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Summary

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SUMMARY

BY

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This study was conducted to obtain recommendations about successfully planning and executing mega-events. The comments on "needs assessment" were incorporated into the introduction of the journal. These recommendations were solicited from individuals who were directly involved with the planning, operation, and execution of the New Orleans World's Fair.

The following is a summary of the comments in brief statement format:

1. A fair must be well capitalized--enough to allow construction plus at least enough revenues for three months of operation.

2. There needs to be a sound financial plan developed, along with the needs assessment process and that plan cannot depend only upon gate receipts. There needs be other sources of revenue such as federal, state, and local support, sponsorship, commercialized promotions, etc. There must be a balancing of financial revenues.

3. The basic purpose of a world's fair is a celebration that is a once-in-a-lifetime experience that should leave a host city with structural, economic, and social residuals without the sustaining of large financial debts. World's fairs are high-risk endeavors, much more than other types of enterprises. Some of these factors are international economy, U.S. diplomatic relations, changing governments, wars, etc.

4. Comparison with other world's fairs and special events is not possible because this event is unique in time, space, and geographical location, therefore, standard planning techniques and procedures are not effective.

5. Most forecasting techniques are based upon historic patterns and trends, therefore, it makes special event planning, especially for world's fairs, extremely difficult as there are no histories and trends on which to make these projections. Another element that makes this

forecasting extremely difficult is that world's fairs are subject to daily changes which have a direct impact upon the estimates that were made yesterday. Estimates have to be constantly revised based upon the changes in local and world events.

6. Once a fair is opened, its management has little time to adjust, change, reorganize, or refinance. These regulations are firmly established by the Bureau of International Expositions.

7. A world's fair is very revenue sensitive. Most of the costs are fixed and a fair's monies, upwards of 2/3-3/4, have been expended by opening day. Once in operation, costs cannot be significantly reduced without limiting the quality of the show or exhibition and, therefore, limiting revenues at the gate. It is important to expend only about half of the dollars before opening day or at least have a relatively stable source of additional revenues equal to half of the expenses incurred up to opening day so that modifications can be made based upon sound fiscal policies.

8. There is a complex interaction among development, construction, legal, financing, marketing, operations, and many other forces. It involves the selling of an intangible idea that is usually a direct reflection of the quality of the show. It has to be sold to the public, quasi-public, and private sectors of the community. What makes this so complex is that the tasks have to be accomplished in a relatively short period of time and that there is not much margin for error. Planning techniques have to be developed which are based upon compressed time to allow adequate planning. There must also be contingency plans developed to deal with crisis situations. Because of this complexity in the planning process and bringing many functions together at one time, the organizational structure must also reflect a different type of structure to deal with time/cost problems.

9. The Fair in New Orleans was operated on a very liberal set of guidelines. A more conservative set needs to be developed to allow for a margin of error. For example, all contracts with concessionaires and ride operators were negotiated in New Orleans with a percentage of revenue geared toward heavy skewed attendance. Consequently, Fair attendance is translated into disproportionate loss of revenues.

10. Realistic planning processes must be developed as it is very easy to get caught up in the euphoric planning, success be assumed and precautions not taken to be more conservative because of this air of optimism.

11. The size of a fair must be based upon realistic attendance revenues so as not to overbuild. It is also important, on the cost side, to utilize current facilities without the construction of new ones because this is where the greatest cost occurs in terms of renovation of urban areas as a public cost factor. Reducing costs is the key to a successful event through the utilization of the total community's resources and a fair should not be seen only as a complete redevelopment plan. Local and state support must be enthusiastic. There must be a cooperative atmosphere so that a fair can reach its full social and economic potential to benefit an area. Development and execution of a fair must be a cooperative effort; the local and state authorities must

buy into the concept. It is an event which can be used to generate a moderate amount of profits and develop many long-range residuals. Greed is a factor that must not take over. There should not be unproportionate profiteering on this event.

12. Another essential element of cooperation is that there must not be resistance because it increases the potential loss of momentum. It is dysfunctional because some of the energies have to be put into repairing relationships.

13. Local and state support must be obtained by having the authorities become involved. Involvement in this context is not control but collaboration and consultation.

14. A fair must be so organized that local control of it is not a dominant factor which allows professional managers to make unwise decisions.

15. There needs to be an open administrative structure which allows input from outside and inside for generation of the best ideas possible for the development of the fair.

16. The fair must be run like a business so that the bottom line is profits and quality services for the visitor. Ventures that are marginal or areas where the management team does not have expertise must be franchised.

17. Advance preparation in meeting deadlines and planning is essential.

18. It is also important to have the federal government buy into the project and see the importance of a fair as a positive element of foreign policy. It is especially essential in terms of financing, as well as obtaining the necessary political connections for ease of removing the red tape for the submitting of bids, issuing of invitations to foreign governments, etc.

19. The minimum capitalization for the proper development of a fair is between \$1 and \$2 billion.

20. There needs to be a professional management staff in place as early as possible with many of the staff involved in the initial planning process.

21. There needs to be adequate staffing of all departments because it is essential for proper execution of any well-conceived plan. One particular department that is very important is marketing and sales.

22. There must not be an overconfidence in the organization but attention to all details because many of the responsibilities will not take care of themselves.

23. The competition from theme parks and other special events must be understood and the marketing perspective of the uniqueness of this event must be communicated to the general public.

