



Institute for Attraction Managers

Funworld Park

History, Financial Data and

Operating Characteristics

Funworld Park

Overview

MISSION STATEMENT

Funworld Park's Mission is to make smiles last longer. Funworld Park does this by providing a safe, fun and secure entertainment experience for guests of all ages.

Core Values

- Service
- Safety
- Entertainment
- Value

BACKGROUND

Funworld Park is located in the mid-west close to a major town, with a population of 4.5 million within a 1 hour drive time radius.

OWNERSHIP AND HISTORY

Funworld Park opened in 1994. The Park was built and operated by a local family company who also owned a camping ground in the area; the Park quickly established itself as a summer day trip destination for the local area.

Over the next several years, various rides were added to the Park but with no particular strategy or clear direction. As a consequence the Park failed to attract new customers and began to lose market share. As running costs increased, profits tumbled and investment suffered. By 2005 the Park had become run down, and was generally viewed as an unsafe place to bring a family.

At the end of the 2005 season the Park was sold to Big Park Corporation, a US company with headquarters in Atlanta.

Big Park immediately brought in a professional management team that 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 the USA.) these new appointments covered the key management functions of the Park general manager, director of marketing, director of finance, director of human resources, director of operations and director of food and beverage operations.

The new team quickly put together a short term tactical plan and increased expenditure on capital improvements and marketing. More importantly, they developed operating and reporting systems and brought a professional demeanor to the organization. Over the next year, attendance and revenues grew and operating expenses were brought in line. The overall result was that in 2006 Funworld Park, for the first time, started to show a positive cash flow.

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The new management team 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 and to compete with the larger parks and other attractions within a 2 hour drive time. Major capital investment was therefore needed to bring in the big rides and improve the infrastructure. Fortunately the Big Park Board of Directors had the vision and foresight to think long-term and were willing to make the large financial commitment that was necessary.

After much study and debate the Big Park Corporation Board approved capital expenditures of \$2.6 million for 2008, \$5.4 million for 2009, \$1.3m for 2010 and \$1.0m for 2011 as well as significant increases to the marketing budget.

Although a gamble at the time, the net result of these decisions was the record results of the past three years.

\$

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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.

2008

In 2008 the Park purchased a Huss Top Spin in order to add to its Thrill ride collection and a Zamperla Flying Carousel to add to the Family ride collection. 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.

2009

Based on the success of the 2008 capital plan a new marketing theme was developed for the next season. The tag line became, “Funworld, 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

2010

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 2010 as an off capital year and to come back in 2011 with another major addition. The marketing theme for the year was, “Fresh Family Fun”.

