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INTERVIEW WITH PETR SPURNEY*

BY

DAVID L. GROVES

ABSTRACT

Petr Spurney was Chief Executive Officer of the Louisiana World Exposition. He outlines the problems with the New Orleans Exposition and projects management hints for future special events.

MANAGEMENT HINTS

QUESTION 1: What do you mean when you use the term mega-event?

ANSWER: Mega-events are once in a lifetime opportunities. Some of these events are world's fairs, olympics, and bicentennial special events. It is an expensive, massive undertaking that takes a tremendous amount of commitment and resources and unboundless energy. It is an event that produces high visibility and, as a result, generates a tremendous amount of controversy.

QUESTION 2: Would you please characterize the Louisiana World Exposition.

ANSWER: Time Magazine said it best, "Worldliest of World's Fairs." It was one of the greatest celebrations of the 20th century. It was a superb show and an enriching and artistic experience worthy of once in a lifetime acclaim. It was truly a memorable international event that was developed on time and within budget. It consisted of 84 acres at a cost of \$350 million that produced an economic impact of \$2 billion. This event was the result of innovative planning and architecture and cooperation among 14 countries, 30 corporate, state, religious and special interest pavilions which provided a unique experience for the 7.3 million visitors. Despite a tremendous amount of national skepticism, over one million square feet of exhibition space was developed combining showmanship, scholarship, education and entertainment into a memorable experience.

QUESTION 3: What impact did the Louisiana World Exposition have upon the city of New Orleans?

ANSWER: It gave a focal point for improving city streets and sidewalks, revitalizing the warehouse district, and gave New Orleans the opportunity to develop a convention center to provide millions of dollars of income in the future. It helped redevelop part of the warehouse district and provided the catalyst for projects such as the

Rouse River Walk development and the Venture attraction incorporating the IMAX theater. It contributed to greater world wide awareness of New Orleans and locally enhanced community understanding of tourism and its beneficial economic impact.

QUESTION 4: Could you summarize your feelings about the Fair?

ANSWER: It was an event that was a tremendous cultural and artistic success. It was projected that the Fair would attract 12 million visitors but it only drew 7.362 million. It was planned that the gross per capita expenditure would be \$27.08 and it was \$24.02. The projected net per capita expenditure was \$19.58 versus the actual \$18.91. The lack of attendance and the lower per capita expenditures are what caused the financial difficulties.

QUESTION 5: What were some of the problems with management of the Louisiana Exposition that caused some of the problems, especially financial?

ANSWER: 1) It was too close to the Knoxville Exposition in terms of time and distance. As a result, it was viewed more as a regional attraction and not as a once in a lifetime event. 2) There was a lack of federal government support. There was only a token commitment. It was the first fair in history required to pay for its federal environmental impact statement and the home nation's pavilion. There was a delay in the sending out of presidential invitations to foreign governments and the appointment of a commissioner-general. It was also the very first BIE Exposition not opened by a head of state. 3) There was a lack of BIE support. Knoxville's poor foreign relations complicated the signing of international participants. There was also much competition from the 1985 Japanese and 1986 Canadian Expositions in signing international participants. We were also faced with the new policy necessitating the subsidizing of developing nations. 4) Cash flow problems resulted from lower than projected advanced ticket sales, necessitating additional state loans which resulted in a political receivership. 5) There was minimal support from the city of New Orleans prompted by the lack of federal aid. As a result, heavy burdens were imposed by the city such as special taxes and surcharges totalling \$2.72 per ticket. The Fair was responsible for \$15 million in state loans for streets and sidewalk improvements as well as other non-Fair related improvements such as New Orleans east railroad station, traffic impact studies, tow trucks, bus subsidies, communication equipment, and hazardous waste equipment. The city even placed liens on the Exposition's bank account which signaled a lack of confidence and support from the city attracting national media attention to the financial problems. 6) The press gave the public a reason not to attend. They focused upon the negative even though both the local and national press admitted this was the best special category fair ever held. 7) There was a worldwide recession in 1984 causing a decline in the travel and tourist industry of approximately 30%. The dollar gained strength against most foreign currencies, and as a result Europe, not the United States, was the place that attracted many international travelers.

QUESTION 6: What recommendations would you make to a community or an individual who is considering managing one of these mega-special events?

ANSWER: 1) Location and date are two very important dimensions. Competing events and attractions in the same time and space directly impact the market and are two of the most critical factors. The availability of the market related to the tourism infra-structure is an important dimension. 2) There must be a 100% total commitment at the federal, state, and local levels of the public/private partnership. It is also essential to have the complete support of the hometown media. 3) The event must be adequately financed and guaranteed from the beginning. A minimum of 20% contingencies is needed for both revenues and expenses. It is also important that capital expenditures do not become dependent upon attendance revenues. The true financial potential of a mega-event is measured by the economic impact of a region sponsoring the event. 4) Understanding the competition of how the entertainment and recreational dollars are going to be spent is extremely critical, even for a once in a lifetime event. The event must be marketed aggressively, maximizing the relationships between publicity, public relations and advertising to effectively sell the event. 5) Pamper the press. 6) If at all possible, do not undertake the responsibility of auxiliary support services such as security, medical care, fire and safety, transportation, hazardous waste, and garbage removal. These should remain with the appropriate authorities at the federal, state, and local levels. 7) It is crucial to select experienced contractors, participants, and concessionaires and to avoid inexperienced firms and individuals who are attracted to a quick return on their investment. It is also important to balance this experience with local business involvement. 8) Utilize only the most experienced professionals in all key positions. In-house expertise should be developed where feasible and outside consultants and contractors utilized to supplement the expertise not available on the management team. 9) Ensure the success of the event through the creation of a truly memorable, once in a lifetime presentation. Do not entirely depend upon the participants for the show. Be prepared to be creative, that is, provide the maximum show for the budget available. 10) Live by Murphy's Law, "Anything that can go wrong, will go wrong" and realize that Mega-event Murphy is an optimist.

QUESTION 7: What is the future of mega-events?

ANSWER: There has been a tremendous proliferation of mega-events over the past 20 years. It must be remembered that there is much competition for the recreational dollar from permanent attractions. Success or failure of past events should not deter those individuals or organizations interested in sponsoring a special event despite the risk involved since the rewards are greater. It must also be remembered there is a wide variety of sponsorship opportunities and investments with different types of objectives. It is important to keep these objectives in mind to insure each an adequate return upon their investment. The problems in management of such an event are complicated by high visibility and local, state and federal laws, but the potential for return is great and the risks are smaller as more experience is gained managing mega-events. The primary problems are coordinating the political structure involved from the Federal Government to the Bureau of International Expositions to local politics. The next biggest problem is the raising of massive funding necessary without federal guarantees. The proposed Chicago World's Fair will need between \$1.5

and \$2 billion. Remember, once in a lifetime experiences are really once in a lifetime opportunities. As for a Mega Event, Barham, the great architect said it best, "Make no small plans, they have no magic to stir man's blood and probably themselves will never be realized. Make big plans, aim high in hope and work remembering that a noble logical diagram once recorded will never die." As for me, despite New Orleans I am still dreaming the impossible dreams that only mega-events provide.

*These materials have been adapted from a presentation of Petr Spurney at the Conference on Banking on Leisure, March 10-12, 1985 in Chicago sponsored by the International Events Group.