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David L. Groves

Bowling Green State University

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AN INTERVIEW WITH JIM BRANDT

BY

DAVID L. GROVES

ABSTRACT

Mr. James C. Brandt was Vice President of Planning with the Louisiana World Exposition. He contends that long range planning techniques that have been formulated upon community and governmental cooperation will yield the most successful results in the short and long run. The feasibility study is the most important element in planning because it is upon this basis that an events structure, scope and function are developed.

AN OVERVIEW WITH JIM BRANDT

QUESTION 1: How did you become involved with the World's Fair?

ANSWER: I had been actively involved with the development of plans for the downtown district. Many of the individuals who were involved with the planning and development for the downtown district also became directly involved with the World's Fair, especially since they had been instrumental in developing the application and had the necessary contacts and resources to help implement the fair. I worked with the fair for about two and a half years, first as Director of Planning and then as Vice President of Planning.

QUESTION 2: How important is it to have cooperation between the community and the fair structure or organization?

ANSWER: It does not really matter whether the structure is public or private non-profit. The primary element is cooperation between the public and private sector. This is the element that will make a special event like the World's Fair successful within the community. The greater the cooperation within the community among all involved, the better chance a special event has to be successful. Community support is essential. There is usually preoccupation in a community with a large special event because members of the community are rightfully concerned that it is going to have a negative impact on the environment. One of the essential elements to bring a greater degree of cooperation is insuring the residents that such factors as parking, transportation, lodging, etc., have been adequately addressed in the planning process. Once the residents in the community have seen the proposed impact of a special event, attitudes usually become more accepting. One of the primary purposes of such a special event as the World's Fair is to bring a community together to develop a

certain "esprit-de-corps", not to divide a community on individual issues. When this type of spirit is created in a community, a special event such as the World's Fair is energizing and helps to better focus on community resources and opportunities. There must be opportunities for a tremendous amount of public input into the direct planning of a special event such as the World's Fair. The World's Fair can be a stimulant or an energizer to speed up development in the community which will have several positive benefits and the understanding of these benefits will build community support. The bottom line is community pride and everyone pulling together for a common goal--the city, the state, the Federal Government, the Fair organization, the press and the community-at-large.

QUESTION 3: What type of structure is best for a World's Fair--public or private? Which is the best structure to develop success?

ANSWER: The best structure, whether public or private non-profit, depends upon the community involved and is usually tied to the funding sources. If the funding is public, then there is usually a public corporation. If the funding comes through private investors, the structure may be private with public input and the officers directly responsible to the investors. Whether the structure is public or private, a key element is a management structure that allows direct community and public involvement by the maximum number of individuals. The structure that is being recommended is one of openness and inclusiveness. This exclusiveness can cause conflict and the impression that the community does not have control of its own destiny. The difficulty in managing a fair with a public corporation is working with governmental bureaucracy and red tape--guidelines, regulations, bidding procedures, and civil service requirements. Given the right time frames that most special events have, it is extremely difficult to work within such a framework and yet be ready on opening day. At the same time, unless you have the public sector's full support and cooperation it is extremely difficult, if not impossible, to implement and operate a successful special event such as a World's Fair. Again, the bottom line is cooperation between the public and private sector and the mobilization of adequate resources from all potential sources.

QUESTION 4: How important is a feasibility study to the development of such an event as the World's Fair?

ANSWER: A feasibility study is the foundation stone for the overall development of a World's Fair. One of the essential elements of the feasibility study is the attendance projection. The site's development is directly tied to the projected attendance and revenue from the feasibility study. The total planning process directly depends upon the feasibility study because from this, the organizational structure, leasing requirements, funding, marketing strategies, ticket price, etc., are all developed. The feasibility study tests market assumptions and essentially helps to determine if an event can be operated successfully. Sometimes the feasibility study is thought of as a static process and only one is conducted. There should be a continued effort at many stages during the planning as well as the execution phase to revise the feasibility study on the basis of the addition of data as it is collected. This will help to modify a project as needed by re-testing your key assumptions and forecasts. Changes in the market place should be picked up as early in the planning process as possible, while event planners

have more options and flexibility in developing the event. The essential element in a good feasibility study is a continuous review process. One element that may also facilitate the ultimate success of the feasibility study, especially in terms of reality, is the direct involvement of local experts who have some direct knowledge of the market and have some kind of history or track record of special events within the community.

