

# The Golden Nugget places a winning bet on flexible, standardized technology to serve patrons.

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Overview

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■ **Challenge**

*Sold by parent MGM Mirage, the Golden Nugget had 18 months to build its own IT infrastructure and processes from the ground up, and then switch over without disruption.*

■ **Why Become an On Demand Business?**

*The company had to deploy a complex and critical solution rapidly and cost effectively, while maximizing resiliency and manageability of their resort and casino business systems.*

■ **Solution**

*IBM Business Partner Sirius Computer Solutions helped the company build a new infrastructure in just 13 months—without impacting its gaming and hospitality revenues. The flexibility of the solution gives Golden Nugget a new level of agility and efficiency for creating new services.*

■ **Key Benefits**

- *Hundreds of thousands of dollars in upfront capital expenditures avoided*
- *Significant savings in data center service fees due to fast migration*

>> **On Demand Business defined**

*“An enterprise whose business processes—integrated end-to-end across the company and with key partners, suppliers and customers—can respond with speed to any customer demand, market opportunity or external threat.”*



*One of the premier hotel-casinos in Nevada and the largest in downtown Las Vegas, the Golden Nugget employs 4,000. The Golden Nugget also has a hotel and casino in Laughlin, Nevada.*

Against the ever-increasing glitz of the Las Vegas strip, the Golden Nugget continues to stand out as the living embodiment of “classic Vegas.” Founded in 1946, the Golden Nugget ([www.goldennugget.com](http://www.goldennugget.com)) is the largest hotel-casino in downtown Las Vegas with 1,907 guest rooms and suites; 38,000 square feet of gaming space including 1,300 slots and 68 gaming tables, and 29,000 square feet of meeting and banquet space. Like the gaming industry as a whole, the Golden Nugget’s patron experience has become increasingly

*“We see our systems as a way to strengthen the Golden Nugget both at the customer experience level and the brand level. Working with Sirius and IBM gave us the flexibility and power to do this, and the knowledge that we have solid providers we can count on going forward.”*

*– Dan Ives, CIO, Golden Nugget*

### On Demand Business Benefits

- Significant savings in data center service fees by virtue of a fast-track deployment—5 months ahead of schedule
- Avoidance of hundreds of thousands of dollars in upfront capital expenditures by virtue of flexible lease financing
- Increased resiliency through hot failover and automated back-up capabilities
- Flexible access to data via the use of SAN storage architecture, enabling the faster development of innovative, customer-facing services
- Streamlined systems management and data center floor space savings enabled by the use of blade servers

electronic, with the use of “ticket-in, ticket-out” slot machines and the electronic display of points and winnings just a few examples. Just beneath these customer interface points is a complex collection of databases and applications that captures, processes and stores huge amounts of information generated by the Golden Nugget’s gaming operations on a 24-7-365 basis. Equally critical are the backend systems—ranging from patron management and lodging systems to marketing and e-mail campaign systems—designed to keep their best customers coming back.

While the Golden Nugget has long been known for exceeding customer expectations and generally doing things in a big way, its in-house technology infrastructure investments proved to be an exception to the rule. When the Golden Nugget was sold by MGM Mirage to Poster Financial Group Inc., its total reliance on its former owner for centralized technology infrastructure left it without one of its own. As a stopgap measure, MGM Mirage agreed to act as the Golden Nugget’s *de facto* data center services provider for 18 months at a monthly fee. With the clock ticking and the meter running, the Golden Nugget had a powerful incentive to get its own infrastructure up as fast as possible. The company’s first move was to hire Dan Ives to fill the new position of CIO. An industry veteran who had led similar initiatives at a number of major casinos, Ives knew the extent of the challenge he faced. With a window of just 18 months, Ives and his newly recruited team had to build an infrastructure that would handle today’s processing demands, yet be flexible enough to adapt as services were added and volumes grew.

#### Changing on the fly, with no margin for error

Beyond that lay a challenge with even higher stakes—the need to migrate its systems and databases from the waning MGM Mirage infrastructure to the new on the fly, without affecting the availability or performance of its systems. While the transition would affect all of the Golden Nugget’s operations, Ives saw the failure of gaming systems as having the most devastating potential impact. “Service and customer satisfaction are important parts of the Golden Nugget product,” explains Ives. “If a system problem ever kept us from delivering credit lines or winnings to customers—or if we had to stop play on the floor for any reason—it would be an absolute disaster, costing us hundreds of thousands of dollars an hour and tarnishing the customer service we’ve built up over 60 years.”

