Calling the Slots

It was anything but a sure bet that Stephen Morro ’80 would end up in the gaming industry, let alone become president of the world’s largest slot-machine maker. But that’s what happened—and it took a lot more than luck.
MORRO SAID HE IS STILL SURPRISED BY THE FACT THAT HE IS PRESIDENT OF THE GAMING DIVISION OF INTERNATIONAL GAME TECHNOLOGY (IGT), A CORPORATION WITH $2.5 BILLION IN REVENUES LAST YEAR AND MORE THAN 5,000 EMPLOYEES AT PRODUCTION FACILITIES AND OFFICES AROUND THE WORLD.

“I’m lucky enough to have gotten a couple of good breaks along the way,” Morro said. “But luck is a combination of preparedness and preparation oneself. I didn’t realize it at the time, but I believe Gettysburg gave me the foundation I needed to succeed. At college I learned to speak clearly and write properly and think independently. Those are the three things you need no matter what you do.”

Of course, having the tools isn’t the same as knowing what to do with them. “When I graduated,” the business administration major said, “I had no idea I wanted to go into the gaming industry. After I got out of Gettysburg, I really wasn’t sure what I would do. At the time, I was a substitute teacher and was working as a liquor-store clerk at night for Bob Sickel ’57 (at Sickel’s Shop-Rite Liquor Store in Woodbury, N.J., where Morro grew up). Then I was an auditor at an insurance company for about two weeks, and found out that wasn’t really what I wanted to do. So I applied to the New Jersey Casino Control Commission (CCC). I didn’t have any grand plan, but it really served as a springboard for my entry into the world of gaming.”

Morro dove into the gaming world as a staff analyst for the CCC, a post he held from 1981 to 1986, followed by two years with the gaming industry giant, Harrah’s. In 1988 he joined IGT and began a 17-year ascent through several positions, assuming his current post in 2005. Today, Morro is responsible for all operations — including sales, product development, engineering, and manufacturing — in the North American market, which provides about 80 percent of IGT’s sales.

Along the way, however, there was one final false start. “While at the Casino Control Commission,” Morro said, “I thought I should be an attorney, so I took the LSAT (Law School Admission Test) and got a terrible score. It was a great stroke of luck. Not passing the law boards seemed bad at the time, but it put me on a different path. You can always find good, even in a bad turn of events.”

Wheel of Fortune

With such a view on life, it’s no wonder that “Wheel of Fortune” is Morro’s favorite among IGT’s games. “It’s the most successful slot machine ever,” he said. “There are 10,000 in operation right now, maybe more. And it changed our industry. It was the first branded machine with a game show tie-in. Now we have dozens and dozens of other themes too, like ‘Jeopardy.’ We’ve had everything from ‘The Addams Family’ to ‘Star Wars’.”

Designing machines is the most fun part of his job, Morro said. “It’s not an exact science. It’s a little bit science and a little bit black magic. Along the way I’ve offered a few suggestions on a lot of machines. I could have moved more directly into management, but I don’t, but I’m not a game designer. I’m careful not to impart my biases as a non-player.”

Morro himself rarely gambles, but when he does, his game and style befit a self-disciplined and highly analytical executive: he plays video poker very conservatively. “We field-test all the games before release,” he continued, “but only 50 percent ultimately go into production. In a year we’ll release over 200 themes, from traditional spinning reels to video poker to video slots, which are increasingly popular.”

Today the reels aren’t real; they’re only images on a screen. “The days of mechanical wheels are gone,” Morro said. “It’s all back end on computers. People are surprised by how high-tech our business is. It’s a struggle for us to hire enough engineers. We’re competing for people with Silicon Valley. We hire the same folks that Microsoft looks for. We have 600 engineers, including mechanical, electrical, and firmware (the computer programs that run gaming machines).”

IGT must also compete with the entertainment industry, because what players see on the screen is “like a little five- to ten-second movie,” Morro said. “We do animation in-house. We have blue-screen animation and motion-capture. We have sound engineers, musicians, video people who are really artists.”

Though entertainment is IGT’s ultimate product, the corporation, founded in 1981, is all business. “IGT is really a technology company,” Morro said. “We spend $5 million a year in research and development, more than the rest of the competition combined.”

Thanks to that strong investment in R&D, IGT is preparing to change the industry yet again. “The next revolution is going to be when the casino floor becomes networked and machines no longer have to stand alone,” Morro said. “Networks and the Internet have changed commerce — how we shop, study, and research — and the networked casino floor will change how players play and casinos market. We’re in the process now of building the infrastructure. It’s exciting how much potential networking will bring.”

