

November 23	Production meeting Rehearsal for show finale Show Load-out immediately following show Postshow party
November 24	All staff and participants depart Nashville Promotional clips delivered to TNN and international distributors Meeting with Arena to finalize all accounting and contractual issues Meeting with TNN to discuss postproduction and promotional schedule for television show
November 29–December 5	Television show edited
December 6	Show delivered to TNN and international distributors
December 8	Show revisions made
December 9	Final show delivered to TNN
December 14	TNN show aired

Note: Invoicing, bill paying, and other activities required to close books and wrap up the event continued into February 2000—two months after the show aired.

As you can see, there is quite a bit that goes into producing an event. While this time line is not meant to be intimidating, it does rein-

force the old saying that "the devil is in the details." If you plan and execute, you will have a great event.

Chapter ONE

Creating an Event

Suppose you gave an event and nobody came. Impossible, you say? Well, do you remember the McCall's LPGA Championships in Vermont? What about the Stakes Match? I'll bet you missed the Scottish Grasscourt Championships. How many people miss the Criterium Circuit of Cycling or skating's Legends Competition? And what-
ever happened to the Sunkist Invitational?

The list of events that have come and gone is endless. Some of this is by design. For example, when we put on Nancy Kerrigan and Friends in February of 1994, we knew that it was going to be a one-time event designed to give Nancy an opportunity to skate after she was senselessly attacked and almost crippled by a group associated with one of her competitors during the U.S. National Championships in Detroit. She had seven weeks to get ready for the Lillehammer Olympics, and we felt that it was important for her to get out on the ice in front of a crowd before the Games.

However, we did not know that the LPGA event we ran at Stratton Mountain, Vermont, was destined for a short life, nor did anyone plan for Too Hot to Skate, a summer skating show, to last only two years. In fact, we plan to bring Too Hot to Skate back next year!

Some events, such as the Sunkist Invitational track meet, are very successful but run their course. Some are just ill conceived.

Why do some events make it while others don't? Why do some last 5 years and others 105 years? In this book we will explore a myriad of reasons using actual situations from events I

have been involved with. In many cases an event's success or failure can rest in the planning and preplanning stages that brought the event to life in the first place. In some cases the key to success might even be found in the type of event you are contemplating and whether there is a market for it to begin with.

THE JUGGLING ACT

Creating and operating an event, regardless of whether it is grassroots or professional, is a juggling act. Of the many issues you have to deal with, most of them, particularly in the planning stages, happen simultaneously. While I think this will all become clear during the course of this book, in the big picture, running an event is *not* "painting by the numbers." You don't simply go from step A to step B to step C, and so on. You have to be a juggler. I hope that some of what you get out of this book enables you to learn to juggle a few more balls a bit faster and more proficiently.

By way of illustration, just because sponsorship sales are discussed in chapter 4 does not mean that it is the fourth major issue you should attack during the organization of your event. In fact, if by some chance you can sell the concept for your event to a corporate sponsor before you have really figured out all of the details, you will be that much ahead of the game.

As a practical matter, you will be soliciting sponsors at the same time as you will be talking to prospective venues, participants, television

the souvenirs worth buying? Did it start on time? Did it end in a reasonable period of time? The list goes on and on.

As difficult as it may be to create a personality for your event, it will nonetheless be a very important aspect of your job and, along with some of the other issues that we will cover, will be a measure of your success. It will also become a symbol for how you are personally defined in the marketplace. Therefore, if your mission statement can allude to the personality that you want your event to have, you will again establish a direction for your event that will make your job of managing the event that much easier. While this adds to the task of defining your event (and makes it all the more difficult to capture in one sentence), the time spent at the beginning of the event's creation will be well worth it later on. Invest the time up front and you will be able to answer a lot of the questions that are sure to surface later.

After you have established the motivation for the event, written your mission statement, and estimated whether you can pay for it (we will examine budgets in chapter 2), then, and only then, should you begin the process of creating or designing the event. The first step in this process (and don't forget that many of these things will happen simultaneously) will be to determine if you are better off starting from scratch or taking over an existing property. Most of this book is written assuming you are starting from scratch. If you buy an existing event, many of these decisions and issues will have been predetermined or already dealt with.