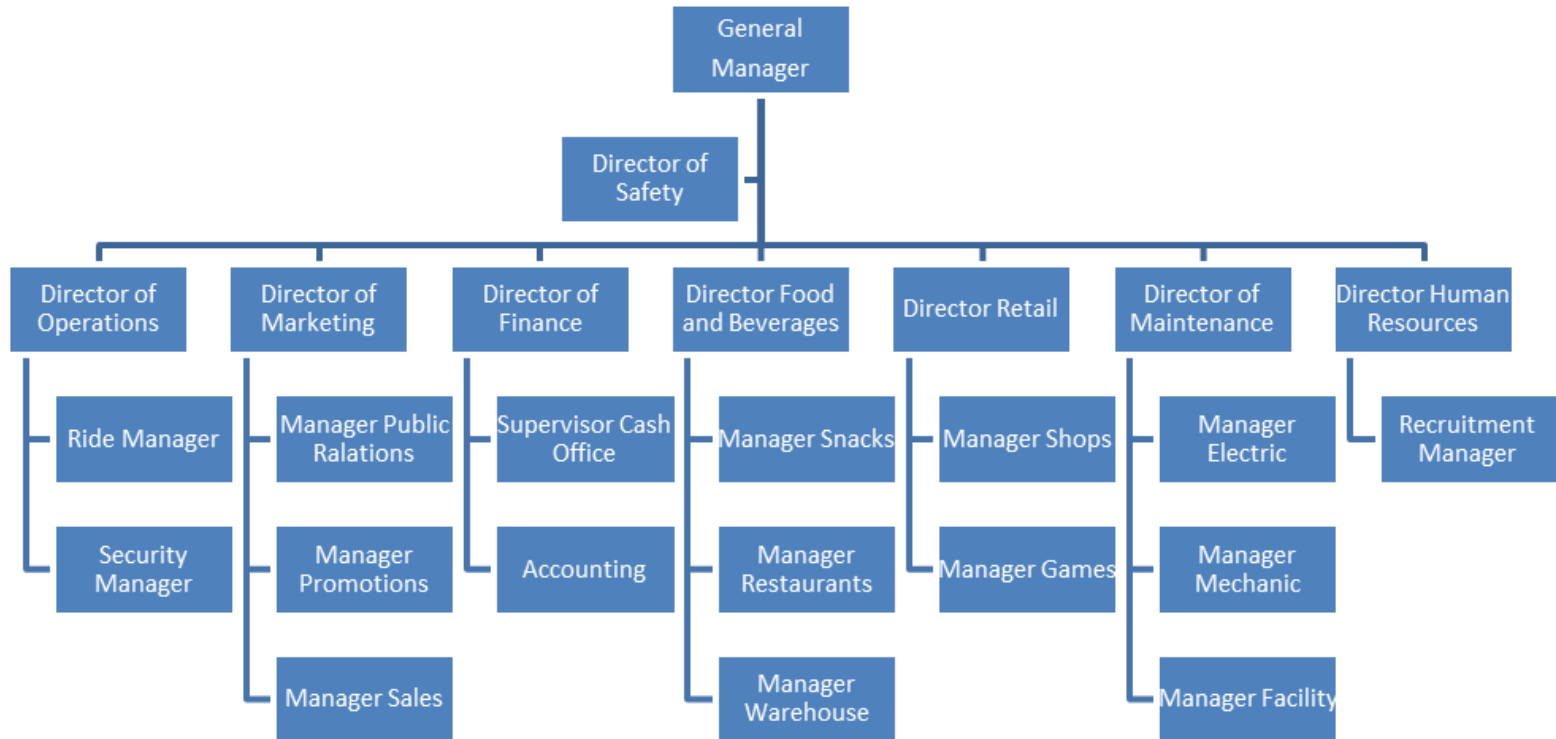
2011

With concerns growing about the general state of the economy throughout the 2010 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
2008	\$2.6 million	Addition of Top Spin, Flying Carousel and improvements to kiddie ride area
2009	\$5.4 million	Addition of River Rapids and improvements to picnic and games areas
2010	\$1.3 million	Upgrade to food, Retail and Ride areas
2011	\$1.0 million	Back of House improvements to F&B areas and IT support.

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FUNWORLD PARK ORGANIZATIONAL CHART



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FUNWORLD PARK KEY DATA

The Park is situated on 50 hectares with a further 10 hectares available for purchase adjacent to the property. The Park's operating characteristics can be summarized as follows:

Size	100 acres
Operating Days	126
Opening Times	10am-6pm
Operating Hours	1.008
Annual Attendance (2011)	753,000
Average attendance per day	5.976
Annual Revenue (2011)	\$14 million
E.B.I.T.D.A.	\$3.8 million
2011 Price (Rack rate)	\$18.00
# Full time Employees	47 persons
# Seasonal Employee (2011 peak)	373 persons
# Rides	26
# Food and Beverage Outlets	7 plus 12 carts
# Retail Outlets	5
# Games	22

COMPETITORS

Magic Park with an annual attendance of 3.2 million, is located one hour drive south of Funworld Park with a number of smaller family parks, shopping malls and FEC's also in the area.

MARKETING PROFILE

The marketing 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. Secondly it was felt that it was critical to get people to come back again and again during the season.

Since the area of dominate influence for Funworld, as measured by the local TV stations, was only 250,000, and since Funworld was clearly not a destination resort it was felt that this approach was the best, and so far it had been working surveys showed that 65 percent of the Park's guests came from within a 50 km radius, 20 percent from a 50 to 100 m radius, and 15 percent from more than 100 m away.

A major challenge to Funworld Park is Magic Park, the 5th most visited park in the US, which is located a 60 min drive away. However, Magic Park being a destination park was attracting guests from a much wider area and did not specifically focus on the local market. The only other competition was a number of smaller, local attractions (family entertainment centers, petting zoos, etc.) in the local area.

The 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 significantly increasing media spend. The budget had almost doubled 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 "If the public is continually blitzed with the words 'Funworld Park,' eventually they are going to come and see what it's all about!"

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In order to build repeat business a series of promotions had been developed to get people to come back again at different times. Some of the promotions and special events that had become successful were: special teen nights, evening concerts in the summer months, fireworks, special kids festivals, a month long local food festival, and a two-week Halloween promotion. All of these events had had a positive impact and had boosted attendance compared to those times when special events were not planned. The Park used an advertising agency, a media buying service and a public relations firm and were generally pleased with the job that these companies were doing.

