



## **Institute for Attractions Managers**

Funworld Park:  
History, Financial Data  
and  
Operating Characteristics

Rev 2012



## Funworld Park Inc Overview of Operations

### Mission Statement

Our Mission is to make your smile last longer. We do this by providing a safe, fun and hassle free entertainment experience for families of all ages.

### Pillars of Fun:

- Service
- Safety
- Entertainment
- Value

### Back Ground

Funworld Park is located in Columbus Ohio. The metro Columbus area has a population of 1.2 million.

### Ownership and History

Funworld Park was opened 1994. The park was built and operated by a local contractor and quickly established itself as a summer day trip for the local Columbus area.

Over the next several years, various rides were added to the park with no particular strategy and the park changed hands several times. The original owner had several disgruntled partners, and the partnership eventually sold the park to another group of local Columbus business men in 1995. The second group had no better luck at running the park and the group's bank finally foreclosed on the park in 1997. After a contractual wrangle with these businessmen was settled, the bank finally sold the park in 2000 for \$200,000 to a carnival operator from Wyoming who paid \$20,000 of his own money down and financed the balance through the SBA. During this period of time, Funworld Park became run down, added no new rides, and was generally viewed as an unsafe place to bring a family.

At the end of the 2004 season the park was sold to Parks R Us Corporation.

Parks R Us is owned by former theme park executives and they immediately brought in a professional management team which understood the theme park business. Six individuals were hired as the nucleus of the new management team (all six had previous experience with medium sized parks at various locations in North America). Ima D'Bosse headed the team as general manager and was joined by Addy Tiser as director of marketing, Jerry "Show me the Money" Maguire as director of finance, Uri Hired as director of human resources, Peter Pointer as director of operations, and Sandy Witch as director of food and beverage operations.

The new team quickly put together a plan that increased expenditures for capital improvements and marketing. More importantly, they developed operating and reporting systems and brought a professional demeanor to the organization. Over the next four years, attendance and revenues grew and operating expenses were brought in line. The overall result was that Funworld Park, for the first time, started to show a positive cash flow in 2005. At the end of 2005, Parks R Us Corporation restructured and brought in Robert Orwell Ibsen (ROI) as president and chief executive officer.

ROI and Ima both realized that the park had tremendous potential, however, a significant investment would have to be made if the park was ever going to reach beyond its current year-to-year approach. They realized that the park, at its current level, wasn't attractive enough to make people want to come. What was needed were major capital improvements to theme the park and bring in the big rides which were necessary for the park to compete with the larger parks within a day's drive. With ROI, Ima finally had a boss who had the vision and foresight to think long-term. He also has a boss who was willing to make the large financial commitment that was necessary.

After much study and debate, ROI approved capital expenditures of \$2.6 million for 2006 \$5.4 million for 2007, \$1.3m for 2008 and \$1.3 for 2009 as well as marketing budgets of \$620,000 and \$765,000 respectively. Although a gamble at the time, the net result of these decisions was the record results of the past three years.

### **Park Location and Physical Characteristics**

Fun World Park is located outside Columbus, OH within easy access of the I -70 freeway to the west of the city.

The park is situated on 100 acres with a further 20 acres available for purchase adjacent to the property. The park's operating characteristics can be summarized as follows:

<b>Size</b>	100 acres
<b>Operating Days</b>	126
<b>Annual Attendance (2010)</b>	750,000
<b>Annual Revenue (2010)</b>	\$19 million
<b>Net Operating Profit</b>	\$5.3 million
<b>2010 Price (Rack Rate)</b>	\$23.99
<b># Full time Employees</b>	47 persons
<b># Seasonal Employee (2010 peak)</b>	373 persons
<b># Rides</b>	25
<b># Food an Beverage Outlets</b>	7 plus 12 carts
<b># Retail Outlets</b>	5
<b># Games</b>	22

### **Competitors**

King's Island, with an annual attendance of three million, is located a two and a half hour drive south of Columbus. Cedar Point is a three hour drive to the north with an annual attendance of three million. Geauga Lake, a smaller park with just over one million in annual attendance, is located just over three hours to the northeast.

## Funworld Park Capital Expenditure History

In the theme park industry there are two types of capital expenditure:

**Maintenance capital** – (or asset preservation) the capital required to maintain the rides, attractions and general infrastructure of Park to the correct standard and would not therefore attract additional attendees. As an example the demolition of an old toilet block and the building of a new facility.