QUESTION 5: Of the various components of an organizational dimension, what seems to be the most important in terms of revenue generation, especially from a planning perspective.

ANSWER: As in the case with most special events, ticket sales are by far the most important in terms of revenue generation. Over half of the revenue stream for a special event comes from ticket sales. Therefore, from a planning perspective, a successful marketing effort to insure that attendance projections are met, is obviously essential to a successful event.

The other important sources of revenue are income from concessions, exhibit lease payments, sponsorships, licensing of products, and entertainment. Again, a successful marketing effort is essential to the realization of your financial goals.

In the case of the New Orleans World's Fair, the initial marketing strategy has been widely questioned. Marketing is not my area of expertise so I'm not sure how much of a factor it was in our failure to achieve our financial goals. Certainly, it played a role. I do know from my direct experience in working with the potential international participants that it was difficult to market the 1984 New Orleans World's Fair. Not only were we in the midst of a world-wide recession, but the countries had a number of events to choose from. Knoxville had just completed its run, New Orleans was coming up in 1984, Japan in 1985, Vancouver in 1986 and Australia in 1988. Countries were becoming much more selective, particularly after many of them were not satisfied with their experience at the 1982 World's Fair.

I think the marketing program failed to develop "grass roots" support within the State of Louisiana. Again, the success or failure of your overall marketing program is related to community support, public-private sector cooperation and how the local media choose to posture your event. I think we have a number of lessons to learn in this area from the New Orleans experience.

QUESTION 6: It would seem that a long term "residual" planning emphasis was used with the New Orleans Fair. Can you please contrast this type of development as opposed to one that is more short term or temporary in nature?

ANSWER: New Orleans had a very specific redevelopment plan for the warehouse district and the Mississippi Riverfront and the World's Fair was seen as a catalyst for this redevelopment. The primary emphasis was given, especially in terms of site development and redevelopment to permanent structures and the potential re-use of the site to complement the growth of New Orleans as a city. The New Orleans Convention Center is now open and will have a tremendous economic impact on the City for years to come. Many of the warehouses that housed exhibits or

concessions are being converted to offices or residential space. The Rouse Company will soon be opening their major riverfront specialty shopping mall. Plans for an adjacent entertainment complex are moving ahead. That development also includes a permanent IMAX theatre. And of course, all the new street and sidewalk improvements in the area were permanent as well. Yes, we did place a great deal of emphasis on using the Fair as a mechanism to accomplish a number of urban development and redevelopment goals.

Now, in contrast, if a short term development plan is used, the structures are temporary, and the long term beneficial "residual" impact is lost. There must be consistency between the fair's objectives and the long-term development perspective of the city involved. The other dimension that comes into play in considering long term versus short term types of site development in special events is the emphasis upon quality. In some cases, you simply do not have the luxury of developing permanent structures for a six month event. But we paid the price in New Orleans and this in turn, led to some of the major financial problems we experienced.

A special event, such as the fair, is also used as an element to stimulate the private sector to reinvest in an area that is usually having declining property values. Once the redevelopment plans are set, a special event like the fair is committed, and the proposal is accepted, many in the private sector can see the opportunities in both the short and long run. This is how the Fair acts as a catalyst for other developments. And, I think in the long run, the Fair will be viewed as a positive influence on the City's growth and economic development because of the Fair's commitment to the Warehouse District and riverfront redevelopment.

QUESTION 7: If there was no fair, would the redevelopment of the riverfront site have occurred in New Orleans?

ANSWER: The redevelopment would probably have occurred, but it would have occurred at a much slower pace. The primary advantage to the World's Fair has been that it has focused, stimulated and developed the resources at a much faster pace. And in an age of declining or non-existent federal funding support, the Fair provided the City with an opportunity to channel private sector investment for the long term public good of the City. Despite an overbuilt infrastructure and a sluggish economy, there is still a great deal of activity in and around the Fair site. The tremendous financial problems the Fair experienced has not dampened everyone's enthusiasm for this area and its growth potential.

