playing the Game

Grup Peralada's gaming division is on a journey of international expansion, under the guidance of a highly experienced CEO who is leading it to success.

Images courtesy of Grup Peralada

Javier Picola has been CEO of the gaming division of Grup Peralada since 2010. His professional background is extensive, having worked for a variety of companies in different industries and countries throughout his career. In the 90s, he was appointed managing director of the casino division of Cirsa, one of the largest gaming conglomerates in the world, a role which prepared him well for his current position within Grup Peralada.

"I was responsible for pushing the casino division forward from a very small local stance to a much larger international dimension," Javier says. "I was there for seven years between 1993 and 2000 and then I decided to move on. It was very strenuous having to travel back and forth to South America constantly.

"When I decided to look for new opportunities, something came up that was both interesting and totally different—Indo, the leader

in Spain's ophthalmic lens industry. You might ask what it might have in common with the gaming industry, and the answer is nothing; however, the business was looking for a far-reaching international expansion and they saw the potential in me to develop a national company into a worldwide business. As I had achieved that quite successfully during my years at Cirsa, Indo decided to give me the opportunity to replicate that strategy."

Indo was already the leader in the Spanish market and Javier managed to expand its presence into the US, South America, and other countries in Europe. After seven years, he took a sabbatical to spend more time with his family before later joining Grup Peralada.

Grup Peralada is based in Barcelona and is owned by the well-known Suqué-Mateu family. It was founded in 1904 and has diversified operations in leisure, wine, and industry, besides greatly sponsoring arts and culture. The gaming division is its core business

and Javier was asked to lead it following some informal conversations years before his appointment. "I met them years ago because the casino industry in Spain is rather small," he explains. "We had some friendly talks to see if in the future there would be room for collaboration and that possibility came up in late 2009."

Javier was attracted to the role for three reasons: he thoroughly enjoyed the gaming industry, he liked to work for family-owned companies, and the Suqué-Mateu family and by extension Grup Peralada had an impeccable reputation as the leading player in Spain's casino industry.

"The Spanish casino industry was and still is, to some extent, a very closed market. There are some 40 casinos and no new licenses so they have all been around for the past 30 years. Since the late 70s, Grup Peralada had been a well-established company, but had not changed much or increased its business focus over the years. It was doing reasonably >



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- Javier Picola

well and advancing gradually, but not achieving anything materially new. Unfortunately, the harsh economic crisis that exploded in 2007 hit all Spanish casinos' revenues very badly.”

Grup Peralada recognised the need of a helping hand to get it back on track, stabilise it, make it more professionally run, change its business model to the new rapidly changing environment, and boost its international growth, all of which became Javier's main operating drivers.

A strategic five-year plan was implemented—its key point being an expansion into southern Europe and into the southern tip of Latin America. Currently, Grup Peralada operates three casinos in Spain, five in Latin America, and since 2012, the division is also present in

Spain's online gaming regulated market. “On the one hand, we are expanding and trying to achieve outside of Spain the growth we used to have here in the past; and, on the other hand, trying to make the company more stable by diluting its risk in different countries with asymmetric business dynamics, so to speak,” Javier notes. “The company will have a better equilibrium than had it stayed a Spanish-only company.”

Javier says he enjoys working in a business environment that is owned and operated by a family rather than a large multinational company. He prefers the atmosphere, which is friendlier, warmer, and has more of a personal touch. He also implies that issues can be addressed in a much more direct manner.

“We have a board of directors, which is basically composed of the family members plus independent directors. We have meetings every month or so and when a key

decision needs to be made, I submit it to the board for approval, which is normally swiftly given as they trust that the strategic direction we are leading the company in is the right one. The thing I like most about family-owned companies is how quickly you can go to the sources of strategic direction and decision-making. There is only one step between myself and the board. They evaluate what I propose and decide. So, for me, it's a much more direct and agile way of running a business.”

Grup Peralada mainly relates to three stakeholders in terms of optimising operating efficiencies: the regulator, customers, and suppliers. Javier says the casino industry is heavily controlled and taxed, particularly in Spain, where a 55-per-cent gaming tax is paid on table revenues. Therefore, a strong relationship with the regulator is of key importance because it greatly determines profitability



and has to enforce a safe regulatory environment.

“One of the main things we have worked on in the past few years since I have been here is establishing a much narrower relationship with our regulator, trying to help it follow the pace of innovation and adapt the regulatory environment to it. Our relationship with them determines to a great extent our results and the way we operate casinos.”

Javier has also been focused on re-establishing a strong rapport with customers, something which was not so much a priority before he came into the business. “We are placing the client at the centre of everything we do here,” he explains, “in terms of customer relationship marketing, and in terms of having a single point of contact with them through a brand new service desk for all our operations.”

Finally, slot and electronic table game suppliers are another crucial element in ensuring Grup Peralada's success. “We have very strong links with them and we work very closely with them. Even though you might think slots are the same all over the world, that's not the case. They have to be adapted to every market. So you can have a very successful slot machine that works in Las Vegas that you wouldn't have in Barcelona. It has to go through a rather complex certification process. We go sort of upstream

“We are placing the client at the centre of everything we do here.”

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when we work with our slot suppliers so they can design or adapt their technology to be later certified by the regulator.”

Another relationship that is critically important to Grup Peralada is the one it has with its own employees. Javier wants to have the best employees in his team and to duly empower them, which in turn will prove beneficial for the company. “In the past, we had many people with a lot of knowledge, who were honest, dedicated, and loyal, and had been engaged with the company for a long time; however, they rarely had the opportunity to make a contribution, to take a risk, or even to make a mistake, as they were buried at the bottom of the company's organisational ranks.

“Just recently, we also launched a program of innovation within the company. Anyone in any of our operations around the world—2000-plus people—can send innovative ideas to an R&D committee. The ideas are evaluated, the promoters get rewarded, and eventually, if the ideas are considered worthwhile,

they are implemented. We are even considering giving those innovative employees a share of the profit generated by their initiatives. So we are really making this company change very much in that respect, in terms of people and innovation.

“So if you ask me what the main changes of the company have been in these past years, I would say that it hasn't been the international expansion, the change in business model, or the greater operating efficiencies. The all-important main change is that now we have the best people in the company making key decisions, no matter who they are, what their age is, or how long they have been on board. Empowered employees, satisfied clients, and innovative ideas, that is what the company is all about now.”

Javier is committed to continue leading Grup Peralada's gaming division to future success by strengthening its international expansion, nurturing its key operational relationships, cherishing its clients, empowering its people, and promoting innovation. •

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