24. The result of having two mega-events in the same geographical region within two years is disastrous.

25. A world's fair is a process that must be planned but there must also be flexibility. An organization must be allowed to evolve and develop its own management culture and personality. The key element is a management team that is able to respond quickly because of the time constraints involved.

26. The history of other fairs must be studied carefully and their mistakes incorporated into current management philosophies. Those people who have been successful in the planning, operation, and execution of other Fairs should be hired as part of a core management team.

27. Preparation of the industry, both locally and nationally, is essential in terms of sales. Sponsors, exhibitors, and the tour industry (especially busses) are all extremely important. A key element is advance notice of the profession and continuous update with information as it changes. Another forgotten element is the local market and it must be planned so that most of the individuals in the community can attend on a regular basis at a very reasonable price. Season passes in this context are extremely critical and very good public relations.

28. A fair's management must be very credible and must establish a policy of continuous information updates. It is always understood that fairs will have bad and good points but the one element that cannot be lost is its credibility because then other phases of the operation are in question and the image is badly damaged. The local press must be instrumentally involved in promotion of the fair and it may be beneficial to have a member of the local news and other media serving on the Board or in key positions of advisement. The relationships with the media are extremely important. The fair must not be seen as a private effort. It must be viewed as a public effort for public good.

29. Management must be open to all stratas of planning. In any community there are principle business, social, and political leaders. The control must extend beyond these particular individuals so as to open control of the Fair to the public's interests. Often what happens is that greed "sets in" and profiteering is seen as one of the important dimensions, which has very adverse effects.

30. The management structure must be highly integrated and organized not only by functional and organizational structures, but by process. There must be ways of integrating the various organizational functions to melt them into a team/cooperative unit to achieve a single purpose or goal. Integration is a key, both internally as well as externally. The organization must be extremely sensitive to external pressures. These external pressures must be incorporated into the management structure and input process.

31. The fair is going to receive scrutiny both public and private sectors. There must be mechanisms of accountability and these mechanisms must be reported on regularly. Accountability is a key issue

in that it is essential that the numbers that are generated as a result of this accountability must be as accurate as possible. It must be remembered that image is probably one of the most important dimensions because a fair, until it is actually constructed is just an idea. The opening of a fair, with adequate fanfare and the proper guests is extremely important. It is the first impression that has a lasting impact and may indeed characterize the entire fair. The show must be ready and the proper guests must be invited to create a highly social atmosphere so that the event will reflect quality and prestige and this will translate into positive reviews.

32. It is important to pass the leadership reins to various people as the fair progresses and develops. Those individuals that tend to be good planners may not have the necessary management expertise to operate because it takes a different type of management strategy to deal with day-to-day operations. The appropriate management skills for the particular phase in the evolutionary cycle of the fair is extremely important. Different management skills are required at different phases. There is almost no one who can manage this type of mega-event at such a revolutionary pace of development. Management responsibilities are awesome and many selected management talents are essential at particular phases of a mega-event's development.

33. When special events, especially mega-events, get into a crisis situation they begin by trying to reduce costs which causes some additional problems because it reflects directly on the quality of the event which, in turn, causes a loss of revenues at the gate.

34. The nature of a world's fairs may be changing so as to prohibit smaller communities from being completely successful in sponsoring mega-events. If the community does have a special event such as a world's fair, it must have at least \$1 to \$2 billion in capital reserves and must be willing to take a risk. If financing a fair is based upon a local bank, it is probably not viable because it puts the community's financial resources in a very high-risk position. These private institutions, given Knoxville and New Orleans, are not willing to take such losses for public good.

35. The local media's role in a world's fair, is an important question that must be answered for fair planners in the future. The media must be in a position of protecting the local public in order to maintain good community relations.

36. The benefits of a fair or a mega-event, especially developed on private land, must benefit the community and not be to the primary benefit of a small group of private investors. If this is the case, public funds are being used to capitalize on such events for the exclusive use of a selected few.

37. It is the local media's position to maintain a professional journalistic perspective throughout the event, reporting the successes, as well as the failures, and raising questions at each step about a fair's development and its impact upon the community. It is the community's social conscience. It is the one element that can maintain the level of credibility within the local area on a national perspective.

38. In every community, there must be a meeting of the minds between public, quasi-public, and private interests. There must be cooperation and collaboration.

39. A fair's management must have a good understanding of the external and internal forces and how to manipulate and shape these forces into an effective community effort to be 100 percent successful.

40. A fair should not paint a rosy picture because then false expectations are built up and the result is disappointment when outcomes do not materialize.

41. The fair should not only be conceptualized as an urban renewal project but as an event that has many outcomes. The benefits to the community must be looked at thoroughly before a decision to hold such as project is made. This implies that there must be a great public involvement and the decision to hold a fair must be a popular one.

42. It must not be a local effort, but regional, state, and national authorities must be in complete agreement.

43. There must be a fiscal plan based upon capital investment that will sustain the fair even if revenues were not generated. It must be tied closely with long-term residual benefits such as convention centers, new hotels, etc. This allows a community to capitalize upon opportunities for profit in the long run.

44. A fair, from a community planning perspective, must be cautious and it must be an event that will bring the community together and allow them to achieve more than would not be achieved without such an event.

45. The primary question is one of risk and whether a community is willing to take the chance for improvement.