ACQUISITION OR CREATION

Many benefits can be gained from buying an existing event, including the event's history or goodwill, sponsors, cash flow, participant

lists, ticket buyer lists, a spot on the calendar, and so forth. If you can achieve your objectives *and* afford the up-front financial obligation required by the seller, the chances are good that you will be best served by buying an event. However, in the majority of situations, either you will determine that you can't meet your objectives, that no events are available, or that those that are available are too expensive. So, being entrepreneurial, you will choose to create your own event.

Acquisition

Someone recently asked my opinion on whether he should buy an existing dance event or create one himself. The question was prompted by the fact that, while the existing event was for sale, this potential buyer thought he could save quite a bit of money by putting the acquisition cost into establishing a new event that was bigger and better. In some cases that might be true. In this particular case, however, the event in question was in its 17th year of operation, had positive cash flow, and was a U.S. Championship in a specific genre of dance. I explained to the potential buyer that no matter how quickly he could build a new event, the chances were slim that he could re-create the history and tradition of the existing event, and he would be hard pressed to achieve the significance conveyed by a sanctioned event with "U.S. Open" in its title. If the numbers made sense, I told him, he should buy the event. He did.

The decision of whether to acquire or create a sporting event isn't always so black and white, however. A set of criteria can help you make this decision. I suggest you begin by going back to your mission statement.

We have been on the selling side of the event business a couple of times but have purchased only one event, the AVP Championships of New England, which we bought from

the AVP and eventually sold back to them. When we bought the event, we did so because it assured us of a prime summer date on the calendar, which was critical in the short New England summer window. When I sold ProServ's Washington, D.C., women's indoor tennis event, it was because Ion Tiriac (at the time Boris Becker's manager) was willing to pay a considerable multiple to purchase our date to bring an event to Germany. The date on the calendar and the sanction from the Women's Tennis Association (WTA) were the driving factors.

Determining a fair price for the sale or purchase of an event is often the sticking point. As with the sale of any business or business unit, there are many ways to put a value on an event: the most common are based on multiples of earnings, cash flow, or gross revenue. All of these are acceptable, but none necessarily carries the day. Your particular situation may suggest that these models don't matter.

In the case of the D.C. women's event, Tiriac had a major sponsor, German television, and a venue that were all willing to do virtually whatever it took to bring women's tennis to Germany to take advantage of the boom begun by Becker and Steffi Graf. Thus, Tiriac was willing to pay us more than the 10 times earnings multiple that probably would have been reasonable at that time. In the earlier dance example, because this particular buyer was equally prepared to start his own event if he couldn't negotiate a favorable price for the existing one, he was unwilling to pay 15 to 20 times earnings, which probably would have been reasonable in the marketplace at the time of that transaction.

The point here is that to evaluate whether to buy an existing event, you need to study the event's financial results (say, from the three prior years) and determine what, if any,

relevance they have to your situation (our results in Washington, D.C., had virtually no bearing on what Tiriac would do in Germany because it was a completely different market). You should then try to understand the going rate (i.e., multiple of earnings) for sports and entertainment properties in the broader marketplace. Then, knowing your own financial wherewithal, make a decision on how to proceed.

You also have to consider the following non-financial issues:

- Date availability
- Sanction
- Player interest
- Site
- Sponsorship
- Television

These nonfinancial elements (such as the ability to hold a U.S. Open titled event in the dance example) will often be the key factors in your decision-making process.

In any case, the decision to purchase or create an event is critical and potentially costly, so be sure to bring financial experts into this analysis.

Creation

Many of the issues that surface during an acquisition decision should be factored into your thought process when determining whether to create an event. Again, financial and marketplace conditions are the key.

From a financial standpoint, creating an event will not require the same up-front purchase price that acquiring a property carries with it. However, you will potentially have some pretty heavy cash needs, nevertheless. Thus, you need to be prepared to spend some significant dollars before seeing any revenue flowing your way.

The decision to purchase or create an event is critical and potentially costly, so be sure to bring financial experts into this analysis.



While we will cover some of the issues of creating an event later in the book, here we will address various start-up expenditures. Perhaps the biggest one is an item that may not take any money directly out of your pocket but could be the most expensive cost of all—opportunity cost.

Starting an event takes a major commitment of time and energy. This is time and energy that you could spend doing something else that might deliver immediate financial gain for you. Therefore, the first issue you need to deal with when thinking through the creation process is, do you have the resources to devote to this project without it generating any income for you? If you can't afford the time at the front end of the event, then you should not go this route. Unless you have a sponsor or other financial backer lined up (or simply have the money yourself), the reality is that you could go weeks or months without seeing any money coming in while spending heavily at the same time.

