

FUNWORLD COLLECTIONS

# Family Entertainment Centers

VOLUME 7: PEOPLE & PLACES



Harry Haynes of  
Madd Fun in Brooklyn,  
New York



## FECs

## VOLUME 7: PEOPLE &amp; PLACES

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# Q&A

## Jeff Sebuck

OWNER/OPERATOR

*Blackbeard's Cove*

*Mt. Pleasant, South Carolina*

By opening Blackbeard's Cove in Mt. Pleasant, South Carolina, in summer 2006, Jeff Sebuck filled two voids. First, he created a staple missing from his shore town. "How can there not be a miniature golf course when you're by the ocean?" Sebuck wonders.

Second, it allowed the young FEC president/owner to spend more time with his growing family. Sebuck, 37, admits he still has a lot to learn about the intricacies of the industry. The quick customer drop-off at the beginning of last fall caught him by surprise, for example. "I was like, 'Holy moly—what's going on?'"

Through perseverance and the support of wife Shari (who doubles as senior vice president of "piracy and marketing"), Sebuck has worked through the initial jitters. To expand his clientele, he now plans to focus on birthday parties and corporate business.

### Why did you change your career path?

I was a sales engineer. I sold plastics. With that job, I traveled a lot, four or five days a week, flying all over the country. One day my wife said, "If you could do any job in the world, what would it be?" I said, "I want to run a miniature golf course." She just about fell out of her chair and said, "Why don't you do it?" I had been looking into it for years. From there, it just evolved. It went from a small building to a big building to a whole fun park.

### What lessons can you bring from the sales world to the FEC industry?

With FECs, you need that sales mentality. You're selling your business. You're selling memories to people. I don't want anyone leaving here with a frown on their face.

### Is there someone who has greatly influenced your career?

Had we not come across Jeff Dillon of Jeff Dillon Consulting, I don't believe we would have made it. He and his brother have been building golf courses for 30 years. I had a lot of layouts done, but Jeff told us we needed 36 holes or we would lose business. He was right. It was another \$350,000, but sure enough, this summer both courses were packed. Also, I'm blessed to have a great partner, Bobby Riggs. He has helped me with everything.



JEFF AND SHARI SEBUCK

### What distinguishes your facility?

We're lucky enough that our land is on an old plantation, and we have 200-year-old oak trees here. You can't bring those kinds of trees in. They're 60 to 80 inches in diameter. We had to build the whole park around them. Aesthetically, it's awesome.

### What advice would you offer to someone starting out in the industry today?

Find the right location. You can always find property three miles away, one road in that's one-fifth the price. Get on the main strip if you can. Get close to people for the drive bys. Yeah, it's a lot more money for that dirt, but if you don't have the right location, it's not going to work.

### Describe a typical day at work ...

I come in a couple hours before we open and get everything ready and do safety inspections. Later, I help set the kids up on their registers and have a quick meeting with everyone. The whole day I'm floating through all the stations.

### What do you do at Blackbeard's when you have some down time?

When it's quiet, I'll do go-kart maintenance or clear the trees. I love that stuff. You have to do it all. My getaway time is when I'm working by myself.

# Growing Up

Paradise Fun Park evolves from a mini-golf course to a full-scale destination

by Sandy Meade

Susan LaFauci remembers taking weekly trips with her family to Victoria, British Columbia, to play miniature golf. She recalls how her father, Michael Jiggins, would study a set of blueprints he had of an existing mini-golf course and how he spent hours poring over the plans. “For years [my parents] dreamed of building a golf course,” she says. “I think that it was always in the back of their minds that they wanted to do this.”

What started as simply a dream evolved into a facility with on-site accommodations, a full-scale games and redemptions section, outdoor activities, and elaborate theming. The result has been an FEC-turned-destination resort that many people say “looks like it’s always been there.”

Michael and Joan Jiggins founded Paradise Fun Park in 1987, in Parksville, British Columbia, which is located along the coast of Vancouver Island. The couple purchased a piece of property that had once been a popular tourist destination consisting of cabins along the oceanfront and where the family had stayed on several occasions, LaFauci says.

After the purchase was made, the family set up a meeting with Castle Golf, a design firm that helped to develop the first mini-golf course, Turf ‘N Surf, at Paradise Fun Park. Turf ‘N Surf opened in 1988 and features a windmill, a Victorian mansion, lighthouse, and an old watermill as a few of its obstacles. A year later, the park expanded to

include a games and redemption room, and in 1990, the family opened a second course, Treasure Island. LaFauci’s husband, Joseph, also a manager at the park, was very involved in the construction of the course and has since gone on to build five other courses outside the park.

However, that was just the beginning of the expansion.




In 1991, the Jigginses purchased the Paradise Sea Shell Motel, which is now managed by LaFauci’s brother and sister-in-law. “My parents just thought that it would be an asset to the fun park if they could provide accommodation and hopefully keep people around for a few more days,” LaFauci says. “It also allowed us to expand our driveway into the property.”

She adds that guests who stay at the motel receive a two-for-one discount coupon for mini-golf and bumper boats

at Paradise Fun Park, thereby keeping visitors on facility property for a longer period of time. The family also owns the Seaside RV Park, which offers guests 24 fully serviced sites and overlooks the oceanfront.

In 2001, Paradise Fun Park installed bumper boats, which LaFauci says Joseph helped construct. The boats are located between the two mini-golf courses and are among the park’s attractions that can be seen from a nearby secondary highway. She adds the boats are one of the most popular attractions at the park along with the castle and the signature old woman’s shoe, which LaFauci says draws people to the park.

And though the Paradise has emerged as a longer-stay destination location, LaFauci says the park is a common day trip for Canadians. She says on Sundays, many families will drive in just to spend the day playing miniature golf. 

For more information, visit [www.paradisefunpark.com](http://www.paradisefunpark.com).



## a closer look

- ▶ **Year founded: 1987**
- ▶ **IAAPA member since: 1989**
- ▶ **Average annual attendance: 150,000**
- ▶ **Fast fact: Every year the park plants 5,000 - 10,000 flowers, LaFauci says.**
- ▶ **Fast fact: On Treasure Island, one of the park’s mini-golf courses, customers can play across the deck of a pirate ship.**





# Targeted Acquisitions

by Keith Miller

If Trancas Capital is not yet a household name in the amusement industry, it just might become so before too much longer.

The Aliso Viejo, California-based company is now the second largest operator of family entertainment centers in the United States and plans to spend between \$50 and \$100 million this year alone in building its cache of amusement facilities.

As of June, Trancas had 17 family entertainment centers in nine states, operating under the brand names of All Star, Cool Crest, Camelot Park, Mountasia Family Fun Center, Fiddlesticks, Funtasticks, Magic Mountain Fun Centers, Putt-Putt, and Zuma Fun Centers. Until recently, all of the company's fun centers were located in the southern half of the United States, but in May and June, Trancas added five new facilities in the Midwest to its portfolio, including two in Wichita, Kansas, and two in Columbus, Ohio.

