

VENUE NEWS



Mike Evans, Dean Dennis, Charlie Smith, Wayne McCary, and Marv Witt.

FAIR MANAGERS GRAPPLE WITH THE PROS & CONS OF PRIVATE MANAGEMENT

LAS VEGAS – If the shoe fits, private management may be the way to go for some of North America's state and county fairs, though there is still grassroots resistance to the idea in many camps.

The apparent growth of acceptance of that option in an industry that is steeped in local politics and community connections was a topic of discussion at the International Association of Fairs & Expositions convention here Nov. 26-29. Charlie Smith, HOK Smith+Forkner, chaired the well-attended panel on "Private Fairgrounds Management: Is it in Your Future?" that consisted of fair managers Wayne McCary, Eastern States Exposition (The Big E), West Springfield, Mass.; and Marv Witt, National Western Stock Show, Denver; and private management firm reps Mike Evans, SMG, and Dean Dennis, Global Spectrum.

McCary's fair, founded in 1916, is governed by 165 trustees representing six New England states, who elect an 18-member board of directors. The 175-acre fair, one of the Top 50 in North America per *Venues Today* 2007 report (see *Venues Today*, December issue), receives no state subsidy and pays West Springfield in excess of \$1 million a year in taxes and fees for service. It drew 1,227,000 people in 2007.

In his experience, having operated both an arena and a fair, McCary sees considerable differences. "Arenas are event-driven; fairs are more culture-driven," McCary pointed out. "That's why most fairs employ traditional management."

Because they have an altruistic mission, "too often we make decisions nodding to culture rather than the bottom line," he said. He argued it is important to protect the culture of the fair industry and to seek expertise through advice from peers and involvement in trade associations and other forums, rather than opting for private management in most instances. "It's a passion; it's not just a job, which is the success of the fair industry."

SMG currently has four fairgrounds on its roster of clients, Evans said, listing the Montana State Fair, Great Falls; California Mid-State Fair, Paso Robles; Silver Spurs Arena at Osceola County, Kissimmee, Fla.; and Colorado State Fair, Pueblo. Evans emphasized that that group, four of over 200 accounts worldwide, is not all about management of the facility or the fair. Each selected from a list of private management services. For instance, SMG handles booking only in Paso Robles, and year-round operations but not the fair in Pueblo.

"You can't look at privatization as all encompassing. It's a menu of services," Evans said.

He countered McCary's culture comments with the fact that private management is local and responsive. Private management contracts are administered by local boards and trustees and SMG's general manager is responsible to the local leader and the local mission and goals, he said.

The advantage of private management is the depth of expertise and diversity of services, Evans continued. "We buy more Zambonis than anyone else; there are economies of scale," he said of the leverage private management brings.

On the more personal level, private management firms have career advancement opportunities for skilled fair management and an involvement in those same associations and forums the fair manager can tap. "We have two people on the IEBA board," he said, referring to the International Entertainment Buyers Association. "Where do you go in your career?" he asked the fair managers in attendance.

Private management offers leverage and resources, Dennis agreed. Global Spectrum has 67 facilities as clients, managing 7,200 events and handling \$379 million in gross ticket sales. The numbers give private management firms clout.

Though Witt manages the Denver show, he referred more in this debate to his experiences at the Larimer County Fair, Loveland, Colo. The property, but not the fair, is managed by Global Spectrum, including the Budweiser Events Center at The Ranch. Witt and his family participate in the Larimer County Fair as exhibitors.

"We view it as family; our passion is livestock," he said. The Witts attend 15 major shows in the U.S. and "our worst experience was Larimer County at the Ranch," he declared.

He pointed his finger at private management or at least the attempt to mix private year round management with local fair management, resulting in miscommunication and poor services. Picking from the menu of services can result in "not-my-job" leadership, he said. "Someone has to step forward."

Dennis emphasized that Global Spectrum does not manage the fair and horse show, and is contractually limited in what it can do during the two-week fair. The firm was hired to run the Budweiser Events Center, which Witt admitted is a "great hockey facility."

That said, Dennis said the firm does have a lot of fair expertise now and is slowly being invited by the county to become more involved in the Loveland fair. "We now do their marketing for them."

He came back to the overall issue of a menu of services. There are different boxes contracts fall in – economics, oversight, depth of resources, booking networks, and systems, training and career growth. "It's a 'new box' perspective," he said of private management. "We streamline our goals to your goals."

McCary noted there would be no need for private management at the Big E, "but you can't have blinders on." He sees where sometime he might draw on firms like SMG or Global Spectrum for consulting or special projects.

Witt resisted even the menu of services, noting that if private management comes in and sells sponsorships for the fair, part of that money goes back to Philadelphia, referring to headquarters for SMG and Global Spectrum.

"Someone makes a commission on any sale," Evans responded. "We often work on less commission than people who generally sell sponsorships."

As to booking talent, "I defy anyone to say they have the same leverage as a company the size of ours. We buy \$25 million worth of talent; that gives us leverage," Evans added.

And both company reps touted their experience with livestock just from arena events and

equestrian center clients. "There's nothing in the live industry that we don't deal with," Evans said.

"I've never seen one shoe that fits every foot," McCary said. There could be a need in the future for private management input at any fair, he suggested.

Both Dennis and Evans said they anticipate growth for their companies in the fairs and festivals market. – Linda Deckard

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