



Fun By **JIM**

How to Fight the Good Fight

By **JIM KESSLER**

Lasertron, Inc.

The competition for all of our entertainment centers is not only the entertainment center down the road, but all forms of leisure in our market area. This includes movie theaters, restaurants, professional sporting events and in-home entertainment: All forms of commerce that take away entertainment dollars from our centers should be considered competition. The ultimate challenge for an entertainment center is to provide an experience that will have the power to attract customers away from these other forms of entertainment and bring them into our centers. The goal is to get these customers more frequently and to have them spend more dollars per visit.

All of our entertainment centers must work diligently every day to provide the best entertainment experience in our market area. This is a very big challenge.

You must also consider other obstacles or challenges to establishing a successful entertainment center, especially for the long term. The first is the financial requirement to open a new center and the need for constant reinvestment. It really does take a significant investment to establish a high-quality entertainment center. Ongoing reinvestment is even more important for long-term success.

Another challenge is the need for strong management leadership experience and the

ability to implement and utilize these skills within the operation. Without strong leadership skills, it is very difficult to establish a working environment where the right things get done on a daily basis.

A third challenge is the need for strong operational experience and, once again, the ability to implement and utilize these skills within the center. A center can only be consistently successful when strong operational practices are built into the daily routine of the facility. It can't be all in the owner or general manager's head; it has to be built and available in documented systems that the entire team can understand and follow.

Another major obstacle is the complexity of getting local and state approvals to open a new center or make changes to an existing facility. Politics can be a substantial obstacle to the success of your center. There are many others, and the list can go on forever. These are all a part of the obstacles we must successfully overcome to be winners in the game of business.

Finally, one of the most difficult challenges to operating a successful center is the reality that you have to be good at operating multiple businesses within your center. Each part of your entertainment center, including each attraction, should be maximized and operated as if each one was a separate busi-

ness. If this is not done, the center will never fully realize the earning potential of each individual attraction. More importantly, the door will be left wide open for a competitor to open a new center that focuses exclusively on maximizing the potential of that one attraction. A good example is that the best free-standing laser tag attractions often produce up to 1,000% more revenue than laser tag facilities operated within the same market area by a multi-attraction entertainment center. Our entertainment center in Buffalo, N.Y., focuses heavily on our laser tag attractions. We have two laser tag arenas, and combined they will produce over \$800,000 in laser tag sales this year.

The same is true for food and beverage service. If you want your center to reach its full potential, you must recognize that your food and beverage service is a business that must be managed professionally. If not, your customers will leave your center and spend their food and beverage dollars somewhere else.

The arcade is another very important business unit. A center operator must learn how to manage and operate this part of the business. It can be one of the most profitable business units of the entire entertainment center. It is important to note that an arcade's success is heavily dependent on the traffic generated by the attractions in your

center. This is why it is so important to maximize the quality and drawing power of each attraction; if you don't, your whole center will suffer the consequences.

Even when you overcome all the barriers to entry and open your entertainment center, you have only paid the entry fee to compete. The entertainment centers that become the most successful will be the ones continuing to raise the bar every day. The companies that are able to develop the best systems to handle the complexity of operating an entertainment center will be able to dominate their market areas. This can only happen when a complete management and operational system is fully developed, tested and implemented under real-world operating conditions.

This industry truly excites me because of the huge upside that has yet to be realized. We have been operating our Lasertron Interactive Entertainment Center for more than 14 years in Amherst, N.Y., and we have yet to get the management and operational part 100% right. That doesn't mean our management team and operational systems aren't good. They are. In fact, they are very good, but there is always room for improvement — often dramatic improvement.

What we all must understand is one very simple and extremely important point: The management team is the reason why challenges continue to exist in any of our entertainment centers. I am the final decision-maker for our company, which means I am the ultimate reason why problems or challenges continue to exist in our business.