**TRANCAS  
CAPITAL  
FOLLOWS A  
SELECTIVE  
BUYING  
STRATEGY**

Trancas was started by Doug Honey in 2003 after he spent five years with Palace Entertainment Holdings, which he co-founded in 1998. During Honey's time with Palace, the company stockpiled 37 family entertainment centers and became the largest operator of FECs in the country.

But when the decision was made at Palace to establish a waterparks division, Honey says some of the company's focus naturally shifted. Honey's area of interest and expertise was in acquiring and operating FECs; he believed strongly in their long-term viability and stability and thought their track record supported his faith in them. So, he left Palace and formed Trancas to continue the pursuit of his passion.

Honey has a bachelor's degree in electrical engineering from the University of California in San Diego and an MBA from the Wharton School at the University of Pennsylvania. His start in the amusement industry came when he went to work for his uncles, Bill and Ron Rameson, and was involved in the construction of three Camelot Parks in California—one in Sacramento, one in Cathedral City, and one in Bakersfield. Honey and Bill Rameson went on to become two of the co-founders of Palace Entertainment.

FUNWORLD asked Doug Honey to talk about the strategy Trancas is pursuing in the acquisition of FECs, what he and his management team are looking for in prospective properties, what they do with properties once they purchase them, and where he sees the company going in the next few years.



“Two things are key: staying focused on FECs ... and also looking closely at the real estate values because they’re already [escalating] out of reach in the bigger markets.”

—Doug Honey

### **What motivated you to start Trancas back in 2003?**

Well, I had a great experience at Palace, but I really like the challenge of building a company, and Palace had stopped doing a lot of acquisitions. Two things are key: staying focused on FECs and not doing waterparks, and also looking closely at the real estate values because they’re already [escalating] out of reach in the bigger markets.

### **Where does your company name come from?**

Trancas is the street I grew up on in Malibu.

### **When you’re considering acquiring a property, what are some of the things that you look for?**

Well, first, location. We want to find properties that are in good markets and that are on major freeways. Six- to eight-acre sites are our target—that’s about the right space for a typical FEC.

### **How long does the process usually take, from first seeing a property to acquiring it?**

The length of the initial period is the hardest to pin down—finding people who are willing to sell. That might be a month or it might take two years. Sometimes we just can’t convince a person to sell, but then some major change happens in their lives, and we hear back from them. Once we find someone serious, [the deal] can be done in 30 to 90 days.

### **Does your strategy include purchasing properties, improving their profitability, and then selling them, or are you only going to be an operator?**

No, we’re an operator building a portfolio for the long term.

### **You’ve acquired parks in some medium-sized cities like Tampa, but not in the giant population centers, with the exception of Houston. Why?**

Land prices are the biggest reason. We





“We’re focused on the U.S., but not [just the] continental U.S. Our focus right now is on acquiring new facilities, but we might do development in the future.”

—Doug Honey

buy them based on cash flow, and in the bigger markets, the operating business is worth less than the land value, and that raises the [selling] price because the owner can sell to condominium developers. But we’ll go into a bigger market if we can find the right piece of property.

**Why have almost all your acquisitions been within the southern United States?**

We’re opportunistic and looking for properties that meet our requirements, but we’re definitely not focusing on [the southern United States] at all. We’ve just brought in two more in the Midwest.

**Are you going to limit yourself to the continental United States, and are you only interested in acquiring properties or will you build some of your own?**

No, We’re focused on the U.S., but not [just the] continental U.S. Our focus right now is on acquiring new facilities, but we might do development in the future.



**Are you willing to move beyond FECs into other properties?**

No, [FECs] are our focus.

**How have you arranged the capital for these acquisitions?**

We have friends and family equity investors that got us started, and then we've leveraged that as we've continued to grow.

**Why do you operate family entertainment centers under so many brand names?**

Well, it's just that as we've acquired these parks, they have a lot of brand equity in their markets that wouldn't benefit from a national brand. We have changed the names of some parks, and

it definitely had a [negative] impact on sales, but it had to be done. The only ones we've changed are the Celebration Stations, and we've changed them to Zuma Fun Centers. (Note: A name change is necessary when the seller of the property owns other FECs with the same name that aren't a part of the transaction).

**You recently remarked there is currently consolidation occurring in the FEC industry. Why is this happening, and who are the major players?**

Actually, I do not believe that the industry as a whole is consolidating. We are certainly trying to buy more quality FECs around the country, but the majority of FECs are still owned by single-

location operators. There are probably more locations built each year by new operators than are acquired by existing operators, so the net result is probably less consolidation. The two consolidators are Palace and Trancas—we're the two largest operators. There haven't been a lot of others in the market.

**After you purchase a property, do you always go in and make capital improvements and other changes?**

It depends on the deal. Sometimes parks don't need anything, but in other cases when there are improvements that need to be made, we do that; we've had to put more than \$1 million into a facility. It just depends on the situation.



## You've mentioned the importance of having good staffing in place at FECs. What attributes do you look for in these workers?

The on-site employees are the most important in the company, so first and foremost are their guest services [skills]. It's a challenge having parks spread out across the country—it's not an easy task! Finding people that are friendly is a challenge sometimes, and there's lots of room for improvement, but that's what we continue to focus on.



## How often have you changed management when you've acquired properties?

As a general rule, we don't change the on-site management unless there's an owner leaving. We centralize all the administrative functions like accounting and insurance, but we try to bring the local people on site to our way of business. Our initial approach is keeping everything the same.

## How are your fun centers going to distinguish themselves from all the other FECs?

Well, for most people, there's usually only one or two close to where they

live, so they really don't see a lot of competition in their local markets anyway. And one of the reasons I like this business is that it doesn't have that requirement of having to have a big new attraction all the time. FECs are about experiences like mini-golf or go-karts that are different every time, even though the attraction is the same. As for the pure attractions, it's things like go-kart tracks, batting cages, and mini-golf. The one thing that does have to change is the game room, where you need to keep up with the latest equipment. If there is a new great attraction that works at the FECs, we'll look at it. We're also pushing a lot more of our business online—sports team parties, fundraisers, etc. But if you operate a clean nice facility, families will come back.

## What did your experiences with Palace Entertainment teach you for what you're doing right now with Trancas?

Well, with Palace we went from being a startup company to having 37 locations in five years. I learned about integrating new acquisitions and doing the right acquisitions. We've been a lot more conservative in growing the Trancas portfolio. Also, at Palace, we had an FEC division and a waterpark division, which are both great businesses, but they take two completely different sets of management skills to run. My background and our team are completely focused on FECs. It's slower growth, but sticking with one thing is the right decision for us long term.

## Talk a little bit about your team.

We have a lot of key people who held the same positions at Palace. Lloyd Butterfield ran the FEC business at Palace and will be overseeing the operations here, Gary Fitzpatrick is our general counsel and was general counsel at Palace, and Ron Elchert is our CFO

and was [the same] at Palace. Ken Kobane is head of marketing. Dean Chang is in D.C. and does work on acquisitions on the East Coast.