In this regard, one of the key financial issues is whether you have the seed capital to start an event. As with the purchase price in an acquisition, starting an event takes up-front capital for things such as the following:

• **Applications.** Many sporting organizations will require that you make a nonrefundable deposit along with your application to start an event. For example, we recently wanted to apply for a sanction on the ATP Tennis Tour. The application requires a \$10,000 deposit. Most grassroots events won't have that big of an up-front price tag, but you have to be prepared for this.

• **Venue deposits.** Just as with a governing body, many venues will require that you give

them a down payment on the use of their facility. We had to give a golf course \$1,500 and the hotel \$1,000 eight months in advance of an upcoming pro-celebrity golf tournament we were planning. These are not big fees, but as you will see, these costs add up.

• **Marketing costs.** Because you will have to market your event, you will need to create logos, brochures, videos, and so on. Again, we will discuss all of this in detail later, but these too can add significantly to your start-up costs.

In addition to the financial issues, the creation of an event requires a thorough study of the marketplace conditions. You should go through the exercise of studying the market whether you create or acquire an event. However, when acquiring an event, there will be a history that will tell you what you can expect. If the results have been lousy, don't buy the event unless you plan to move it!

However, with a new event you are taking a risk that the public will accept your project and support it through sponsorship, ticket purchases, merchandise purchases, and so forth. This is a *risk*, and, as with any event, that is really the bottom line.

Whether you create or acquire an event, this is a risky business. Essentially, as an event organizer you are an entrepreneur with all of the risks, rewards, pressures, and potential victories that go along with that line of work. As long as you recognize this and have the financial stability to absorb the up-front costs and potential losses (don't ever expect to make money in your first year!), then you can be successful . . . but be sure you have analyzed the financial implications carefully before proceeding any further.

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THE SANCTION

After going through the “create versus acquire” analysis, and assuming that you decide to start your event from scratch (and again, this book is written from the perspective of creating an event), you will have to determine if it needs, or will be enhanced by having, a sanction.

What exactly is a sanction anyway; why is it so important, and how do you know if you need one?

Defining the Sanction

A sanction is an official approval for your event. Sanctions are granted by the regulatory body that oversees your sport.

Virtually every sport has a governing body or player's association that organizes the sport on either a professional or amateur basis, or both. These governing bodies grant the all-important sanctions. On the Olympic side of things, the sanctioning bodies usually feed into the International Olympic Committee (IOC), which governs the Olympic Games and all of their qualifying events. On the professional side, there are many different sanctioning bodies.

The IOC, which is located in Lausanne, Switzerland, is made up of individual federations that govern each sport on a worldwide basis. Their governance runs to issues as varied as equipment specifications; athlete eligibility; international competition; scheduling; Olympic qualifying rules; rules and regulations of the sport; and the issuing of sanctions to organizers of world, international, and national competitions.

The Federation Internationale de Volleyball (FIVB), for example, is the IOC member that rules indoor and beach volleyball around the world. They govern the competitions that lead to Olympic qualification and determine what countries will hold international competitions, such as the World Championships, World Cup, and so on. Among other things, they also grant sanctions or approvals to organizers that want to put on special events.

Each federation is composed of national governing bodies (NGBs) that organize a sport in a particular country. In the United States, the NGB that governs volleyball is USA Volleyball (USAVB), which is a member of the FIVB. Each NGB (USAVB, for example) is also a member of its national federation. In the United States the national federation is the U.S. Olympic Committee (USOC), which represents the United States within the IOC. With multiple masters, this can all get very confusing, so let me try to clarify.

