



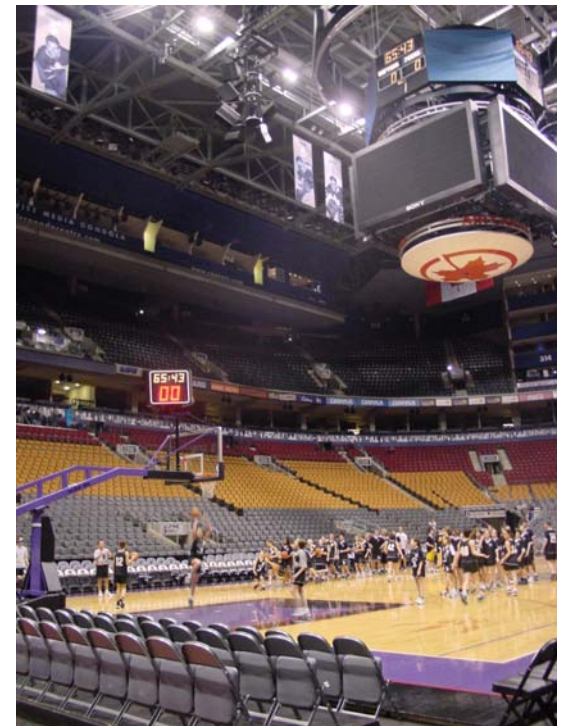
European Venue Management Institute

Arenas: Factors for success

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Copenhagen





European Venue Management Institute

An independent
observer of the
venues business
since 1999...





What is EVMI?

- A not-for-profit, international network of venues, teams & experts
- Knowledge transfer/exchange
- Professional development
- Recruitment/Appointments



Industry challenges

- Too many new facilities, too many seats...
- Insufficient content, poor revenues
- Shortage of experienced management
- Rising operating costs
- Competition from all other forms of LEISURE



Why are you building..?

- For the public good? Increase sports participation, civic pride, social welfare etc...
- Or for **business** (profit)?



Critical Factors for Success

1. Clear **strategic plan** from outset... The venue business is NOT inherently profitable. What makes your venue UNIQUE
2. That **CONTENT** is king...
3. Partnerships... you cannot do this alone!
4. And last (but not least) your **management team**



Factor 1: The Plan

- Arena \neq Arena (each one is **unique**)
- **Catchment** area – A local facility? Or an international icon?
- Concept/programming comes before architecture
- What do you want the building to do? What are the **revenues**?
- The **REAL COSTS** are over the next 20-30 years.....





Factor 2: CONTENT

- Who is using the building? The **anchor** tenant
- Do you have access to other content?
- Will you create it? How?
- Breakeven is 80-100 full events pa





Factor 3: Partnerships

- Content partners
- Operation partners
- Naming rights/sponsor
- ...Marketing Partnerships
- Not just €£\$ – WHO brings the most added value





OTHER POTENTIAL SECONDARY REVENUE AREAS INCLUDE:

ATM's

Advertising, including:

- roadside
- table top
- bench media / street furniture
- escalator
- light boxes
- car park
- 6 sheet and A2 advertising
- toilet advertising
- 3-sided
- lamppost
- Website

Telecom aerials

LCD or plasma screens

Contract publishing

In-transit

- Advertising
- Entertainment

Pouring rights

Food + beverage offers

Vending including:

- soft drinks
- hot drinks
- Snacks
- children's products
- Umbrellas

Licensing

Film & television locations

Photo machines

Photographic retailing and services (including processing)

Internet pods/wifi/WiMax

Podcasting/downloads

Interactive retail kiosks

Amusement machines

Casual leasing

Specialty leasing

Car valet

Data sales

Mobile phone top-ups

SMS Mobile Phone initiatives

All forms of children's entertainment, including:

- video and arcade games
- toy 'n' grab
- Kiddies Rides

Breakdown services

Voucher books

Factor 4: Management

- Like any business, venues need **good management**
- Who is running your facility?
- Do they bring added-value?
- Young industry = Small supply of skills/experience





Case Study 1: Color Line Arena

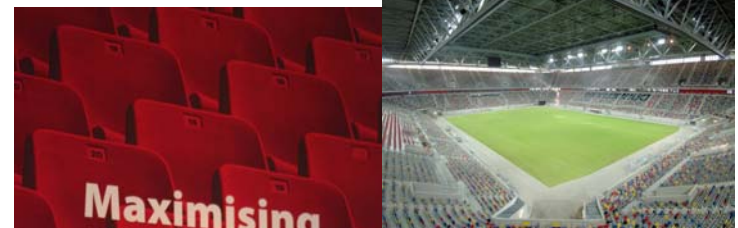
- PLAN - hockey, handball and concerts
- CONTENT - yes
- PARTNERS - beer, catering, naming rights...
- MANAGEMENT - experience from hotel sector
- RESULT = profitable success for Hamburg





Case Study 2: LTU Arena

- PLAN - ???
- CONTENT - some...
- PARTNERS - a few...
- MANAGEMENT - needed turnaround to focus on to the real business
- RESULT = operating...





Case study 3: The Dome

- PLAN - ???
- CONTENT ???
- PARTNERS - ???
- MANAGEMENT - who was the manager?
- RESULT = a **€1bn+ flop**





Case Study 3A: The O2

- PLAN - to build Europe's finest entertainment destination



Case Study 3A: The O2

- CONTENT - live music is the anchor...
- Sports is a bonus
- Cluster of venues
- Something for everyone...





Case Study 3A: The O2

- PARTNERS...
- A host of partners who all add value
- Signed up prior to construction
- O2 provides massive (brand) marketing



Case Study 3A: The O2

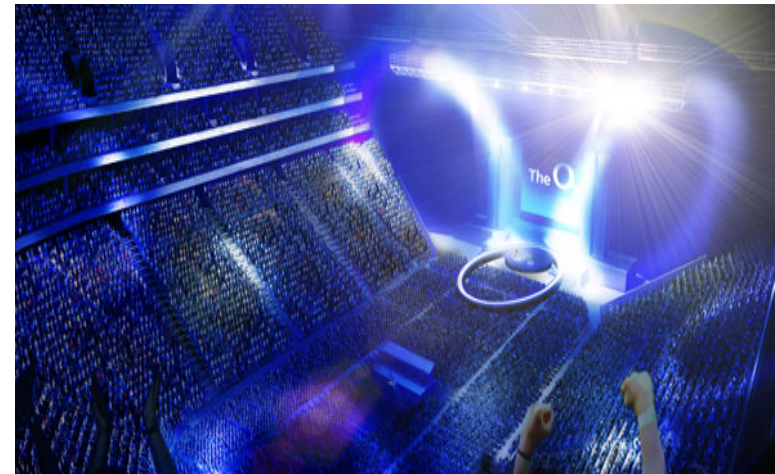
- MANAGEMENT
- Picked the best...
- CEO from consumer/TV, tourism background
- Customer service





Case Study 3A: The O2

- RESULT
- **The best venue in the world?**
- Next stop... Berlin..
And then...





Closing thoughts...

- Be clear from the outset...
- Get the best management...
- Partner for added value
- **BE CREATIVE! You are in the entertainment business**





European Venue Management Institute



Thank you. Any questions?

- EVMI can be visited at www.evmi.org
- Email i.nuttall@evmi.org
- Save the dates: **18-30 May 2008, EVMI's Stadium Management Summer School in Frankfurt and London...**