## What is iBirthdayParty.com?

That's a web site we set up last September to drive birthday party business in our indoor locations. It does two things: It's a national directory of places that offer birthday parties like FECs, theme parks, bowling alleys, or Chuck E. Cheese. [Guests] type in their zip code, and it brings up a list of facilities in their area with links to the specific locations. So the directory is one side of the business. Then the other side of the business is that we've built our own proprietary reservations system that links to all of our parks so that when people want to do a birthday party they can do it online without having to call the locations. It has all of the packages we offer, and it gives real-time availability. We built that system to handle the reservations for all of our parks, and we also offer the system to other operators. We don't charge anything for them to use the system—we only charge per reservation. It has really grown our business. Our average party revenue for online parties is 20 percent higher than when we do it in person or on the phone. There's about 4,000 locations around the country in there—zoos, aquariums, FECs, etc. They can come to our site and register. We get about 70,000 unique visitors per month. It's a huge value to any park that signs up. We charge \$4.95 per reservation.

## Do you ever go play at FECs yourself?

I have three small kids, so yes, I do, whenever I can I get out there!

## Where would you like to see Trancas in three years?

We're trying to buy 10 or so FECs a year, so we'd like to be at around 50 at that time. There really is no upper limit. In some years we may not find any, and in others we may find a lot. 🍷

Visit us online at [www.IAAPA.org](http://www.IAAPA.org)

# Fast Track to the Top

by J.B. Elderkin

Adventure Park USA revamped a Maryland Putt-Putt with rich theming and expanded offerings

*Editor's note: Each year IAAPA invites FECs to enter its Top FECs of the World awards program. FUNWORLD will feature profiles of each of the winners throughout 2007.*

Larry Stottlemeyer had been successfully running a Putt-Putt business in Myersville, Maryland, for years when the idea of expanding into a family entertainment center began to take hold.

But once Stottlemeyer made his decision to move forward, he didn't simply rush haphazardly into the FEC business. Instead, he and his team spent seven years designing and building a brand new facility. He admits that having a state-of-the-art operation is a great competitive advantage, but Stottlemeyer doesn't credit that as the reason Adventure Park USA rose so quickly to recognition as an IAAPA Top FEC award winner.

"We had a lot of decisions to make as we switched from operating only the Putt-Putt, and theming was critical," Stottlemeyer says. "We decided to keep and enhance the course's Wild West theme because it's so down-to-earth. Everybody can relate to the icons; everybody's seen a cowboy movie. And with those images, we could easily expand on the theme as the park grew." And in fact, as Adventure Park USA has added new attractions, the western theme has been carefully maintained—modern activities such as paintball and laser tag are known as "Painted Desert Paintball" and 1876 "West World Laser Tag."


Stottlemeyer also decided on a combination of indoor and outdoor activities, both of which operate as pay-as-you-go activities. Patrons buy tickets, and the value of each attraction is measured in terms of the number of tickets (or credits) it costs. The paintball, which is a year-round, indoor activity, costs 170 credits. The outdoor go-karts, meanwhile, cost 63 credits. These distinctions matter because variables like weather and the types of groups in the park can lead to changing revenues despite similar numbers at the gate. "One third of



our customers want to ride our new roller coaster, the "Wild Cat," Stottlemeyer says. "And we know that one third of those people will ride it more than once, and some will ride it many times more."

Understanding these numbers helps the team plan effective ride pricing. "One thing to keep in mind is that small parks' numbers usually don't vary a whole lot depending on the economy, generally speaking. It's what you do with those numbers that counts," he says.

Like many FEC owners, Stottlemeyer agrees that effectively featuring and promoting group outings is another key to success. Birthday parties and corporate/professional groups make up an important segment of Adventure Park USA's business. "We'll do 2,500 birthday parties this year. And we expect to have 150-175 corporate outings at 125 people per group. That's significant business," he says.

Adventure Park USA has only been open for two years, but the three prongs of its strategy—careful theming, correctly valuing the "pay as you go" rides, and making the most of opportunities for group functions—have proven to be a great success. 

# Q&A

## Brahim Sebkhi

ARCADE MANAGER  
*Golf N' Stuff*  
Tucson, Arizona

You can't exactly major in "family entertainment centers" in college, but Brahim Sebkhi did his best to try. He changed his area of academic focus from mechanical to electronic engineering after some early inspirational years at Golf N' Stuff in Tucson, Arizona. Back in the late '70s and early '80s, Sebkhi worked part-time at the FEC, handling mostly odd jobs, cleaning the floors, etc. "Whatever was available, I did," he says, looking back. But when the facility had an opening, the motivated student took his newfound knowledge and jumped on it.

Twenty-five years later, Sebkhi, now 53, serves as Golf N' Stuff's arcade manager.



### Can you take me through a typical day at work?

I come in as early as 7 a.m. and take a walk through the arcade to see what needs attention. It comes as second nature. I'm almost on autopilot. I know exactly what needs to be done and go to it. By noon, most of my major projects are done.

After that, I'm basically dedicated to keeping the place clean and doing the regular maintenance.

### What do you enjoy the most about your work?

It's a fun industry to be in. I've never had a boring day. No one game looks like another. Every day I learn, and every time I open a new machine it's, "Wow—I haven't seen this before."

Also, I really pride myself on the variety of games we have. I try to get one-of-a-kind machines. I'm really my own boss as far as what games to pick and how the arcade should look. I have a lot of leeway and have a great boss to thank for that.

This is like a dream job. I wouldn't have it any other way.

### What is your strategy for picking out and buying games?

I take into consideration the feedback I get from my distributors. Over all of these years, they haven't failed me. In fact, they're right on the money a high percentage of the time. I am thankful for the tremendous

relationship we have built up. Trade magazines also help me a great deal. Last but not least, customers' suggestions are always helpful in going ahead with a purchase.

### Where do you see the future of arcade games going?

Because of the competition from the Internet, our best bet to stay afloat is to have something they can't duplicate at home, like the dance machines or Namco's virtual jump rope game "Jumpin' Jackpot." I can't emphasize that enough. That is what's going to differentiate us from the home games.

### What advice would you offer to someone starting out in the FEC industry today?

You need to have an open mind and keep it fresh. I have seen businesses think all they have to do is invest a certain amount of money on machines and they will be cash cows for the next 10 years. It doesn't work that way. You have to infuse more money every year.

### What's your favorite game to play?

My favorite game changes every month. When an awesome game comes out that I know is going to make us a ton of money, that's my favorite for a while.

# Winds of Change

Owners start over after tornado annihilates family entertainment center

by Mike Bederka

**L**isa Elliott was on the phone booking a party when the warning sirens started to blare. Moments later, she heard what sounded like the roar of a freight train or an airplane engine.

Then, it hit.