A key element of the marketing strategy was to develop the Park website and upgraded the service to enable guests to purchase admission passes on line. All advertising media now contains the website address and customers are encouraged to visit the website to obtain discounts and information about the Park. The marketing department would like to offer a bigger discount on admission tickets to drive more customers to the website and increase internet sales as they believe that internet sales benefit the Park as the customer has paid in advance for admission and is therefore likely to have a higher secondary spend on the day of the visit. Also guests have to register in order to purchase tickets enabling their personnel data to be captured and used for marketing purposes.

The marketing department are currently researching the use of social and mobile media applications as marketing and customer relationship management tools.

ADVERTISING BUDGET (2011-2009 ACTUAL)

(\$000's)	ACTUAL 2011	ACTUAL 2010	ACTUAL 2009	%
Television	465	420	390	39,74%
Radio	290	260	240	24,79%
Print	130	110	90	11,11%
Outdoor	130	100	90	11,11%
Internet and Social Media	155	125	100	13,25%
TOTAL	1170	1015	910	100,00%

MARKETING CHARACTERISTICS

Target Market Profile	Distance from Park	Tactics
Primary Market: Local area	0 – 100 m	<ul style="list-style-type: none"> • Season Pass • Early Bird Specials • Group Sales (Picnic, etc)
Secondary Market: Tourists and “Drive in” market	100 plus m	<ul style="list-style-type: none"> • Promotions • Convention and Visitors’ Bureaux cross promotions

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DEMOGRAPHICS

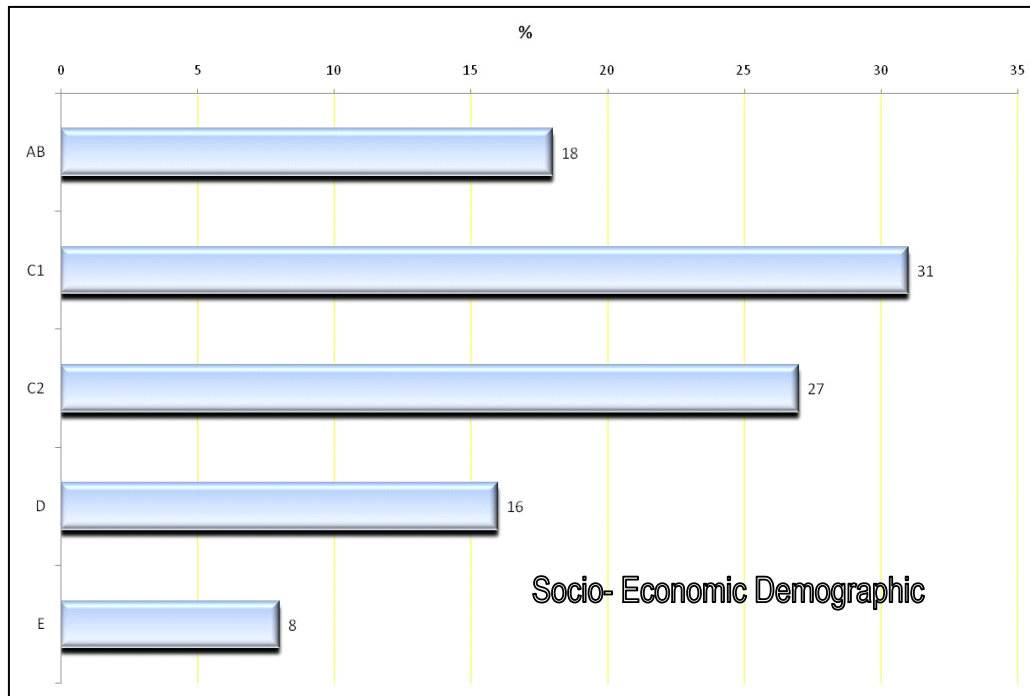
SOCIO ECONOMIC

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 household's 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