Three legs

Although IGT’s computer and animation strengths have wide application, the corporation is committed to its core competency: “We don’t offer any technology outside the industry,” Morro said. “Gaming is what we know. We thought of branching out into other areas, but the return on investment is lower, so we won’t be developing any games for the Xbox (Microsoft’s home video-game system). And we don’t want to manage casinos. We don’t want to compete with our customers.”

Understanding customers makes far more sense than competing with them, Morro said. “I have a unique perspective in my industry. I’ve been a regulator, casino operator, and manufacturer-supplier. To have all three legs of the triad is unusual. It’s been some time since I was a regulator or operator, but those positions served as a foundation, and they give me perspective. This is a highly regulated industry, and some people in the industry, I was untrained in, and I understand because I was there. And I always try to put myself back in their shoes when I was a customer. In business, with all the plans you make, nothing happens until there’s a sale, and there’s no sale without customers, so I try to spend a lot of time in the field with actual customers. I don’t want to be a casino, I haven’t been to at one time or another. It’s fascinating how widespread gaming has become in the U.S., from California to Connecticut, and each market has its own unique perspective.”

Working effectively with people is essential for success, Morro said. But socializing only opens the door to deal making, and Morro said that makes him proudest is that “if you ask the people I’ve dealt with over the years, they’ll say I’ve dealt fairly and honestly and maintained my integrity along the way and haven’t had to make compromises.”

From ocean to desert

Businesses do everything, however. Far from it. “Your job is what you do, not what you are,” Morro said. “When I get up in the morning it’s really about them. I do it for my family. If not for them, I wouldn’t have the motivation to do what I do. It’s a team effort.”

Morro didn’t know it at the time, but he started forming his team in 1966, when he put his career on the line and figuratively spun the Wheel of Fortune, leaving behind both the Casino Control Commission and his native state. His service as a regulator barred him legally from working in New Jersey’s gaming industry for two years.

Neither Stephen Morro ’80 nor his company, International Game Technology, minimizes the fact that gambling can become a serious problem for some people.

“I believe that gaming is a personal choice, is that we all have to take responsibility for our actions. In all areas of life, there are people who abuse things. It’s an obligation for our industry to help those who take it to extremes,” Morro said. “IGT takes its responsibility seriously. We participate and contribute significantly to several problem gambling associations. It’s an issue we can’t ignore. We have a full-time person on staff who focuses on this issue. It’s part of IGT’s commitment to being a responsible corporate citizen. It’s an obligation of IGT to be a leader in the industry.”

By the way, is it the gaming industry or the gambling industry? “We talk about gaming,” Morro said, “but I wouldn’t shy away from ‘gaming.’ I don’t see ‘gaming’ as a code word.”

Addressing problem gambling
years, so he headed west to Nevada, where two crucial encounters shaped the rest of his life. The first took place in Reno, while working slot operations for Harrah’s, Morro had the good fortune to encounter a supervisor named Elizabeth Lacroix, whom he went on to marry. “I’ve been extremely blessed with the total support of my wife,” Morro said. “I wouldn’t be where I am without her.” The second encounter came in Lake Tahoe. There, Morro’s continuing slots work with Harrah’s brought him into contact with IGT, which closed the circle by bringing him back to New Jersey as general manager of its Atlantic City Progressive Systems. This past summer, the circle was spinning again, as Stephen, Elizabeth, and their 12-year-old daughter Nicole prepared to move from their home in New Jersey to new digs in Reno. “It’s a big difference,” Morro said. “We’re leaving the ocean to go to the desert. My daughter said we should look at it as an adventure. We looked at a map, and it’s the same distance from Philadelphia to Nevada as it is from Nevada to Hawaii. The move will give us a chance to explore another part of the country, but we’ll keep the beach house to use in the summer. Lake Tahoe is beautiful, but it’s not the ocean.”

**Bullets family tree**

Morro also has deep family connections to Gettysburg, both the College and the town. His mother, Dolores Morro, is a Gettysburg area native who went to high school with Jack Bream ’57, one of the College’s athletic immortals whose names grace the Bream-Wright Hauser athletic complex. In addition, Dolores’s family still owns the building on the Gettysburg town square that houses T&S Menswear. Because of his family ties, Morro visited the community often as a child even though he grew up in New Jersey, and was on campus this past August while in town to celebrate his parents’ 50th wedding anniversary. His dad, Gettysburg football stand-out William Morro, graduated from the College in 1916, a year ahead of his fellow health and physical education major Gareth “Lefty” Biser, who is now a professor emeritus of health and exercise sciences.