“The ceiling tiles flew out, and I could see daylight,” says Elliott, office manager of Fun Zone Skate Center. “I jumped under the desk and held my breath until it was silent.”

A 157-mile-per-hour, F2-class tornado had just dive-bombed onto the Montgomery, Alabama-

based family entertainment center. Afterward, Elliott climbed through piles of rubble and joined the hunt for survivors. “I heard babies crying,” says the 17-year veteran of the facility, recalling six inches of storm water rolling down the parking lot.

Lisa and Rocky McIlwain, owners of Fun Zone, were driving to IAAPA Attractions Expo 2006 in Atlanta when Elliott called about the destruction. They didn’t believe her. “We thought she was teasing us,” Lisa remembers. As Elliott’s voice became more frantic, the couple realized the gravity of the situation. They turned around and sped back to their property, now in twisted ruins.

Over the course of a seemingly endless return trip, the McIlwains received regular updates on the recovery effort. “You can’t think about what’s gone,” Lisa says. “You can just think: Is everyone OK? That was the only thing on my mind. What about the kids? What about the kids?”

The news improved with each passing mile marker. By the time they got back, rescuers in the driving rain had found all employees and guests. Thirty-one children and 11 staff members were inside when the tornado entered the southwest corner of the building. Thanks to some well-placed concrete slabs, most escaped without even a bump or a bruise. The worst injury: 14 stitches for an employee’s son. “That was it,” says Lisa, still not totally believing the fact a year later. “What a miracle.”

## After the Storm

The McIlwains couldn’t salvage much from the FEC. Except for the rock wall, a virtual roller coaster, a few games, and some tables and office equipment, it was a total loss.

Rocky says the cleanup effort started quickly. The tornado hit on Wednesday, Nov. 15, 2006. By



Lisa and Rocky McIlwain.

that Friday, they had a demolition crew unloading their equipment. They worked 30 days in a row, including Thanksgiving, from dawn to dark to get the job done.

Community members helped in any way they could. Fun Zone had become a large part of the Montgomery social scene, and some took the devastation particularly hard. The FEC had just started a much-loved after-school program for 110 kids. “They broke into tears when they saw the place,” Rocky says. “All of a sudden, it’s snatched out from under them. It broke their hearts.”

Lisa and Rocky thought about rebuilding the facility. They even went ahead with an architect and drew up some blueprints. However, three months of fighting with the insurance company bogged down any plans. “We got the complete runaround. They kept dragging their feet with the inspection,” Rocky says. “They wanted to see if the concrete and steel were faulty. Bottom line: The insurance company was not big enough to handle something like this. We were dead in the water.”

Then, a bit of luck came their way. Owners of an FEC 90 miles south in Dothan, Alabama, approached the McIlwains again about the property they had for sale. (They had contacted the McIlwains prior to the tornado.) Lisa and Rocky realized they might be out of commission for a year if they rebuilt the Montgomery facility, while tweaking a pre-existing FEC would only take a few months and cost less money. So that’s what they did. “We had to get back to work. We didn’t have any money coming in.” Lisa says. “Thank goodness there was a center for sale so close that was similar to ours. What if? We would have been out of a job.”

They took possession of the Playground on April 1, 2007, and the new Fun Zone Skate Center opened to the public June 15. The Montgomery property is currently on the market, much to the disappointment of many area residents. The McIlwains get e-mails almost daily begging them to come back to the neighborhood, Lisa says, and many old customers still make the long drive down to visit. “It would be a great thought [to reopen it], but it’s an impossibility financially,” Rocky admits.

They had to borrow money for the new place, and any cash made from the sale would help pay off the debt.

### Lessons Learned

More insurance on the equipment side would have alleviated much of their money woes, the owners concede.

“You never think you’re going to lose every-



thing in your building,” Rocky says. “You never think your life is going to turn 180 degrees in a few seconds.”

“Please don’t skimp on your insurance,” adds Lisa, urging other FECs. “We did and took a hit for it.”

They won’t make the same mistake again, but they realize what’s done is done, and they’ve moved forward with their lives. Rocky and Lisa bought a house two miles away from the Dothan property, and their six kids changed schools. “We basically threw our roots down here,” he says.

Elliott still lives in the Montgomery area, now only working two or three days a week at Fun Zone. She and her loved ones will never forget the incident. “My husband tells me how lucky and blessed we are to be together,” she says.

This whole experience made Lisa appreciate more the day-to-day operations of the FEC business. “You take it for granted after a while,” she explains. ■

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## ONE-ON-ONE

# From Wall Street to the FEC Industry

IAAPA Third Vice Chair Bob Rippey discusses his background, management style, and the FEC community

by Mike Bederka

BOB RIPPY FREELY ADMITS he didn't grow up in the FEC industry or in a family that has run a park for generations.

"We have wonderful people at IAAPA who have done all that," says the organization's third vice chair and owner of Jungle Rapids in Wilmington, North Carolina. "I have talents, and there are things I'm not good at. You have to learn the difference."

Where Rippey excels is using his keen business sense. Virtually a lifelong entrepreneur, he owned a chain of successful car washes at age 21. During the 1980s he worked for several Wall Street firms, including E.F. Hutton and Co. The company, along with Silver Screen Partners, once contracted Rippey to help raise a billion dollars for Disney's movie ventures.

In 1987, he finally got a taste of the other side of the entertainment industry, purchasing "a little waterslide on a hill"; three years later, he bought out his partners. Soon thereafter he retired from Wall Street and the taxing 200 days of travel

a year to focus on the FEC.

In the 1990s, Jungle Rapids underwent a major overhaul. He added go-karts, miniature golf, laser tag, soft play, climbing walls, and built a new waterpark.

"It was one of those ideas: How in the heck did you think of doing something like this?" says the 55-year-old about his foray in the FEC world. "But it's been a barrel of fun ever since."

**FUNWORLD: At an early age, did you see yourself becoming a business owner?**

**Bob Rippey:** No, I was going to be a doctor. My father was a physician. I majored in chemistry and biology in college. Business just came naturally. I don't know why.

**FW: How has your experience on Wall Street helped you today?**

**BR:** In our business, I'm always looking for our danger point. What is it that can come at us? Wall Street gave me the ability to try to figure out what *it* is.

FECs have to abide by the same rules all businesses do. They have to deliver an excellent product at a price people are willing to pay. You have to do that where there is a profit margin for you. If you can't do that, you can't make money, and you shouldn't be in the business.

We're due in our industry for something big to happen. We had go-karts and batting cages come in the '70s, and in the '80s we saw the advent of soft play units and laser tag.

**FW: What are your goals as third vice chair of IAAPA?**

**BR:** Of course I'll be bringing forward FEC issues to the rest of the board. But I'm looking out for all constituencies. We're going to continue to make sure our trade show stays relevant

and the educational side stays strong. We're also expanding IAAPA's European and Asian presence.