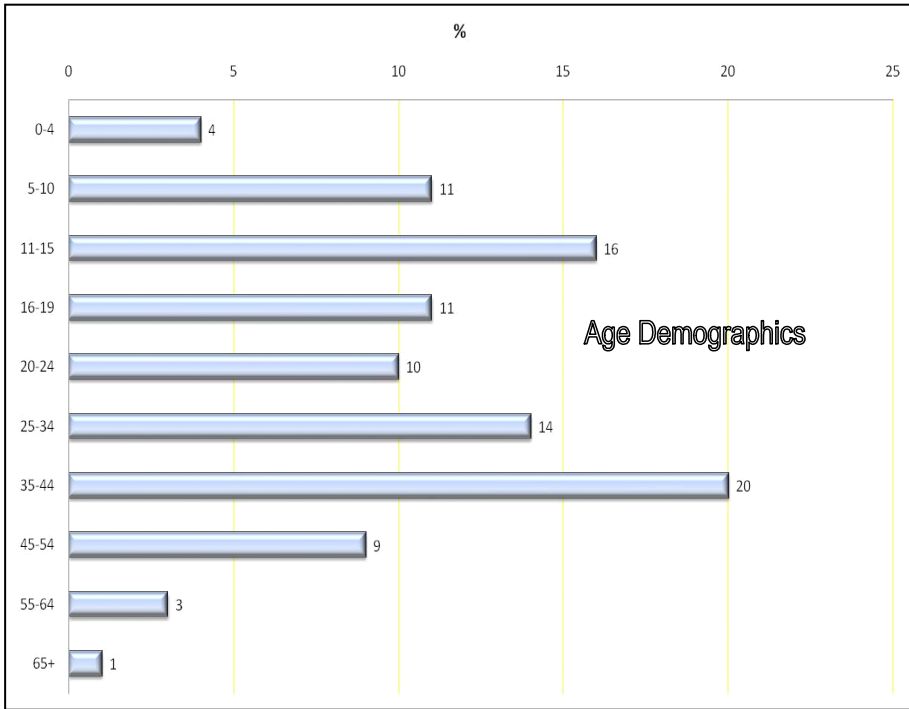
The table below shows these groups as a percentage of total attendees



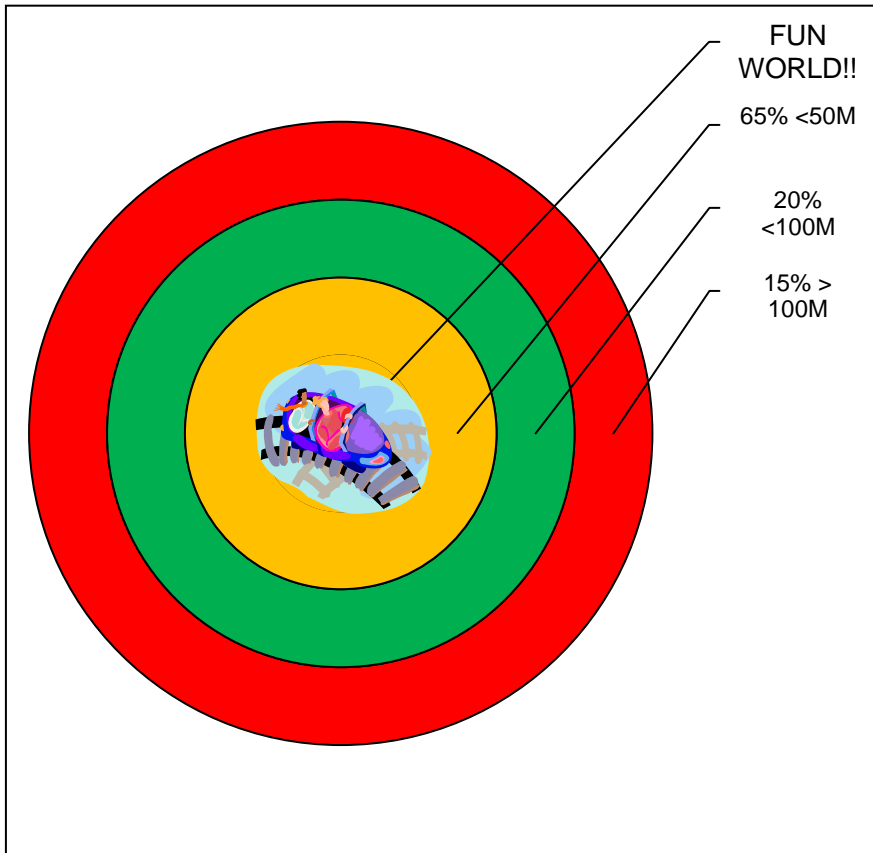
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Funworld Park Age Structure

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



Funworld Park Market by Travel Distance (catchment area)



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REVENUE PROFILE

The Food and Beverage director has responsibility for non-gated revenue operations. This includes food outlets, retail operations, and the games midway. The Park also earns a small amount of revenue from parking.