Linda Kassekert ’80 sees NJ casinos

**STEPHEN MORRO** isn’t the only Gettysburgian in the gaming industry. His fellow 1980 graduate, Linda Kassekert, is chair of the New Jersey Casino Control Commission (CCC). Though they were classmates, the two didn’t know each other during their student days, and Morro’s five years with the CCC long preceded Kassekert’s tenure. He was a staff analyst from 1981 to 1986. She accepted a gubernatorial appointment to her post in 2002, and is the first woman to hold it. She is eligible for reappointment to a second five-year term.

Now, however, the two alumni are routinely in professional contact. “We’re colleagues in New Jersey, and we’re in the process of looking at new technology such as wireless machines that work from a central server,” Kassekert said. “It’s a pretty exciting time to be in gaming.”

Gaming, however, was never where Kassekert expected to be. She had no thought of the industry while majoring in political science at Gettysburg, including a stint on Congressman Jim Florio’s staff as part of the Washington Semester experience. “I was very lucky to have made Gettysburg my first choice,” she said. “I liked the fact that it is a small liberal arts college. I enjoyed my four years there immensely.”

Nor did she think of gaming while earning a master’s in public policy from Rutgers University and a law degree from Widener University. However, given her studies, it’s not surprising that she is in government service. Prior to joining the CCC, she served as deputy commissioner of the New Jersey Department of Personnel, assistant county counsel in Camden County, and associate director of government relations for the New Jersey Education Association. She is proud of New Jersey’s gaming law, which directs tax revenues to health care for seniors and the disabled. The law was also enunciated by other states and countries. In fact, Kassekert’s law degree is crucial to what she does: “We adopt regulations about what games are permitted in public policy from Rutgers University and a law degree from Widener University. However, given her studies, it’s not surprising that she is in government service. Prior to joining the CCC, she served as deputy commissioner of the New Jersey Department of Personnel, assistant county counsel in Camden County, and associate director of government relations for the New Jersey Education Association. She is proud of New Jersey’s gaming law, which directs tax revenues to health care for seniors and the disabled. The law was also enunciated by other states and countries. In fact, Kassekert’s law degree is crucial to what she does: “We adopt regulations about what games are permitted in order of importance and proportion to worth.”

And here’s a character trait frequently mentioned, whom Morro did not happen to share: “I would do it all again.”

**Biser, who taught from 1959 to 1999, was also a key player in the younger Morro’s Gettysburg College experience. Stephen Morro worked with Biser as a student trainer. “Lefty taught me the importance of integrity and honesty and treating others how you want to be treated,” Morro said.**

“I wouldn’t pressure (my daughter), but not so deep down I think it would be pretty neat if she came here and kept the connection going. My ancestors lived here and served in the Civil War. Gettysburg served me well, and I would do it all again.”

“Steve really put heart and soul into everything he did,” Biser recalled, whether it was traveling with the teams or cleaning whirlpools. “I’m not surprised by Steve’s success,” Biser continued.

Casino debate in Gettysburg

**DURING 2006 THERE was considerable debate about a proposed construction of a casino outside Gettysburg near the intersection of Route 15 and Route 30. Led by Gettysburg alumnus David LeVan ’68, Chance Enterprises Inc. (and subsequently Millennium Management Group) pursued licensing for the casino in Gettysburg. Legislation enacted in 2005 known as ‘Act 71’ permits up to 60,000 slot machines to be located in casinos throughout Pennsylvania in an effort to offset high property taxes. The Pennsylvania Gaming Control Board (PGCB) held hearings on the various casino proposals, including two at Gettysburg College. This past December the PGCB approved stand-alone licenses for casinos in Pittsburgh, Bethlehem, and the Pocono Mountains, plus permanent licenses for six racetracks previously granted conditional ones. Gettysburg was not among those granted a license.**

The College’s relationship with Biser, who taught from 1947 to 1950, served the younger Morro that not getting hooked down is the secret of success, and that the way to prioritize is “first things first in order of importance and proportion to worth.”

By that time, Biser still taught physical education, and his dad’s alma mater, whom Morro did not happen to share with his father, was economics Prof. Emeritus Robert Gemmill, who taught from 1938 to 1959: “He taught me how to think, strategically and look at the big picture.”

The Morro family’s connection with Gettysburg may continue. During the campus tour, Morro’s pre-adolescent daughter, Nicole, told her dad she liked the place. “She may be a prospective student in a few years,” he said. “I wouldn’t pressure her, but not so deep down I think it would be pretty neat if she came here and kept the connection going. My ancestors lived here and served in the Civil War. Gettysburg served me well, and I would do it all again.”

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Morro discussing his family’s plans at a casino conference.

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