What do I mean by this? Let me give you an example. I can blame the economy for a sales decline in our business. Or I can do what a great leader does: have a growth plan that maximizes our sales even during a poor economy. By not having a plan to grow sales during a poor economy, I am the reason for the continuation of the problem, not the economy. We must all have plans in place to grow our business in either a good or bad economy. I'm sorry, but no excuses are allowed — no matter how good you think yours is.

To give you another example, I can blame poor guest service on bad employees and the inability to find good employees because of a low unemployment rate. Or I can do what a great leader does: develop a system to attract and hire the top 1% of the very best employees in the area. An important question is the following: Who would you rather hire, a person who is looking for a job or a person who already has a job? The very best employees already have jobs, and it's up to you to find and recruit them.

By not having a system to attract the best employees, I am the reason why the problem continues to exist, not the employees and not the low unemployment rate.

To be highly effective leaders, we must all take full responsibility for everything that happens, otherwise we significantly limit our abilities to create and influence our businesses. Too often management spends hours upon hours looking for the reasons why their sales are down, or why guests aren't coming back.

Why doesn't management spend all of its time figuring out the very best ways to increase sales and improve guest service? In other words, why doesn't management work at developing the solutions to their challenges? We have to be solution-oriented! It's OK to identify a problem, but we must then focus all of our efforts on how to

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overcome that problem.

The main obstacle to solving a problem is that the best solution almost always requires work, and usually a lot of work to make it a successful solution. On top of the work factor, it often requires us to try new things. Trying new things can lead to even more problems, failure, wasted time and confusion. There is also another challenge to solving a problem, and it has to do with what I call “Success Time Lag.” This is the time it takes for a new solution to actually produce the desired results.

Far too often, people don't like the thought of change and tend to resist it. If we don't see our possible solution working almost immediately, we often kill the solution before it has had a chance to develop and solve the problem. The management and the front line staff who are responsible for implementing the solution often fear the unknown problems that will arise from trying the new solution more than continuing to live with the existing problem.

Unfortunately, the solutions to our problems almost always lie outside of our comfort zone. And the most effective solutions are usually a significant departure from the accepted practices of our industry. Because most solutions do lie outside our comfort zone, we continue to spend most of our time talking about the reasons why our

problems exist, not on finding and implementing the possible solutions.

We are all experts at finding reasons why things don't work or won't work, and that is why we are often novices at finding and implementing the best solutions. We must all learn to change our focus from why things won't work to concentrating on how things could work. To paraphrase Buzz Price, who prepared the first feasibility study for Walt Disney's Disneyland in California, “No, it won't work because of the following” is the language of a deal killer. Creative people thrive on “Yes, it will work, if we do the following” to make the dream come true.

The main purpose of management is to facilitate multiple solutions to the challenges we face on a daily basis. If we all want to be successful in this very complicated business, we must all be willing to do the things that are required to be successful. We often look at a person who is successful and say that they must be lucky. Likewise, we look at another person who is unsuccessful and say that they must be unlucky. If we are successful at what we do, it is because we create and shape the circumstances around our business in such a way that it gives us the opportunities to be successful. This is also true if we are unsuccessful at what we do. We create our reality!

We all have the opportunity to build outstanding companies. First, we must all choose to be outstanding. Second, we must do what it takes to be outstanding.

Operating a first-class, highly profitable entertainment center is more possible today than ever before. We have a much greater understanding of what works and what doesn't work. As always, the quality and level of our success is totally based on our commitment to being the very best professional entertainment center operators.

Choose to be great and then do what it takes to be great. It is by far the easiest and most rewarding path to take in the long run.

I am always interested in your thoughts, comments and suggestions. You can email me at jkessler@lasertron.us or call 800/897-8766, ext.106. ◆

Jim Kessler is “Chief of Imagination and Performance,” a.k.a. founder/CEO/president of Lasertron. Lasertron operates a fun center by the same name and also designs, develops, manufactures and services laser tag attractions. Jim serves on IALET's board of directors and will be second VP in 2003-2004, leading to the presidency in 2005-2006.