**Marketable Capital** – capital that will drive (incremental) attendance to the Park. As an example the installation of a new ride.

### 2006

In 2006 the park purchased a Huss Top Spin in order to add to its Thrill ride collection. The park also brought in a new Tilt a Whirl on a trade deal. In addition it undertook a refurbishment of its kiddie collection. The general theme of this capital year was “Something new for everyone”. The total expenditure was 2.6 million.

### 2007

Based on the success of the 2006 capital plan a new marketing theme was developed for the next season. The tag line became, “Funworld Park, coolest place on the planet” The headline attractions for this effort was the addition of a river rapids ride and a refurbishment of the log flume. This theme was also extended into the group sales area where the park improved the picnic grounds and enhanced the menu options in order to boost sales. Games also saw an upgrade with improvements in the line up games and the addition of water pistols on both of the water attractions. Total cost 5.4 million

### 2008

With ride capacity now at a good level the park turned its focus to quality improvements on existing features of the park. The budget of 1.3 million was used to upgrade 3 rides, one food facility, and one retail outlet. The idea was to take 2008 as an off capital year and to come back in 2009 with another major addition. The marketing theme for the year was, “Fresh Family Fun”.

### 2009

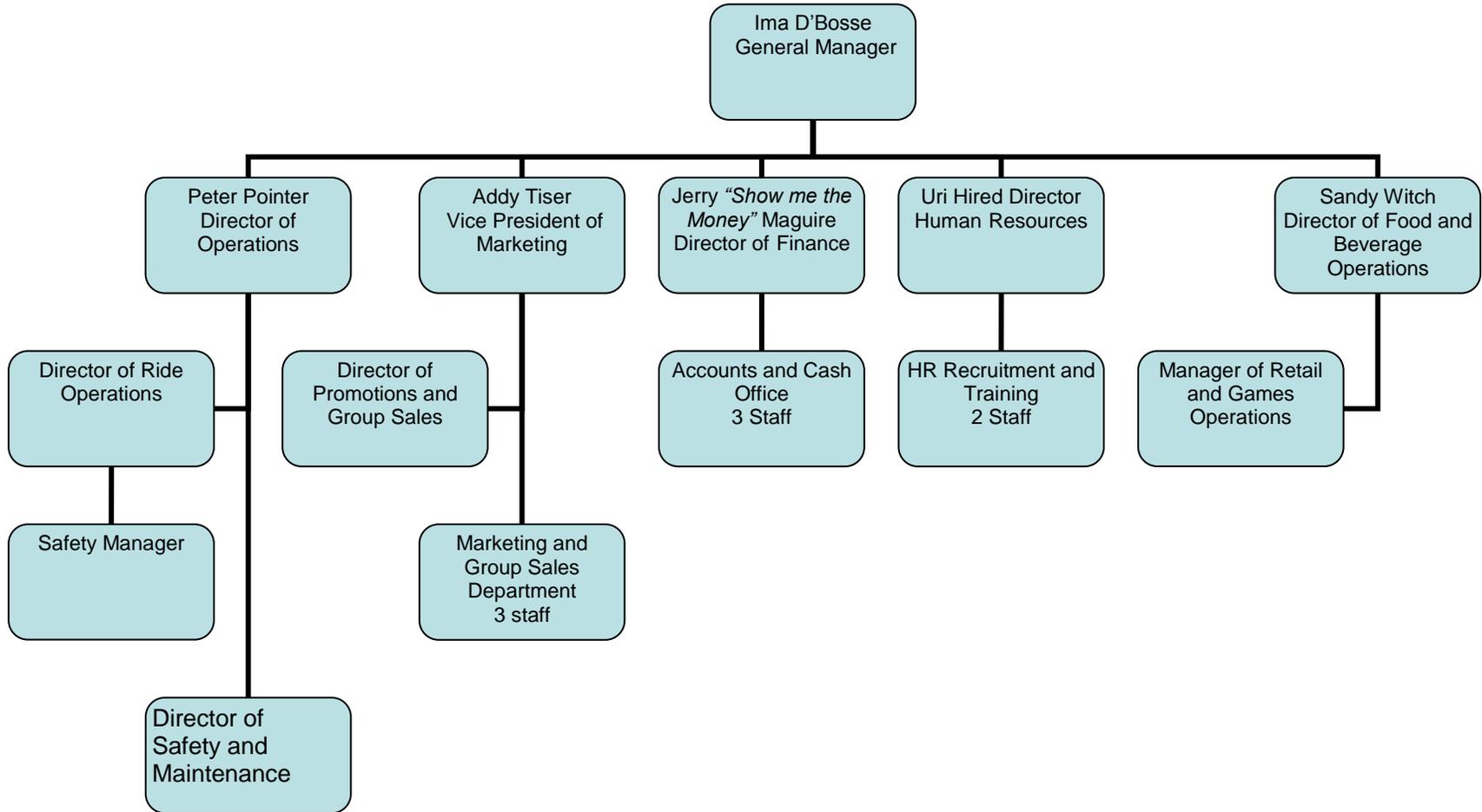
With concerns growing about the general state of the economy through out the 2008 season plans for a new attraction were put on hold. Capital of 1.3 million was allocated for the park but the intent was on improving general productivity and reducing costs in order to improve margins. Projects for this year included replacement of older F&B equipment such as walk in freezers which were not energy efficient, new broilers which replaced flat top grills and a new admissions ticketing system that allowed the park to sell tickets on line as well as speed up transaction time at the gate. The tag line for the year was focused on driving the message of value, “Smiles cost less at Funworld Park”.