QUESTION 8: What were some of the problem areas for the New Orleans World's Fair?

ANSWER: Well, I have already alluded to a couple of the areas which warrant future analysis. These are the failure to achieve our attendance projections, which in turn was probably related to weaknesses in the marketing program and negative press and media coverage. I think the lack of public sector support was also a critical variable. For example, the failure of the President of the United States to open the Fair, deprived the event of the credibility and tremendous media exposure such an event would have fostered. Again, putting on a World's Fair is a

massive undertaking. And unless the organizers have the full support and backing of all governmental units, it is very difficult to succeed.

I also think the New Orleans Fair suffered as a result of being too close in time and space to the 1982 World's Fair in Knoxville. The 1982 Fair was less than enthusiastically received in many quarters and this carried over to the public's perception of New Orleans. There was very much a "wait and see" attitude toward New Orleans. And when financial problems surfaced immediately, people assumed that it must be a "bad" Fair. In actual fact, the Fair itself was quite good and on-site consumer surveys confirmed that appraisal. But it was very difficult to get that message out over the negative stories, particularly since the cash flow problems decreased our ability to pay for advertising at the time we needed it most. We had totally exhausted our contingency fund.

The other factor about Knoxville was that their ability to reach their projected attendance of 11 million visitors greatly contributed to the overconfidence everyone had in the drawing ability of New Orleans. The overwhelming pervasive opinion expressed was that, "If Knoxville drew 11 million visitors, New Orleans will certainly draw 13 or 14 million visitors." We ended up drawing 7.3 million.

Part of our problem, and this relates to my earlier comments on the feasibility study, was that the size of the potential tourist market was in error. Normal tourism visitation without a World's Fair is now believed to be about half of the projection contained in the original feasibility study. Unfortunately, this overestimation of the tourist market was not discovered until after the conclusion of the World's Fair when the State conducted a major study of tourism.

Besides the fact that the Fair failed to achieve its attendance goals, the Fair site itself was probably overbuilt. Again, however, most of the overbuilt site was a deliberate policy decision by the Board to maximize the residual benefit of the Fair or was undertaken as a result of City code regulations which required temporary construction to meet permanent standards.

The Fair also suffered because we were not able to attract major sponsors at the level which had been anticipated. As a result, the Fair ended up paying to create some of the exhibits and entertainment venues. This created a tremendous drain on the Fair's cash flow which was compounded by the dramatic shortfall in attendance. I do not think competition from either the Olympics or EPCOT had any impact on attendance at the World's Fair. I do think these other events did hurt our ability to attract some of the major sponsors we needed.

QUESTION 9: One of the most difficult elements is crisis management. Could you give us some insight into techniques that could be used in crisis management such as with the New Orleans World's Fair and its fiscal problems?

ANSWER: First, let me address crisis management in terms of operations. We had contingency plans prepared for all phases of implementation and operation, including such things as hazardous materials spills, train derailments, ships crashing into the Fair site, fires, hostage situations, medical emergencies, etc. Fortunately, we never had to

implement any of these plans as there were no incidents of major significance. Operationally, the Fair went very smoothly.

Crisis management applied to fiscal matters is another matter. Most of your costs for a special event such as a World's Fair are already committed before you open the gates and your revenue stream is almost totally dependent upon ticket sales. This means your flexibility to respond to financial problems is limited in that capital expenses have already been committed. Certainly, we developed a number of financial scenarios when it became evident that attendance was well below projected levels. And as a result of the various scenarios, there were large-scale reductions in operating expenses and lay-offs in personnel. But the operating costs of a Fair are small in relation to capital expenses, and so it was virtually impossible to reduce expenses enough without totally destroying the Fair itself and its ability to attract visitors. The problem was not to trim expenses so much that it would provide for a low quality experience and further aggravate the revenue situation. Again, I think this experience points out the need to have adequate resources and contingency funding so that an event manager has some flexibility in addressing the problems.