With no time to lose, Ives and his team began their search for a provider

*“Our migration was basically like changing the wheels on a bus while it’s still moving. Given the nature of our business, we didn’t have the luxury of stopping—and we couldn’t afford to have it break down.”*

– Dan Ives

that could deliver a powerful, standardized and scalable infrastructure solution, and had the solid implementation practices required to get it up and running fast and reliably. The connection was made when SSA Global—one of the Golden Nugget’s key software vendors—introduced Ives to Sirius Computer Solutions, ([www.siriuscom.com](http://www.siriuscom.com)) an IBM Business Partner with a long track record of deploying complex infrastructure solutions using standardized products and technologies. In a series of discussions with Ives and his team, Sirius outlined its plan to leverage IBM server and storage technology to create a highly flexible, standardized and resilient foundation for the Golden Nugget’s operations. For Ives, the key priority was that the system work right out of the chute. And for him, this meant ultra-stable technology, a solid deployment methodology and unlimited access to support to make it all run smoothly. “Working with Sirius gave us a deep reach into IBM, so we knew we would get the support we needed throughout the process,” says Ives. “It gave us a sense of security going into the project.”

#### Hitting the jackpot

Ives’s confidence was rewarded. With IBM’s support, Sirius and Golden Nugget’s IT team completed the new infrastructure in just 13 months, a full five months ahead of schedule. It is best described by examining the key attributes—horizontal scalability, resiliency and manageability—that the Golden Nugget sought and received. To grow the system in step with its needs, the Golden Nugget deployed IBM BladeCenter servers to run its core gaming systems as well as its messaging, content management and file serving. With space at a premium, blade servers were also chosen for their high performance within a small footprint. The other half of the scalability story was the use of a redundant pair of IBM eServer iSeries servers to run Infinium—an enterprise application portal—on top of IBM WebSphere Application Server. Provided by IBM Business Partner SSA Global, Infinium contains a series of financial, HR and purchasing modules customized for the gaming industry and optimized for the iSeries platform. Operational data used by the Infinium applications is stored in IBM DB2 Universal Database.

While resiliency was important everywhere in its operations, it was especially critical for the systems underlying its slots games, which were both heavily reliant on technology and a major source of revenue. To maximize their resiliency, the Golden Nugget selected IBM eServer xSeries servers on the basis of their strong native failover capabilities—an attribute that was heavily tested throughout the deployment process. Storage is the part of the Golden Nugget’s new system where the attributes of resiliency and manageability blend. On the software side, this blending is seen in the use of IBM Tivoli Storage Manager (TSM), which is used to manage automated backup and disaster recovery. Running on an IBM eServer pSeries server, TSM backs up the data for all of the Golden Nugget’s applications onto a series of IBM TotalStorage LTO tape libraries. To provide flexible data access for its applications, the Golden Nugget strategically chose to

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## Key Components

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### Software

- IBM WebSphere® Application Server
- IBM DB2® Universal Database™
- IBM Tivoli® Storage Manager
- IBM TotalStorage® Open Software Family

### Servers

- IBM BladeCenter®
- IBM eServer™ iSeries™
- IBM eServer xSeries®
- IBM eServer pSeries®

### Storage

- IBM TotalStorage DS4500
- IBM TotalStorage 3583 Tape Library

### Business Partners

- Sirius Computer Solutions
  - SSA Global
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*“Developing new and innovative ways to serve our customers requires a flexible architecture. That’s when our storage infrastructure—our use of SANs—becomes a key part of our strategy.”*

– Dan Ives

deploy a SAN using components of the IBM TotalStorage Open Software Family.

While the business benefit of *not* losing revenue due to unavailable systems is beyond measure—literally and figuratively—the fact that Sirius and IBM were able to help the Golden Nugget get the solution up and running five months early saved the company significant service fees during the migration. Furthermore, the company was able to adopt a nimble technology strategy that saved hundreds of thousands in capital costs by utilizing a leasing option and, even more important, now has more financial flexibility to upgrade as more powerful systems become available to meet its growing needs.

The benefits associated with *operational* flexibility—enabled by the Golden Nugget’s infrastructure strategies—are also expected to pay off handsomely for the company as it now turns its attention to more innovative customer-facing activities. For instance, the Golden Nugget’s new goal is take all the customer data from its patron management, lodging and food and beverage systems and leverage it by creating richer, more personalized marketing offers for its clientele. With the flexibility of its iSeries servers, the company will not need to add additional servers to implement these new capabilities. Instead, the Golden Nugget plans to partition the existing iSeries servers to run both its core marketing and e-mail campaign systems as well as new Linux-based customer relationship management systems.

In addition to horizontally scalable processing power, the flexible data access enabled by its SAN-based storage approach will also be a big part of the Golden Nugget’s growth strategy. Indeed, Dan Ives sees the move to standardized, flexible systems transforming the Golden Nugget into a nimbler, more proactive company overall. “Now we have the infrastructure to run any number of similar operations anywhere in the world,” says Ives. “Working with Sirius and IBM gave us the flexibility and power to do this, and the knowledge that we have solid providers we can count on going forward.”

#### For more information

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