### 2010

With concerns growing about the general state of the economy throughout the 2009 season plans for a new attraction were put on hold. Capital of \$1million was allocated for the Park but the intent was on improving general productivity and reducing costs in order to improve margins. Projects for this year included replacement of older F&B equipment such as walk in freezers which were not energy efficient, new broilers which replaced flat top grills and a new admissions ticketing system that allowed the Park to sell tickets on line as well as speed up transaction time at the gate. The tag line for the year was focused on driving the message of value, “Smiles Cost Less at Funworld Park”.

Year	Capital Expenditure €	Notes
2007	\$2.6 million	Addition of Top Spin, Flying Carousel and improvements to kiddie ride area
2008	\$5.4 million	Addition of River Rapids and improvements to picnic and games areas
2009	\$1.3 million	Upgrade to food, Retail and Ride areas
2010	\$1.0 million	Back of House improvements to F&B areas and IT support.

# Funworld Park Inc Organization Chart



## MARKETING PROFILE

Addy Tiser had come to Funworld Park in 2005 as part of the new management team that joined Ima D' Bosse, and he had been promoted to vice president of marketing two years later. Addy indicated that his strategy had been two pronged. First, the park needed to attract new customers from the local market. These were people who had never been to Funworld Park before but lived within an hour to an hour and a half drive away. Second, Addy felt that it was critical to get people to come back again and again during the season.

Since the area of dominate influence for Columbus, as measured by the local TV stations, was only 1,100,000, and since Columbus was clearly not a destination resort, Addy felt this approach was the best, and so far it had been working. Addy estimated that 65 percent of Funworld Park's guests came from within a 50 mile radius, 20 percent from a 50 to 100 mile radius, and 15 percent from more than 100 miles away.

Funworld Park was also helped by the fact that there were; no other directly competitive theme parks in the immediate area. King's Island, with an annual attendance of three million, was located a two and a half hour drive south of Columbus. Cedar Point was a three hour drive to the north and also had an annual attendance of three million. Finally, Geauga Lake, a smaller park with just over one million in annual attendance, was located just over three hours to the northeast. The only other competition-- and Addy didn't consider them competition--were the mega resort destination theme parks and several local "carnival type" small parks in the Columbus area.

Addy's strategy for getting people to come for the first time was to make them aware of what Funworld Park was and to offer discounted admission to entice them to make that all important first visit. Awareness had been created by

having a fairly heavy media budget--Addy had almost doubled it in the past several years--and by developing a series of corporate sponsorships. Both tactics were designed to have people aware of what Funworld Park was and to have the name repeated over and over. As Addy said, "If the public is continually blitzed with the words 'Funworld Park,' eventually they are going to come and see what it's all about!"

In order to build repeat business, Addy had developed a series of promotions to get people to come back at different times. Since the average guest stay was just over six hours, Addy figured there would be plenty to do if they did return. Some of the promotions and special events that had become successful were: Easter egg hunts, special teen nights, evening concerts in the summer months, Fourth of July fireworks, special kids festivals, a month long Oktoberfest, and a two-week Halloween promotion. All of these events had had a positive impact and had boosted attendance over those times when special events were not planned. Addy used an advertising agency as well as a media buying service and was pleased with the job that both companies were doing. He had also retained a public relations firm. Overall, he was pleased with the results.