**FW: Are IAAPA's FEC members a tight-knit group?**

**BR:** Every year you sit down at the trade show and talk at the FEC Roundtable and say, "Hey, what are you doing? Don't do that." We all share ideas. It has given me the opportunity to pick their brains. It makes it a lot easier. You save a lot of time and money.

**FW: Is the FEC industry growing the way it should?**

**BR:** It's going to always evolve. Video games used to be a huge part of our business, but that has changed dramatically in the past five years. We've gone from video-centric to redemption-centric.

The great news about our business is you can't "out-technology" me on miniature golf. You still have to show up and play it. You can play it on the computer, but it's not nearly as much fun. The same goes for go-karts. You can drive race games on your computer, but it's more fun being out here with your buddies riding side by side. The longevity of our industry is going to be the fact that families are still going to want to get out of the house.

**FW: Describe your management style ...**

**BR:** I empower all members of my management team to do whatever they need to do to run the park right. We don't do budgets in the sense that other people do. We say, "Let's get as many people on board as we can." Whatever it takes to make people happy is what we're going to spend. And we end up with a nice bottom line.

Our management meetings are very casual. I don't show up with a big agenda. The meeting is about their agenda and what they need to have done. I just take notes.

When you find good workers, the best thing you can do is hold onto them and let them enjoy their lives as you're able to enjoy yours.

**FW: What's the best piece of job advice you ever received?**

**BR:** If you don't have a passion for what you're doing, don't do it. You don't want to wake up at age 65 and say, "All I had was a job." Life is way too short to spend it in a job. ■

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## IAAPA AWARDS

# FECs and Waterparks Thrive in '07

by Marion Hixon

EACH YEAR AT IAAPA ATTRACTIONS EXPO, top-notch FECs and waterparks are honored for unique ideas, visitor-pleasing attractions, and a commitment to quality service. Last year's IAAPA Attractions Expo was no exception, singling out several exemplary FECs and waterparks. As IAAPA Attractions Expo 2008 draws close, individuals and facilities are encouraged to nominate FECs and waterparks for their respective award programs. Nomination requirements and forms can be found online at [www.IAAPA.org](http://www.IAAPA.org).

In anticipation of this year's crop of award winners, here's a look at who was honored last year.

### Must-See Waterparks of 2007

The Must-See Waterparks Awards were presented at the week's Waterpark Social at Wet 'n Wild Orlando and honored Hyland Hills Water World in Denver, Colorado; New York's Splish Splash waterpark; and Chimelong Water Park in Guangdong, China.

Hyland Hills Water World turned 30 this year, making it one of the nation's oldest waterparks. "Water World offers an extensive and unique mix of family-friendly themed attractions," says Joann Saitta, the park's communications director. Guests enjoy the "Screaming Mimi," the heart-stopping

"Flatline" speed ride, and "Voyage to the Center of the Earth," a dark/water ride featuring animatronic dinosaurs. The Travel Channel recently listed the 69-acre facility on its list of Best Waterparks.

Open since 1991, Splish Splash Waterpark in Long Island, New York, also made the list. Over the years, the park has made an impressive transition from local hot spot to national tourist attraction. Preserving the natural beauty of the land, the park's staff has made a concerted effort to keeping as many trees on site as possible. "For 17 years, clever construction has provided our guests with a naturally beautiful, shaded waterpark," says Katie Sioss, retail and admissions manager for the park. Splish Splash recently added the technologically advanced "Alien Invasion," a raft ride with drops and spins that put guests within reaching distance of a larger-than-life crashed spaceship and giant aliens.



Open since 2007, Chimelong Water Park is young but influential. Built in an unbelievable four-month construction period, the park launched an intense marketing campaign, resulting in more than 750,000 guests within a seven-week period. Alan Mahoney, general consultant for Chimelong, attributes this sensation to staffers. “Their ability to learn, dedication to training, and attention to detail on the job is a success story within itself,” he says. With continued success, the park is gearing up for its second stage: expansion. Among other things, the addition of changing rooms, a second entrance, and an enlarged children’s pool are planned.

### 2007’s Top FECs of the World Awards

During the Family Entertainment Center Reception at IAAPA Attractions Expo 2007, Boondocks Fun Center in Draper, Utah; The Amazing Pizza Machine in Omaha, Nebraska; and Diversia in Córdoba, Argentina, were named Top FECs of the World.

Boondocks Fun Center, open since 2005, is fully outfitted with games and attractions guests love. The Center’s go-karts, complete with three racing styles suited to different levels of experience, are “always the first attraction guests want to go on and the last thing they want to do before they leave,” says Cathy Scherbarth, regional group sales and marketing director for Boondocks. She says one of the FEC’s

largest successes is its staff—truly the heart of the facility. “Happy employees equal happy guests!” Scherbarth says. “Our employees have fun working at Boondocks and love their job—this shows in their interactions with guests.” The Boondocks team goes into each situation with an “Expect Excellence” attitude.

The Amazing Pizza Machine is the largest FEC in the Midwest, with a hard-working staff that treat one another, and customers, like family. “We combine great food with games and attractions like bumper cars, glow golf, bowling, and thrill rides all in one weatherproof environment,” Allen Wachter, vice president, says of the FEC, located in snowy Nebraska. Management and employees pride themselves on ensuring each member of the family has a great experience; in return, they receive high marks from customers all around.

Founded in 2006, Diversia is a unique complex that blends both adults’ and children’s entertainment settings. On the first floor sits Los Inmigrantes Café, a gourmet restaurant, while Neverland Park fills up the second and third floors. Equipped with big-screen games, digital surround sound, and a giant carousel, the Italian-styled décor offers a classic feel while wireless Internet makes Diversia comfortably modern. Maria Jose Dominguez, a representative for Diversia, says the complex has created “an opportunity for families to experience a new and innovative way to enjoy their free time.” ■



# Maddly Devoted

by Keith Miller

It's always satisfying to hear about a new amusement facility that enjoys great success while bringing good times to its customers. But it's even more gratifying to hear about one that, with an imaginative founder leading the way,

**BROOKLYN FEC MADD  
FUN GOES OUT ON A  
LIMB TO BRING A  
NEIGHBORHOOD  
TOGETHER THROUGH  
FUN, GAMES, AND  
EDUCATION**

overcomes challenge after challenge to make a profound difference in the lives of the people in its community. Madd Fun in Brooklyn, New York, is such a place.

The story of Madd Fun is an inspiring tale—one of vision, frustration, persistence, and, ultimately, of triumph. The central figure in this saga is Harry Haynes, the facility's president and co-owner. Haynes, 50, was born of Guyanese parents in Brooklyn. His father worked for the United Nations, so while growing up, he lived with his family in various places all over world. He then spent three and a half years in the U.S. Air Force in the late 1970s, where he learned computer programming.





PHOTO BY BOB LONDON

Later, Haynes worked as a fashion designer in New York City, but his clothing line was struggling, so he decided to close it a few years ago before it racked up huge losses. “It was hard,” he reveals. “I was living on credit cards, and that went on for a long time.”