Importance of the Sanction

Back in 1986 we wanted to put on a series of men's indoor volleyball events that featured the United States against Brazil. To put on this series, we had to go to USAVB (the NGB) with the idea. They had to give it their blessing (or sanction) and then, on our behalf, go to the FIVB (the international federation) to get their approval. The sanctioning process allows the governing body (or bodies) to control the game around the world so that it is played under authorized rules with approved equipment. It also enables the federation to control the growth and flow of events, which is important to them for a variety of reasons. Without going through the

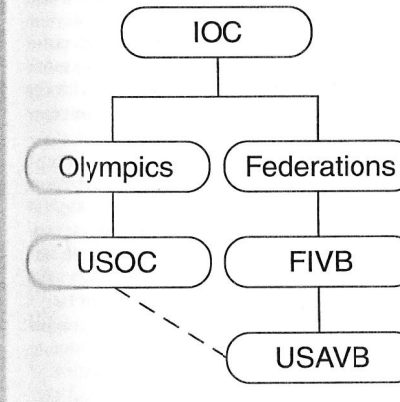


Figure 1.1 Diagram of Olympic sanctioning bodies.

grown into one of the most prestigious titles in the sport and the showcase event for beach volleyball in the United States.

Could we have done the King of the Beach event without a sanction? Yes, but it would not have enabled us to meet our objectives as set out in our mission statement (i.e., put on an event with the best players in the world) because the top players would not have been allowed to play. Thus, as a practical matter, we could not have operated the King of the Beach Invitational without the AVP sanction.

This doesn't mean, however, that there aren't dozens of events that can't be done without going through this process. Virtually every professional figure skating event is done without a sanction. Ray Benton, who helped me so much early in my career, began the senior tennis tour without a sanction from anyone. At the local level, the 5K Racquet Run had no sanction, and none of our KidSports Foundation events were sanctioned by any governing body.

Remember, the mission statement for your event should help you make a decision as to whether you need a sanction.

Applying for the Sanction

If you decide that you need a sanction, the process for applying for a sanction for a new event is not particularly complicated (it depends on the sport), although it is not necessarily a rubber stamp either.

To apply for a sanction for a new event, begin by calling or writing the appropriate sanctioning body (see the list in appendix D) and tell them you want to start a new event that has their sanction. They will no doubt ask you a variety of questions and lead you through the process. Among other things, you will have to prove that you have the resources to follow through with your event, both financial and otherwise. This is not usually a complex process, but most organizations will be

thorough, particularly if large sums of money are involved.

If you are interested in applying to become the organizer of an existing major event on the national or world calendar (such as the U.S. Track and Field Championships or the World Gymnastics Championships), the process is much more lengthy and in many cases will include having to create a local organizing committee (LOC); having significant venues lined up; and in many instances, providing a financial guarantee. In this case you will

be competing against other promoters and organizing committees from around the country or the world.

Unlike the application process for a newly created event, such as the King of the Beach Invitational or the junior tennis tournament discussed earlier, the

sanctioning process for national and international events can take years. At one end of the spectrum is the Olympic Games themselves. These are awarded six years in advance and usually only after a process that takes several years (a process that has recently been the subject of a great deal of controversy for financial impropriety). A world championship or national championship will require a similar process. Therefore, if you decide that you want to promote an event of this magnitude, you must be organized well in advance and be able to prove that you can deliver everything from volunteers to hotel rooms to transportation to athlete lodging to sanction fees to prize money to sponsorship and local government support. Only those with significant experience and resources should undertake projects of this magnitude.

Regardless of the size and scope of your event, before making any decision on the sanction, contact the appropriate governing body and research your sport because each one is different. If you determine that you need or want a sanction, once you receive it from the proper federation, you will be on

your way to establishing your event. This is when you can start the creative process of designing your property.

DESIGNING YOUR EVENT

Designing the event is where you have an opportunity to be creative and ultimately determines what will define the event. As discussed earlier, every event should have its own personality that will give it a place in the minds of the participants, spectators, sponsors, and others who will be instrumental to its success. In my opinion, one of the key elements to the personality of an event is its friendliness to the participants. I came to this conclusion early in my career.

When I worked on the Colgate Grand Prix men's professional tennis tour, certain events

were known as "player-friendly" events, while others seemed to view the players as interchangeable pawns in the tournament committee's overall plan to make profits, entertain guests, create a platform for themselves, and so forth.

There were successful tournaments on both ends of the spectrum. However, as you might imagine, the atmosphere at the player-friendly events was far more conducive to a positive experience than was the atmosphere at the tournaments that were not geared toward the players. Not surprisingly, the player-friendly events always seemed to have the stronger player fields, making for higher profits and greater spectator satisfaction.