## ADVERTISING BUDGET (2000-2006 ACTUAL) (000's)

	ACTUAL	ACTUAL	ACTUAL	%age
	2008	2009	2010	%
Television	390	420	465	39.74%
Radio	240	260	290	24.79%
Print	90	110	130	11.11%
Outdoor	90	100	130	11.11%
Internet and social media	100	125	155	13.25%
TOTAL	910	1015	1170	100.00 %

## Marketing Characteristics

Target Market Profile	Distance from Park	Tactics
Primary Market: Local Columbus and surrounding area	50 – 100 miles	<ul style="list-style-type: none"><li>• Season Pass</li><li>• Early Bird Specials</li><li>• Group Sales (Picnic, etc)</li></ul>
Secondary Market: Tourists and “Drive in” market	100 plus miles	<ul style="list-style-type: none"><li>• Coupons</li><li>• Promotions</li><li>• CVB cross promotions</li></ul>

## DEMOGRAPHICS

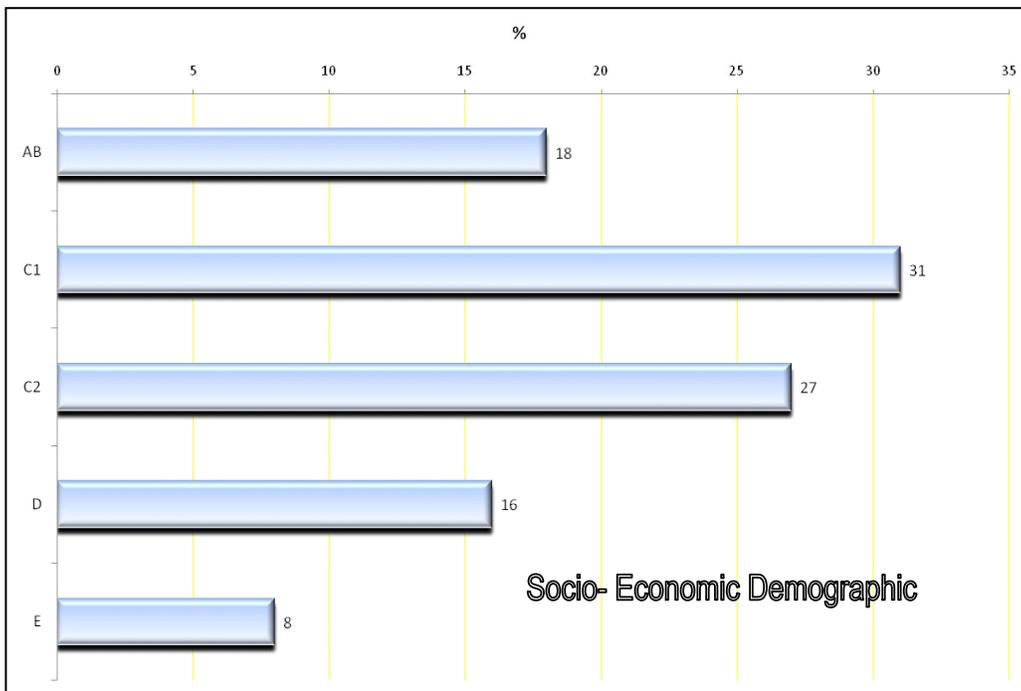
### SOCIO ECONOMIC

Market researchers divide the population into 6 socio-economic groups or social grades , which are based on the occupation, or job, of the head of a household. These grades give some idea of a households income and how it might be spent.

They are:

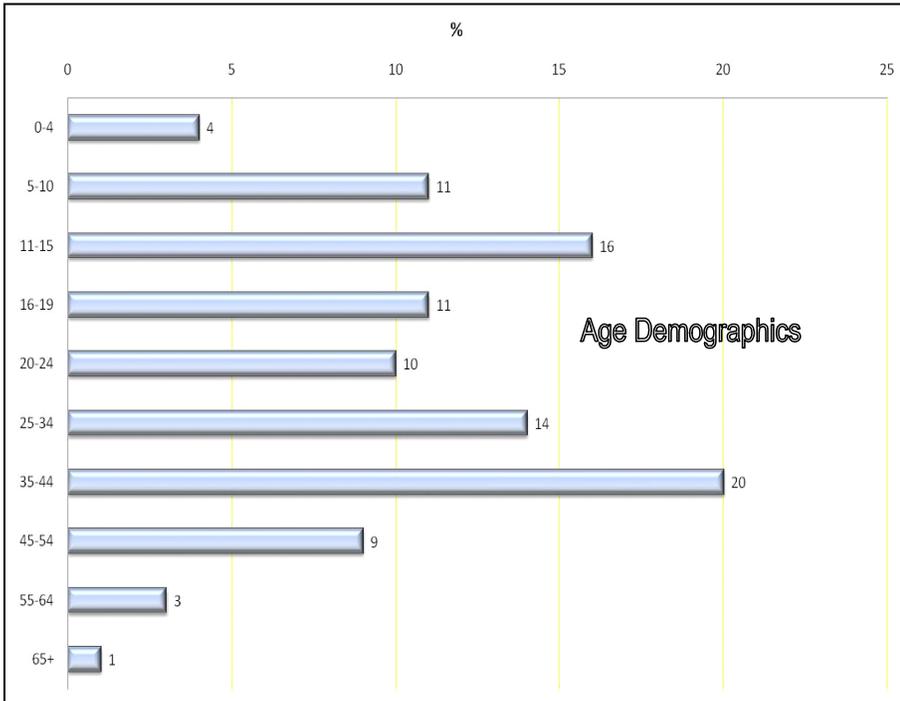
- A Higher managerial, administrative, professional e.g. Chief executive, senior civil servant, surgeon
- B Intermediate managerial, administrative, professional e.g. bank manager, teacher
- C1 Supervisory, clerical, junior managerial e.g. shop floor supervisor, bank clerk, sales person
- C2 Skilled manual workers e.g. electrician, carpenter
- D Semi-skilled and unskilled manual workers e.g. assembly line worker, refuse collector, messenger
- E Casual laborers, pensioners, unemployed e.g. pensioners without private pensions and anyone living on basic benefits

The table below shows these groups as a percentage of total attendees

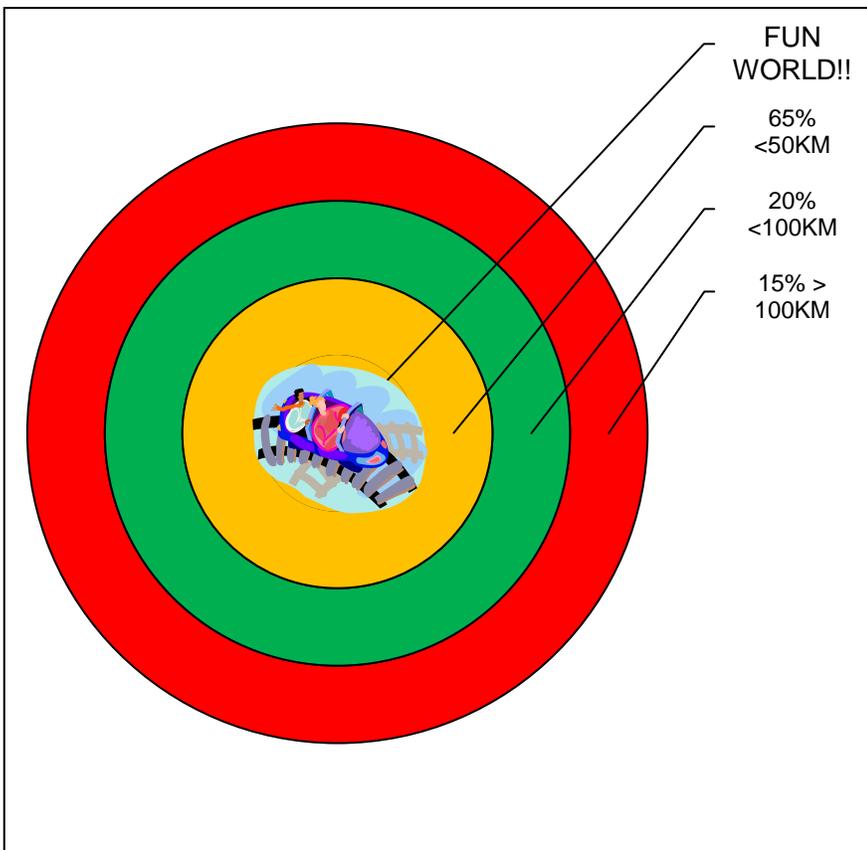


## Funworld Park Age Structure

It is also useful to understand the age profile of visitors to the Park



## Funworld Park Market by Travel Distance (catchment area)



## REVENUE PROFILE

Funworld's Revenue Operations are overseen by Sandy Witch who was originally hired as the park's food and beverage director. Sandy now has responsibility for all the park's non-gated revenue operations. This includes food outlets, retail operations, and the games midway. The park also earns a small amount of revenue – US\$375,000 in 2009 – from parking.