RETAIL OPERATIONS

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

Summary of Retail Operations	2011 ACTUALS	PER CAPS	2010 ACTUALS	PER CAPS
# Employees	33		33	
REVENUES	1,091,850	1.45	1,022,000	1.40
EXPENSES		% Revenue		% Revenue
COST OF SALES	491,333	45.00%	480,340	47.00%
WAGES	326,261	19.00%	318,303	20.00%
OTHER	10,919	1.00%	12,264	1.20%
TOTAL EXPENSES	828,512	70.00%	810,907	70.00%
OPERATING PROFIT	263,338	24.12%	211,093	20.65%

Retail #	Size (m2)	sales / m2 / day	Sales per shop per day	Number of Staff
# 1 Gift Store at ride	183	6.2	1,125	2
# 2 Gift Store at ride	152	3.6	548	2
# 3 T shirt	122	6.9	836	2
# 4 T shirt	122	8.0	976	2
# 5 General Store / Emporium	518	10.0	5,180	2
Total m2 / avg. sale.pr m2	1,097	7.9	8,665	
Sales per year	1,091,850		SV	1
			TL	1
			Breakers	2
				14
			Av. Per Shop	2.80

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FOOD AND BEVERAGE OPERATIONS

The Park operates 7 outlets, 12 carts and a small catering operation and had an annual turnover of \$2.5 million in 2011. The Park has been attempting to increase its amount of group business. In order to help with this sales effort the 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.

The Park has also experimented with locally produced food promotions and a weeklong local food festival

Summary of F&B Operations	2011 ACTUALS	PER CAPS	2010 ACTUALS	PER CAPS
# Employees	119		119	
REVENUES	2,635,500	3.50	2,416,300	3.31
EXPENSES		% Revenue		% Revenue
COST OF SALES	856,538	32.50%	797,379	33.00%
WAGES	778,968	29.56%	759,969	31.45%
OTHER	100,149	3.80%	96,652	4.00%
TOTAL EXPENSES	1,735,655	59.38%	1,654,000	61.00%
OPERATING PROFIT	899,846	40.62%	762,300	39.00%

Restaurant	Number of Seats	Average Check \$ (3 pers)	Number of Staff
# 1 sit down table service	85	17.95	10
# 2 sit down table service	70	18.75	10
# 3 sit down fast food	30	14.75	6
# 4 sit down fast food	60	13.5	10
# 5 walk up pizza, etc	30	13.2	3
# 6 walk up pizza, etc	30	10.25	3
# 7 walk up pizza, etc	20	5.95	3
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.			12
		SV	2
		TL	4
		Breakers	6
			69
		Av. Per Outlet	3.63

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GAMES OPERATION

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

Summary Of Games Operations	2011 ACTUALS	PER CAPS	2010 ACTUALS	PER CAPS
# Employees	40		40	
REVENUES	993,960	1.32	941,700	1.29
EXPENSES		% Revenue		% Revenue
COST OF SALES	253,460	25.50%	254,259	27.00%
WAGES	235,478	23.69%	229,735	24.40%
OTHER	19,879	2.00%	9,417	1.00%
TOTAL EXPENSES	508,817	50.00%	493,411	53.00%
OPERATING PROFIT	485,143	48.81%	448,289	47.60%

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HUMAN RESOURCES PROFILE

Funworld Park employs over 384 seasonal employees. Wages and salaries are the biggest single operating expense at the park accounting for 32% of the total.

2011 Funworld Staffing Data

Department	Budget Staff			% total
	Permanent	Seasonal	Total	
Rides	2	89.5	91.5	21.8%
Food Service	3	119.4	122.4	29.1%
Retail	3	32.7	35.7	8.5%
Games	1	40.0	41.0	9.8%
Front Gate	0	32.7	32.7	7.8%
Cleaning	1	25.4	26.4	6.3%
Security	3	10.4	13.4	3.2%
First Aid	0	5.2	5.2	1.2%
Parking		7.8	7.8	1.9%
Maintenance	20		20.0	4.8%
Finance	4	-	4.0	1.0%
Cash Control	0	6.2	6.2	1.5%
Receptionist	1	-	1.0	0.2%
General Manager	1	-	1.0	0.2%
Human Resources	2	3.9	5.9	1.4%
Marketing	6	-	6.0	1.4%
TOTAL	47.0	373.2	420.2	100.0%

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TOTAL APPLICATIONS YEAR-TO-DATE: 1,899

- No 15-17 year olds.
- 30% of staff are over 21 years old.