Perhaps the most successful event in this respect was Jim Westhall's Volvo International in North Conway, New Hampshire. With its beautiful setting, player softball game, lobster feast, and helicopter transportation from the hotel to the site, the players made a point of putting this event on their calendars. One year, the final was rained out. Illustrative of the special feeling about this tournament, the players agreed to come back several weeks

later to finish the match, indicating unprecedented cooperation. (Unfortunately, the event's management determined that the tournament outgrew the site and moved it to New Haven, Connecticut, where it eventually went out of business. There is a lesson to be learned from that evolution—or extinction—as well!)

Interestingly, Wimbledon, perhaps the most successful and certainly the oldest tennis tournament in the world, was during the mid-1980s the least player friendly of all. Steeped in tradition (and ignoring certain aspects of the 1973 player boycott), the All England Club management believed that the players would come no matter how they were treated because of the prestige associated with winning the Wimbledon title. After a while, the people in charge of the event started to see that certain players were not coming to the event and

others were complaining and suggesting that perhaps tennis on grass had outlived its role in the game. Some players came right out and said that they could do without Wimbledon.

To their credit, the response from the Wimbledon

Tournament Committee to this undercurrent of discontent among the players was relatively quick and dramatic. In a very short period of time, Wimbledon became among the friendliest to the players with its player lounges, restaurant, transportation desk, day care center for the players' children, and other amenities. (Unfortunately for the All England Club, before the 2000 championships, some of the old player issues began to surface again.) The point is that even the biggest and best events are judged by the participants, who ultimately are the people whom the spectators, sponsors, and television executives are most concerned about. Care of the athletes should always be at the top of the list for the organizer.

After you have determined your motives for putting on your event, making sure your event is geared toward the participants is a must.

Before making any decision on the sanction, contact the appropriate governing body and research your sport.

Care of the athletes should always be at the top of the list for the organizer.

We will get into more of this later, including some tips for making athletes comfortable at your event.

✓ Checklist for Creating an Event

Since you no doubt want to be known for being creative, well organized, player friendly, sponsor sensitive, and concerned about your customers, you had better make sure that you have covered the fundamentals thoroughly. Thus, during the initial stages of your event's creation, make sure you do the following:

- ✓ Understand why you want to do your event in the first place.
- ✓ Define your event with a short mission statement.
- ✓ Study the rules and regulations as they apply to the type of participants who will come to your event.
- ✓ Know the breadth of authority of the sport's governing body or bodies.
- ✓ Determine if you need a sanction for your event.

- ✓ Decide if you want to buy an existing event or start one from the ground floor.
- ✓ Put your event's organization (i.e., staff, finances, etc.) in the shape necessary to apply for a sanction.
- ✓ Start the application process.
- ✓ Think about how to gear your event to the participants.
- ✓ Think about the personality that you want your event to take on.
- ✓ *Most important*, develop a budget that enables you to analyze the event's probability for financial success. You can have a great concept, perfect date and location, and player support for your event, but if every calculation shows that the expenses will far outstrip the revenues, you should seriously think through the viability of your project.

Chapter 2 will give you the tools to develop an expense budget that allows for this most important analysis.

Working Model: Regional Tennis Tournament

To provide a framework to enable you to more easily understand the major points discussed throughout the book, I have created a working model—a hypothetical event that will illustrate in a practical manner the various elements involved in creating and operating an event.

The event I have created as the working model is an 18-and-under regional tennis tournament for boys and girls. The event will take place in your hometown. To get this event up and running, we would start with the following mission statement:

To create a sanctioned tennis event that will enable accomplished juniors (i.e., those with a state ranking) to participate in advanced-level competitive play on a regional level. The event will conform to USTA standards and be open to junior boys and girls from the surrounding four-state area. Any proceeds from the event, which must be fully funded by sponsors, television, or the site, will go to support junior tennis in the region through a grant process to be determined.

With the mission statement for this event in place, our next steps would be:

1. Determine the best location for the event.
2. Call the USTA to get an application to start the sanction process.
3. Having decided that the local tennis club is the best facility, talk to the club manager to determine dates for the event.
4. Get the USTA regional office involved to see if they can help support our efforts.
5. Find out the dates of any other junior tennis tournaments in the region to be sure that our event will not conflict with theirs.
6. Begin talking to the kids and their parents in the region to let them know what we are planning to be sure that there is support for the project.
7. Develop a preliminary budget.
8. Develop a preliminary time line so that we have some feel for what needs to be done and when.