### Foods and Beverage Operations

The park operates 7 outlets, 12 carts and a small catering operation and had an annual turnover of US \$2.5 million in 2010.

Summary of F&B Operations	2010 ACTUALS	PER CAPS	2009 ACTUALS	PER CAPS
# Employees	119		119	
REVENUES	\$2,574,000.00	3.42	\$2,495,750.00	3.35
EXPENSES		% Revenue		% Revenue
COST OF GOODS SOLD	\$952,380.00	37.00%	\$948,385.00	38.00%
WAGES	\$476,000.00	18.49%	\$470,000.00	18.83%
OTHER	\$100,000.00	3.89%	\$100,000.00	4.01%
<b>TOTAL EXPENSES</b>	<b>\$1,528,380.00</b>	<b>59.38%</b>	<b>\$1,518,385.00</b>	<b>60.84%</b>
OPERATING PROFIT	\$1,045,620.00	40.62%	\$977,365.00	39.16%

Restaurant	Number of Seats	Average Check \$ (3 pers)
# 1 sit down table service	85	17.95
# 2 sit down table service	70	18.75
# 3 sit down fast food	30	14.75
# 4 sit down fast food	60	13.5
# 5 walk up pizza, etc	30	13.2
# 6 walk up pizza, etc	30	10.25
# 7 walk up pizza, etc	20	5.95
Average Check size		13.48
In addition to the restaurants, there are 12 food stands (with no seating). The average check at these food stands is \$4.25.		

The park has been attempting to increase its amount of group business. In order to help with this sales effort, Sandy's team developed a series of menus that offered several options for complete meals at different price levels. Groups were able to select a meal in their price range and then eat their meal together in one of the five themed pavilions in the picnic area adjacent to the park. The picnic area offered a total seating capacity of 700 people. The catered meals in the picnic area had an average check of almost \$11.00 and had been well received by the guests. More importantly, the service and quality had made it easier for the marketing department to sell group business.

## GAMES OPERATION

The games operation in the park is overseen by the Manager of Retail and Games Operations. The park has a total of 22 midway style games in two locations.

Summary Of Games Operations	2010 ACTUALS	PER CAPS	2009 ACTUALS	2009 PER CAPS
# Employees	40		40	
REVENUES	\$1,120,000.00	1.49	\$1,043,000.00	1.4
<b>EXPENSES</b>		% Revenue		% Revenue
COST OF GOODS	\$257,600.00	23%	\$260,750.00	25.00%
WAGES	\$288,000.00	25.71%	\$270,000.00	25.89%
OTHER	\$18,000.00	1.61%	\$15,000.00	1.44%
<b>TOTAL EXPENSES</b>	<b>\$563,600.00</b>	<b>50%</b>	<b>\$545,750.00</b>	<b>52.33%</b>
<b>OPERATING PROFIT</b>	<b>\$556,400.00</b>		<b>\$497,250.00</b>	

## RETAIL OPERATIONS

Funworld Park has five retail outlets: 2 gift stores at ride exits, a general store / candy imporium, and 2 T shirt stores.

Summary of Retail Operations	2010 ACTUALS	2010 PER CAPS	2009 ACTUALS	2009 PER CAPS
# Employees	33		33	
REVENUES	\$826,000.00	1.1	\$856,750.00	1.15
<b>EXPENSES</b>		% Revenue		% Revenue
COST OF GOODS SOLD	\$413,000.00	50%	\$419,807.50	49.00%
WAGES	\$155,000.00	19%	\$170,000.00	19.84%
OTHER	\$12,000.00	1%	\$12,500.00	1.46%
TOTAL	\$580,000.00	70%	\$602,307.50	70.30%
OPERATING PROFIT	\$246,000.00		\$254,442.50	

Retail #	Size (Sq Ft)	sales / sq ft
# 1 Gift Store at ride	600	1.8
# 2 Gift Store at ride	500	0.9
# 3 T shirt	400	2
# 4 T shirt	400	2.3
# General Store / Imporium	1700	2.2
Total sq ft avg' sale./ sq ft	3600	1.84