### Fulfilling a Need

Soon after leaving the fashion business, Haynes attended his nephew’s birthday party at an FEC. “We had to drive way out [of New York City] to get to this FEC, and the big question was, why didn’t we have something in our own community?” he says. “If I can get biblical, it was like a calling. That night, I jumped on the Internet, started researching game operators and looking at the [local] laws, and, basically, there was a need within our own community.”

Haynes started traveling to industry shows and was surprised by what he found: “There were no inner-city FECs because the old laws were slanted that way. Back in the days of prohibition, gaming places were operating behind storefronts, and gaming meant [gambling].”

As he began his efforts to create an inner-city FEC, these laws were a huge obstacle. “New York City is the hardest

## Following in Madd Fun’s Footsteps

FOR THOSE EAGER TO FOLLOW Harry Haynes’ example in their own cities, he has some suggestions: “Just know there’s a lot more out there for tying in technology to gaming. Also, you must have the space to do it, so you must carefully map out your floor plan. Create a room where parents can do more than just kick back and wait for the kids—give them something to do. And do your feasibility studies in the very biggest way—know your community.”

place to build something,” he says. “You have to fight City Hall on everything and you have to do it within the structure of their laws ... you have to have a permit for everything.”

Haynes settled on a 40,000-square-foot former doll factory in East New York, Brooklyn, as the location for his new venture. But he could secure no financing from banks or venture capitalists. Then, he caught a break. “I got an SBA (Small Business Administration) loan to go through—that was a miracle,” he says. “It ended up being

about \$1 million.” Haynes recalls facing a lot of skepticism from friends and family members until the SBA loan was awarded, quipping, “I believe they then became believers!”

### Going Madd

Rich Bartlett owns several FECs called Fun Station and did the design and layout work on Madd Fun, of which he is part owner. He became a mentor to Haynes early on in the process and trained Haynes and his wife in running an FEC. Bartlett remembers how the struggles with city government continued to drag on. “The city was one of the hardest areas to get permits for—it took us almost two years to get the CO (certificate of occupancy),” he recalls. “The place sat there completed, but not open, for almost a year—that was a major financial hurdle.”

Finally, on June 8, 2006, Madd Fun opened its doors, boasting some impressive attractions like a mini-roller coaster, the largest indoor laser tag in New York City, and a mini-bowling alley. But the attraction that’s gained Madd Fun the most notice isn’t really an attraction at all—a 30-station computer lab.

“It was part of Harry’s vision for his center before he even opened,” says Dorothy Lewis, who serves as a consultant on hiring, orientation, and training for Madd Fun “It’s an urban center, located right across the street from some projects. He knew what he wanted for his community, and he didn’t stop until he got it.”

**“There were no inner-city FECs because the old laws were slanted that way. Back in the days of prohibition, gaming places were operating behind storefronts, and gaming meant [gambling].”**

—Harry Haynes

Haynes believes the lab was essential to the neighborhood. “To make [Madd Fun] a unanimous win, it had to be built so that when [guests] aren’t gaming, they’re learning on the computers,” he asserts. Working through a city politician, Haynes was able to get a local PBS station to donate the computers. (Madd Fun still had to invest in things like installing the servers and setting up the Wi-Fi



Team members prep for Madd Laser Battle.



Young students are all smiles after completing an e-learning program.

system.) The FEC has partnered with Kumon, an educational organization that teaches children the basic skills to excel in math and reading. “These guys are real educators, and they’re in here teaching after-school programs,” says Haynes. “They tutor on overall academics, PSATs, and SATs.”

Whether its being used for formal training, by kids wanting Internet access, or by parents needing to check their e-mail or online finances while their kids play, the lab gets a lot of use (Haynes does charge for computer access, but there is a wide variety of payment options and levels). Haynes says the community reaction has been overwhelming because people just weren’t accustomed to seeing anything

like it. The lab has also helped attract school groups to the facility. “A problem in our industry is that a lot of schools aren’t patronizing our establishments because they see us as just fun and games, with no educational value,” Haynes points out.

Madd Fun also created the “Student Rewards and Incentive Program,” which allows kids to bring in their report cards and receive free game tokens for getting As and Bs. Plus, there’s a 10 percent discount for parents who attend three PTA meetings in a row, and the percentage increases if they continue participating. This has increased local PTA attendance, according to Haynes. The FEC’s success has allowed it to add a 28-seat 4-

D motion theater where, in addition to being fun, most of the features are also educational, with subjects like dinosaurs, ancient Egypt, and outer space.

### Embracing a Diverse Community

Madd Fun’s informal, indirect community contributions are equally impressive. A remarkable variety of different ethnic and cultural groups come through its doors—African Americans, Hispanics, Russians, Israelis, Asians, Pakistanis, and others—and many different religions, like Christians, Hasidic Jews, and Muslims.

Haynes says all this creates a huge challenge. “Everything in the city is about music,” he says. “If we didn’t have a lot of music and a DJ, people would walk out, and we have to know what music the different ethnic groups want. Also, we knew typical FEC food wouldn’t work, so we have a real walk-in kitchen that makes ethnic dishes—Caribbean dishes, soul food, whatever—and we’re very conscious of the food we make. We even turn the kitchen into a class project and teach how to make something like a pizza, step-by-step.” Madd Fun also has a room where arts and crafts are taught, and even here, the facility has to take care to have crafts that represent these varying ethnicities and religions.

But Haynes and 75 Madd Fun employees have made it all work, and in recognition of this, Haynes received the Entrepreneur of the Year for the state of New York by the NAACP in April.

Lewis says Haynes deserves the credit: “He is definitely a very hands-on person, and his customers know



Madd Fun cooks prepare for a corporate function of 800 guests.

him. Madd Fun is the most unusual FEC I work with, but they do very well in taking care of all of their markets.”

As for the next big step at Madd Fun, Haynes is working on that right now: “We’re introducing something called r-learning, and your child and his/her group can interact with each other and with personalized training instructors via webcam from our computer lab. [Their progress] is tracked and scored for them, with printed results.” Haynes says they’ve pulled together different tools and software and made it all more affordable, interactive, and fun.

“Some of these things are available from others, but it’s extremely expensive,” he adds. “Ours will be only \$1 a day per child! This is huge—it takes our computer lab to a whole other dimension of educational excellence. The teams are very competitive, we package it with incentives through Madd Fun, and the rewards are instantaneous.”

Haynes says he’s getting a lot of calls from people wanting to do what he’s done in other inner cities. “We didn’t know how much we were being talked about until we went to the [industry] shows,” he says. ■

## FECs Doing Great Works in Their Communities

MANY FAMILY ENTERTAINMENT CENTERS are doing great works in their communities in a variety of different ways. Here’s just a sampling:

### Fund-raisers

In May 2005 in Idaho, the tragic story of 8-year-old Shasta Groene made national news. Her mother and her mother’s fiancé were murdered, along with her older brother, and Shasta was kidnapped along with her younger brother, who was also later murdered. After spending seven weeks in captivity, Shasta was found at a nearby restaurant. A local FEC, the Triple Play Family Fun Park, decided to hold a fund-raiser for Shasta to help build a home for her and her dad. More than 500 people attended, and \$6,000 was raised toward the cost of the home, according to Jennifer Ross, the FEC’s marketing and sales director. The home was completed and placed in a trust in Shasta’s name.

