

A Year of Opportunity Ahead

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There's no question in my mind that the AMOA/Fun Expo trade show in Las Vegas was a complete success. From the day I arrived, I could sense the high level of energy in the air, almost as if a great weight had been lifted off of everyone's shoulders. The Rookies and Newcomers sessions were literally overflowing with attendees from all over the country, each one looking to establish a new entertainment venue in their backyard. Vendors were out in full force, but this time I found the sales process to be more complete, with substantial levels of follow-through the week after, and a much more focused approach toward delivering what the customer wants. The trade organizations, in particular IALEI, went out of their way to provide member support services and organized some fabulous networking events. If you didn't make any new contacts at one of these get-togethers, you missed an incredible opportunity.

Speaking of opportunity, what does all of this camaraderie mean to us? Well, for starters, it paints a dramatically different picture from one year ago, when a national tragedy caused many to stay at home and rethink the future. From my perspective, the industry's future is now clear - create entertainment in markets where there is none, invent new and technologically different attractions and support systems aimed at enhancing the guest experience, and educate ourselves on how to create better, more profitable businesses than before. These may seem like monumental steps, but as of this writing, the wheels are already in motion. Not sure? Look around. With the assault that occurs daily on our nation's stock markets, it appears impossible to generate even a reasonable return on invested funds. Many longer term investors are converting themselves to amusement and entertainment entrepreneurs, as the perceived risk of starting a new business no longer seems dramatically higher than that of a blue chip stock portfolio. Seems hard to believe. Next, take a good look at our industry's manufacturers. Many have been working double time these past few years to create new games and attractions worthy of today's consumer. This is much harder to do than ten years ago, as today's consumers are exposed to much more and have much greater expectations. It was "easy" to create new games and attraction styles in the early nineties as almost every theme was a new one. Remember the original Daytona sitdown driving simulator? While there have been many derivatives since, the format is still the same. It becomes increasingly difficult to improve the experience beyond the current level.

At times, it might be easy to overlook a small manufacturer with a unique concept that needs to "prove itself", but the fact is, we as an industry need to prove the worthiness of this manufacturer's concept in the marketplace. It's industry's combined support that helps these manufacturers fine tune their designs and keep the creative juices flowing. I noticed a bit of this "risk taking" at the show, with purchasers more willing to "be the first" to sign onto a new game. This is typically the first sign that our industry's "edge" is back. To be a leader in almost any industry, you've got to take some calculated chances - in fact a few veterans will tell you that sometimes it's more like guesswork - and push the edge of the envelope. In essence, our entertainment guests already expect this.

Are we in the land of opportunity? Without question. What we possess today is far better than what our industry offered ten years ago. Think about it - we have electronic card systems that track game and attraction usage in real time; we issue redemption merchandise using cordless wands that save on manpower; and we have sufficient levels of historical statistics to tell us where to build our new entertainment project, how large it should be, and what it must cost to remain profitable. On top of that, we have abnormally low interest rates and an investment market flush with cash. In total, there's a pretty compelling argument to state that the amusement industry is now comfortably within the 21st Century and looking for participants. By using the tools and market conditions that are available, we can all become better managers, better businesspeople, and ultimately better entrepreneurs.

Each one of us plays a role in this resurgence within our industry. Perhaps the biggest role anyone can play is to simply be part of the forward direction. That means getting involved. Think the industry needs a new game or two? Invent one. Better yet, bring your idea to one of the industry's manufacturers and see if their think tanks can run with it. Need to upgrade your facility? Buy some product! It no secret that sales volume commonly creates profit, and from profit comes funding for new research and development. Thinking of opening a new facility? Please be sure to do your homework in advance, as a failed project only tarnishes our industry's track record. And finally, see an opportunity? Take a chance. Be a pioneer. After all, you might be the one that leads the industry to the next plateau... and beyond.

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