## HUMAN RESOURCES PROFILE

Funworld's employs over 880 seasonal employees. Wages and salaries are the biggest single operating expense at the park accounting for 33% of the total. In the revenue department, wages as a percentage of sales are as follows:

- Food and Beverage: 18.5%
- Retail: 18.0%
- Games: 25.1%

<b>2010 Funworld Staffing Data</b>				
<b>Department</b>	<b>Budget Staff</b>			<b>% total</b>
	<b>Permanent</b>	<b>Seasonal</b>	<b>Total</b>	
Rides	2,0	89,5	91,5	21,8%
Food Service	3,0	119,4	122,4	29,1%
Retail	3,0	32,7	35,7	8,5%
Games	1,0	40,0	41,0	9,8%
Front Gate	-	32,7	32,7	7,8%
Cleaning	1,0	25,4	26,4	6,3%
Security	3,0	10,4	13,4	3,2%
First Aid	-	5,2	5,2	1,2%
Parking		7,8	7,8	1,9%
Maintenance	20,0		20,0	4,8%
Finance	4,0	-	4,0	1,0%
Cash Control	-	6,2	6,2	1,5%
Receptionist	1,0	-	1,0	0,2%
General Manager	1,0	-	1,0	0,2%
Human Resources	2,0	3,9	5,9	1,4%
Marketing	6,0	-	6,0	1,4%
<b>TOTAL</b>	<b>47,0</b>	<b>373,2</b>	<b>420,2</b>	<b>100,0%</b>

TOTAL APPLICATIONS YEAR-TO-DATE: 1,899

- Will hire approximately 1,000 workers over the course of the year.
- No 15-year olds.
- 30% of staff is over 21 years old.

The HR department is responsible for the following functions:

- All employee recruitment and hiring functions (background checks, drug tests, etc)
- Pay roll issues and other HR issues
- General employee training including:
  - orientation,
  - guest services,
  - general safety
  - sexual harassment training
- Employee termination issues

Individual departments are responsible for on the job training in specific functions as well as scheduling and day to day supervision.

- Supervisory Level Training

## **THE HR CHALLENGE**

The Department faces a number of big challenges;

- Employee Retention
- Management Development
- Customer Service

## **EMPLOYEE RETENTION AND MOTIVATION**

Employee turnover was over 30% in 2010 resulting in the park actually hiring 492 employees during the operating season.

The Park has invested heavily in recruitment programs including the following:

- On line application at *Funworldpark.net*, the park's web site
- High school visits
- Jobs Fair
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The relatively high turnover of employees and the resulting cost in terms of training and loss of experienced staff has led to a Park wide focus on retention.

The Park now employs a number of different programs to both retain seasonal employees through the season and to motivate employees on the job.

- Employees who stay beyond August 14 are paid 1 extra € per hour.
- The Park has established a number of discount programs with local movie theater and outlets for employees.
- The Park uses an awards Program, "The Oscars", to reward employees who provide excellent or superior customer service. Supervisory level employees and departmental management operate this program.
- The Park offers regular party nights for employees
- The Park operate an employee of the week / month program
- Employee can bring family and friends to Park (restrictions apply)

## **MANAGEMENT DEVELOPMENT**

A second challenge that the Park faces is to develop a strong group of supervisory level employees. The Park has created a *Leadership Academy* that all supervisory level employees must participate in.

## **CUSTOMER SERVICE**

A further challenge is for HR and operations to work together to ensure that staff deliver a high quality service to guests. The quality of the service is measured using customer feedback surveys and mystery shopper reports