### Scholarship Funds

Fun Factory Inc., which has 11 locations in Hawaii and seven on the U.S. mainland, has a University of Hawaii Scholarship that donates \$20,000 each year to the University of Hawaii Foundation. From that, the university provides 20 students with \$1,000 each, along with free tuition for one year. “Then, we have a second-year program that gives five of those original 20 students another \$1,000 in their sophomore year, based primarily on academics,” says Donna Smith, vice president of the Fun Factory.

### Adoption Exchange

The Boondocks Family Fun Cen-

ter in Northglenn, Colorado, hosts an annual fund-raiser in March named “A Day for Wednesday’s Child,” a live TV event produced by a nonprofit organization called the Adoption Exchange. Boondocks provides 10 employees to staff the fund-raiser’s telephones for an hour, then hosts a four-hour party for the adoptees, the prospective adoption parents, and all of the volunteers. Boondocks itself donated about \$2,500 to the cause this year, and in the six years it’s hosted the event 28 children have been placed with parents. Boondocks also sponsors a segment on the local news called “Wednesday’s Child.” Says Boondocks general manager Casey Lee: “We just felt [this fund-raiser] was a good fit for us and a great thing to do.”

—Keith Miller



### The Fun Factory Brings Happiness to a Young Girl

One day in summer 2007, Donna Smith, the vice president of the Fun Factory, headquartered in Kapolei, Hawaii, was reading the newspaper and came upon a story about an upcoming September fund-raiser for a young girl named Rachel Kim, who suffered from a rare form of cancer. In the story, Rachel said she really liked to go to the Fun Factory and play.

Smith got in touch with Rachel’s half brother, who was organizing the fund-raiser, and arranged to present a giant Care Bear to

Rachel and a card with a lot of token credits on it at the event. Linda Fernandez, the president of Fun Factory, couldn’t be present, so she sent a letter to Rachel that Smith hand delivered.

Just before last Christmas, Smith met Rachel and her mother at a Fun Factory location, and Smith says Rachel’s mother mentioned how important and therapeutic it was to Rachel to receive the support from Fun Factory. “Her story really touched me and touched Linda,” says Smith. “We know she has a lot of bad days, so we decided to make her special within our company.”

Smith adds that tests conducted on Rachel’s cancer last December came back all clear.



## FEC: PROFILE

# Risks and Rewards

Larry Stottlemeyer has combined calculated decisions with leaps of faith to achieve success at Adventure Park USA

by Marion Hixon

FOR LARRY STOTTLEMYER, THE RISE OF ADVENTURE PARK USA HAS BEEN A PATH OF RISKS AND REWARDS. The family-run entertainment center he opened in New Market, Maryland, in 2005 is truly a blend of an FEC and a more traditional amusement park, complete with a roller coaster.

Some areas have been built and themed from scratch by the Stottlemeyer family, many of whom have an active role in the park. Inside the main building, everything from large fixtures like the laser tag arena to smaller details like the cabinets surrounding the main office carry personal meaning, as Stottlemeyer and his sons handcrafted the features and added a Western theme to each.

With names like “Desert Oasis Mini Golf,” “Hang ’em High Ropes Course,” “Painted Desert Paintball,” and the “Stampede Arcade,” each attraction helps reinforce the Western vibe. The mascots of Adventure Park USA, a cowboy and a gopher, were envisioned by Stottlemeyer and brought to life by Custom Creations, a themed environment manufacturer from New Jersey (the firm also helped design and install the park’s miniature

golf course and signage). Giovanni Calabrese, owner of Custom Creations, says he enjoys working with the Stottlemeyers because they’re down-to-earth and easy to deal with. “They’re very family oriented,” Calabrese says, “which is great, because that’s who your business is about—families. What I find different about Larry’s park is that he allows us to get creative—as long as it makes the park look good. A lot of people don’t do that.”

## Branching Out

Stottlemeyer began working on the concept for Adventure Park USA when attendance at his previous FEC, a Putt-Putt Golf Courses of America, was outgrowing its location. “We were getting people from 40 miles out so we started talking about building a bigger facility,” he says. “If we don’t build it, someone else will. They’ll find out what a great location this is for a park and put us out of business.”

Making this decision was a big step both personally and financially, and Stottlemeyer credits resources like Hank Woodburn, made through Putt-Putt, for giving him the necessary model for operations success. “I now know them well enough professionally to be able to call them and get advice and information on the industry,” he says. “I watched them build facilities similar to this with success.”

This is how Stottlemeyer has made decisions and the path he would recommend to anyone getting in the business. Many first-time business owners start without guidance or a plan and spend thousands of dollars on something that doesn’t result in profit, he says. Instead, he advises to “have contacts in the industry who you can call—other managers and facilities in the industry.” He also says it’s important to read magazines and articles on products and methods before investing, and to avoid being persuaded solely by advertisements. “When a new game comes out for the arcade, I don’t go out and buy it because I per-

sonally think it's a great game," he says. "I wait six or seven months to see what kind of revenue stream the game brings in, and then I purchase it." While some things require an immediate decision, Stottlemeyer runs most ideas past his wife, Angie, who directs Adventure Park's finances, and gets counsel from others familiar with the business.

### Rolling with Success

Another opportunity came about when Stottlemeyer's son, Erik, a co-owner at the park, came to him with the idea of adding a roller coaster to the growing FEC. "My son had talked with Ed Hiller from Ride Entertainment in Maryland, and the next thing you know, they found a revamped roller coaster in Pennsylvania." Erik then went as far as to mortgage his house to finance the coaster, a 30-year-old refurbished Schwarzkopf Wildcat model. Ever since, the coaster has been one of the park's most popular features.

Stottlemeyers says this investment reinforced the value of not adding too many attractions too quickly. "You don't want to grow your park so fast that you outgrow your attendance," he says. "Then you have pieces that devalue the other attractions."

Practicing his principal of not outgrowing the customer demand, he still knows well-timed additions to an attraction can only keep customers active longer and, thus, more willing to spend money and become engaged and loyal to the attraction.

One way of keeping those customers for longer is Adventure Park's experiment this year to incorporate a time-play system. The park currently operates as an a-la-carte park, offering pay-as-you go rides and activities, but management is branching out to sell wristbands allowing customers four or six hours of unlimited access to attractions, with the exception of arcade credits. The goal is to raise per-capita 25 to 30 percent with the new feature.