The HR department is responsible for the following functions:

- All employee recruitment and hiring functions (background checks, tests, etc)
- Pay roll issues
- General employee training including:
 - orientation,
 - guest services,
 - general safety
- Employee termination issues
- Supervisory Level Training

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

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 2011 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
-

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

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- 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

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FINANCE PROFILE

2011 Funworld Profit & Loss (EBITDA)

	2011			2010		
	ACTUALS	PER CAPS	%	ACTUALS	PER CAPS	%
ATTENDANCE	753,000			730,000		
CAPITAL IMPROVEMENTS	1,000,000			1,300,000		
REVENUES						
TICKETS	8,515,000	11.31	60%	7,992,500	10.95	60%
ATTRACTIONS	150,600	0.20	1%	131,400	0.18	1%
FOOD	2,635,500	3.50	19%	2,416,300	3.31	18%
RETAIL	1,091,850	1.45	8%	1,022,000	1.40	8%
GAMES	993,960	1.32	7%	941,700	1.29	7%
PARKING	301,200	0.40	2%	270,100	0.37	2%
LESSEE/OTHER	195,780	0.26	1%	189,800	0.26	1%
SPONSORSHIP	291,040	0.39	2%	281,336	0.39	2%
INTEREST & OTHER INCOME	60,000	0.08	0%	57,999	0.08	0%
TOTAL REVENUES	14,234,930	18.90	100%	13,303,135	18.22	100%
COST OF SALES		% Rev.			% Rev.	
FOOD	856,538	33%		797,379	33%	
RETAIL	491,333	45%		480,340	47%	
GAMES	253,460	26%		254,259	27%	
TOTAL COST OF SALES	1,601,330			1,531,978		
EXPENSES						
SALARIES/WAGES (INCL TAXES)	4,407,456	30.96%		4,299,957	32.32%	
MARKETING	1,170,000	8.22%		1,015,000	7.63%	
TRAVEL / ENTERTAINMENT	54,750	0.38%		51,100	0.38%	
EQUIPMENT RENTAL	73,000	0.51%		73,000	0.55%	
OUTSIDE SERVICES	693,500	4.87%		671,600	5.05%	
REPAIRS & MAINT	800,000	5.62%		605,900	4.55%	
OPERATING SUPPLIES	708,100	4.97%		693,500	5.21%	
UTILITIES	650,000	4.57%		600,000	4.51%	
INSURANCE	210,000	1.48%		200,000	1.50%	
PROPERTY & OTHER TAXES	72,331	0.51%		58,400	0.44%	
TOTAL EXPENSES	8,839,137	62.09%		8,268,457	62.15%	
EBITDA	3,794,463	26.66%		3,502,700	26.33%	

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2011 Funworld Ticket Revenue					2010			
Category	Price	Unit sales	Revenue	Attendance	Price	Unit sales	Revenue	Attendance
Main Gate								
Adult	18,00	100.000	1.800.000	100.000	17,50	85.000	1.487.500	85.000
Child	13,50	80.000	1.080.000	80.000	13,00	75.000	975.000	75.000
Senior/Handicap	13,50	10.000	135.000	10.000	13,00	10.000	130.000	10.000
Promotions:								
Coupons	12,50	100.000	1.250.000	100.000	12,00	100.000	1.200.000	100.000
Family of 4 (2 adults +2 children)	12,00	135.000	1.620.000	135.000	12,00	135.000	1.620.000	135.000
Group Sales:								
Picnics	11,00	50.000	550.000	50.000	11,00	50.000	550.000	50.000
Outings	10,50	25.000	262.500	25.000	10,50	25.000	262.500	25.000
Discount Tickets	12,00	100.000	1.200.000	100.000	11,50	100.000	1.150.000	100.000
Season Pass:								
Individual	40,00	10.000	400.000	60.000	40,00	10.000	400.000	60.000
Early Bird	30,00	6.000	180.000	48.000	30,00	6.000	180.000	45.000
After 2:00 pm	15,00	2.500	37.500	20.000	15,00	2.500	37.500	15.000
Complementary	-	25.000	-	25.000	-	30.000	-	30.000
Total		643.500	8.515.000	753.000		628.500	7.992.500	730.000
Total Per caps			11,31				10,95	
Yield			62,82%				62,56%	

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Funworld Ride Package 2011	Capacity per Hour	# Operators
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
25	14.340	32
Supervisors		3
Teamleader		5
Breakers		6
		14
		46