## FINANCE PROFILE

### 2009 – 2010 Income Statement

<b>FUNWORLD PARK</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
	<b>ACTUALS</b>	<b>PER CAPS</b>	<b>ACTUALS</b>	<b>PER CAPS</b>
CAPITAL IMPROVEMENTS	\$1,374,252.00		1,328,469	
ATTENDANCE	751,565		745,000	
<b>REVENUES</b>				
TICKETS	\$13,967,030.00	18.58	\$13,484,500.00	18.1
FOOD	\$2,574,000.00	3.42	\$2,495,750.00	3.35
GAMES	\$1,120,000.00	1.49	\$1,043,000.00	1.4
ATTRACTIONS	\$173,945.55	0.23	\$171,350.00	0.23
RETAIL	\$826,000.00	1.10	\$856,750.00	1.15
PARKING	\$375,620.26	0.50	\$357,600.00	0.48
LESSEE/OTHER	\$119,209.54	0.16	\$111,750.00	0.15
SPONSORSHIP	\$167,072.86		\$160,000.00	
INTEREST & OTHER INCOME	\$79,789.90		\$75,050.00	
	<b>\$19,402,668.12</b>	<b>25.82</b>	<b>\$18,755,750.00</b>	<b>24.86</b>
<b>COST OF GOODS SOLD</b>		<b>% Revenue</b>		<b>% Revenue</b>
FOOD	\$952,380.00	37%	\$948,385.00	38
GAMES	\$257,600.00	23%	\$260,750.00	25
RETAIL	\$413,000.00	50%	\$419,807.50	49
<b>TOTAL COST OF GOODS SOLD</b>	<b>\$1,622,980.00</b>		<b>\$1,628,942.50</b>	
<b>EXPENSES</b>		<b>%Total Rev</b>		<b>%Total Rev</b>
SALARIES/WAGES (INCL TAXES)	\$6,400,000.00	32.99%	\$6,120,000.00	32.63%
MARKETING	\$1,170,000.00	6.03%	\$1,015,000.00	5.41%
TRAVEL/ENTERTAINMENT	\$75,000.00	0.39%	\$70,000.00	0.37%
EQUIPMENT RENTAL	\$100,000.00	0.52%	\$100,000.00	0.53%
OUTSIDE SERVICES	\$950,000.00	4.90%	\$920,000.00	4.91%
REPAIRS & MAINT	\$1,400,000.00	7.22%	\$830,000.00	4.43%
OPERATING SUPPLIES	\$970,000.00	5.00%	\$950,000.00	5.07%
UTILITIES	\$600,000.00	3.09%	\$555,000.00	2.96%
INSURANCE	\$660,000.00	3.40%	\$600,000.00	3.20%
PROPERTY & OTHER TAXES	\$99,084.00	0.51%	\$80,000.00	0.43%
	<b>\$12,424,084.00</b>		<b>\$11,240,000.00</b>	100.00
<b>N.O.I. BEFORE DEPR/INTEREST</b>	<b>\$5,355,604.12</b>	27.60	<b>\$5,886,807.50</b>	31.39

<b>2010 Funworld Gate Revenue</b>			
<b>Category</b>	2010	2010	2010
<b>Main Gate</b>	Price	Attendance	Revenue
Adult	\$23.99	20,000	\$479,800.00
Child	\$16.99	15,000	\$254,850.00
Senior/Handicap	\$12.99	12,000	\$155,880.00
<b>Promotions:</b>			
Coupons	\$12.07	380,000	\$4,586,600.00
Family of 4 (per family)	\$15.00	90,000	\$1,350,000.00
<b>Group Sales:</b>			
Picnics	\$12.00	28,000	\$336,000.00
Outings	\$11.00	24,000	\$264,000.00
Discount Tickets	\$10.50	23,000	\$241,500.00
<b>Season Pass:</b>			
Individual	\$54.99	70,000	\$3,849,300.00
Early Bird	\$39.99	40,000	\$1,599,600.00
After 2:00 pm	\$16.99	50,000	\$849,500.00
<b>Total</b>		752,000	<b>\$13,967,030</b>
Per caps			18.57

## Facility Operations Profile

Funworld Ride Package 2010	Capacity per Hour	# Operators
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### Thrill Rides

River Rapids Ride	1.000	3
Wooden Roller Coaster	520	2
Steel Loop Coaster	840	2
Giant Ferris Wheel	1.200	3
Falling Star Ride	480	1
Huss Top Spin	880	1
Log Flume	1.000	2
Frog Hopper	90	1
8	6.010	15

### Family Rides

Perimeter Railroad Train	600	1
Carousel	400	1
Zamperla Flyer	520	1
Scrambler _	520	1
Wet/Dry Slide	300	1
Bumper Cars	700	1
YoYo	640	1
Antique Gas Cars	600	1
Himalaya	450	1
Musik Express	800	1
Dark Ride	400	1
11	5.930	11

### Kiddie Rides

Kid Roller Coaster	540	1
Kid Swing Ride	300	1
Red Baron	540	1
Bumper Boats	300	1
Venture Canoe Ride	360	1
Kiddie Driver School	360	1
6	2.400	6

<b>25</b>	<b>14.340</b>	<b>32</b>
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Supervisors	3
Teamleader	5
Breakers	6
	14