"Our thinking is it's easier for us to get parents to pay once when they first walk in the door than it is when kids run out of money on reloadable cards," Stottlemeyer says. "Parents are more aware of the spending when they have to dip into their pockets again and again." Adventure Park's pay-as-you-go option will remain for those interested in one attraction.

## On the Floor with Purpose: Devising Strategies and Making Decisions at IAAPA Attractions Expo

When Larry Stottlemeyer, owner of Adventure Park USA, takes his family to IAAPA Attractions Expo, he knows that with limited time on the floor and grandchildren along for the trip, he must spend the week wisely. Over the years, he's devised the following plan to get the most out of his trip:

- **Inventory your attraction.** Stottlemeyer first takes stock of the necessary improvements or additions required at his park. "We research the products we want before the show and find out what people are offering," he says. If there's money in the budget for a new arcade game or if he's looking to expand his menu options, Stottlemeyer will go to the trade show with those intentions.
- **Go forward with purpose.** While you have the most time, he suggests immediately visiting the booths of companies and products in which you've already become interested. "We'll go straight to those booths and talk to the people whose products we researched," he says.
- **Walk the floor.** Once you've visited your top interests, take the remainder of your time to explore the floor. Stop for literature and talk to exhibitors whose products or services might benefit your attraction. "There's something at the show for everybody," Stottlemeyer says. "Even if we're not able to buy the roller coasters, we're interested in the other products—redemption prizes, soft plays, moon bounces, and video games."
- **Work within a budget.** Before making a buying decision, take time to review your finances and the return period for profit from a potential purchase. "We have a budget, and if a product is beyond our expenses, we'll just say 'It's a nice dream,'" he says.

"The small parks may not be equal as far as money is concerned, but we are in accessibility and services," Stottlemeyer says, adding that the Expo is one of his greatest resources for new products and learning from other parks. "It makes you feel as though you're a part of something greater when you see larger parks like Dollywood and Disney there."

An even bigger development is the option of putting in a waterpark, for which blueprints have already been drawn, complete with a slide, wave pool, and lazy river. "We have 4.5 acres of land laid out, but the investment is around \$6.5 to \$7 million," he says. Stottlemeyer's invested in pursuing plans, though, as customers hear rumors of a water attraction and are eager for construction to begin.

"It was always a dream of mine to be able to leave something behind for my children and grandchildren," Stottlemeyer says. This vision is clear, especially with signage and attractions named after those very grandchildren—party rooms bear titles like "Kyleigh's Confectionary" and "Nate's Gun & Knife Repair." And with wise decisions like multiple payment options and by responding to customer needs with expansions like the waterpark, Adventure Park USA is a successful mainstay attraction in Maryland, and a successful model for up-and-coming FECs. ■

! For an update on how Adventure Park USA fared with its time-play offerings and an extended Q&A with Larry Stottlemeyer, visit [www.IAAPA.org/blog](http://www.IAAPA.org/blog).



## FEC: Q&A

# The Lifer

Malcolm Steinberg looks back at 50-plus years in the business

by Mike Bederka

MALCOLM STEINBERG, WHO TURNS 70 THIS YEAR, had only one other job outside the family entertainment business. As a teenager, he sold furniture with his dad.

That career path lasted just a few months. “We were like-minded people, and when a father and son are like that, it’s hard to get along,” he says with a laugh.

Steinberg, now the chairman of the Australia-based Leisure and Allied Industries Group, had other things on his mind at the time besides pitching couches and chairs. An uncle in the coin-op business asked Steinberg to visit him in Newcastle (about 100 miles north of Sydney) for a weekend back in 1958. “That weekend turned into three months, and I returned to Perth with 21 pinball machines,” he recalls.

His family entertainment centers, called Time Zone, soon spread across Australia, and then in the 1990s he steam-rolled into Southeast Asia. Also during that time, Steinberg diversified his company, developing and licensing games throughout the world under the name LAI Games. Popular titles include “Lighthouse,” “Timebuster,” and “Stacker.” The third branch to his entertainment empire came as Embed, a debit card and management system. In total, the organization has almost 3,000 employees, he says.

It’s not surprising Steinberg begins most days at 5 a.m. The early start gives him plenty of time to work with the company’s three CEOs and strategize for the future. “I’m

starting to slow down a little bit, but my days are still pretty full,” he says.

Fresh from receiving the Lifetime Achievement Award from the American Amusement Machine Association, Steinberg chats with FUNWORLD.

### **FUNWORLD: What piqued your interest in family entertainment centers?**

**Malcolm Steinberg:** It was a relatively new phenomenon, particularly in Perth where I lived. There weren’t any pinball machines at that time. I saw it as a great opportunity.

### **FW: Did you ever expect the company to grow like this?**

**MS:** No, back then it was just me and one other employee. I was happy to get \$100,000 a year in revenue.

### **FW: Tell us about the growth of Time Zone.**

**MS:** In 1978, I saw the progression of companies like McDonald’s, Burger King, and KFC. They were really starting to blossom. They were creating a family environment for fast food, so I thought, “Why don’t I start something like that for games?” That’s how Time Zone started, which is our retail brand. Now we have 220-plus outlets throughout the Australasian area, including Australia, Singapore, Indonesia, the Philippines, India, Vietnam, and New Zealand.

### **FW: What is the key to your success?**

**MS:** We develop our own games from seed ideas. We develop prototypes, and we manufacture them in our own facilities. We also have LAI Games, a sales and distribution company, that puts our products in some 34 countries around the world. We’re not really dependent on third-party suppliers. We have our own supply chain, and we’re involved in every link on that chain. Also, I’m very fortunate to have a



Steinberg has Time Zone FECs in Australia and Southeast Asia.



tremendous team that has helped to build the business over the past 50 years.

**FW: Can you give an example of a major challenge you've had to overcome in your career?**

**MS:** I've been running the business for 51 years. In hindsight, that's probably been too long. As a business grows, you have to keep changing its direction. The business probably could have done better if we had a couple changes along the way.

**FW: Do you plan to retire soon?**

**MS:** I'm not going to retire, but I'll probably become a non-executive chairman sometime next year.

**FW: Will it be hard to take your hands off the company?**

**MS:** Not really. I have a lot of confidence in the CEOs running the three businesses. They have a lot of experience. If you have a great vision and it becomes a reality, you become known as a visionary. If you have a vision and it fails, you tend to be known as a dreamer. I have a great management team, and they make my visions a reality. I'm really grateful to them.

**FW: What is the biggest challenge the industry faces today?**

**MS:** The challenge is to provide products and services at a good value to the consumer. In tough times, the consumer will always look for values. Also, when people are depressed, they always look for emotive relief. Low-cost entertainment and food are certainly winners in that area.

Despite the general consensus that things are rough in our business, I'm still positive about the future. There will always be a place for interactive, out-of-home entertainment. People still want to go out and socialize. That's why there are so many restaurants when every household has a kitchen. I'm confident companies will respond and provide the products that will lift revenues and get businesses flourishing again. **FW**