

SCORING SUCCESS

June 2012

play *"The Operators' Choice"* METER

family fun



Funhaven is a
welcome

Guests enjoy
the thrill of the
climbing walls.

retreat



FunHaven
The Fun Experts

This new entertainment property brings the latest trends, state-of-the-art attractions, and family fun to Ottawa, Canada.

After three years in the making, Dave Ellis' dream to bring the future of family entertainment to the families of Ottawa, Canada, became reality when the doors of Funhaven opened to the public on Dec. 14, 2011.

Funhaven, owned and operated by Dave and his brother Hugh, is

a new 36,000-square-foot family entertainment center (FEC). The Ellis' have committed to make Funhaven "the premiere Ottawa family entertainment destination by providing a world-class entertainment experience for family members of all ages through a consistent delivery of superior guest relations,

By Frank Seninsky and
Tracy Sarris

Amusement Entertainment Management

an enticing atmosphere, fun, socially interactive attraction elements, and quality food offerings.”

Dave and Hugh bring over 40 years of combined experience in ownership and executive operations of private companies to Funhaven. Dave is the President and Founder of Urthgate Systems Inc. and Hugh is the former President and Co-owner of Cinnabar Networks Inc. that was acquired by Bell Canada in 2006.

Both men have experienced working within successful, multi-million dollar operations during their careers; however, neither one has ever run an entertainment center and knew they had a lot to learn before diving headfirst into this project.

EXTENSIVE RESEARCH

Well before the doors opened, Dave and Hugh traveled extensively

across Canada and the U.S. visiting entertainment centers, speaking with industry specialists, attending hundreds of hours of entertainment industry training, attending trade shows and conferences, and creating relationships with an extensive number of product vendors, professional services firms, financing companies, insurance brokers, franchisors, and other related organizations.

In 2008, they retained the services of **Amusement Entertainment Management (AEM)** www.AEMLLC.com, a worldwide amusement and entertainment consulting firm specializing in the design, layout, installation, and operations of FECs and leisure venues. AEM Managing Partner Jerry Merola provided the project feasibility study and a full range of project development consulting services which, as Dave



The jungle themed laser tag arena allows up to 30 players at a time.



Funhaven's well-stocked redemption counter.



Funhaven's arcade is filled with games.



Funhaven's play area features multi-level platforms and a Ballocity Jungle Gym.

describes it, took them from beginning to end.

"Jerry was the most important person on our development team and through this process," said Dave. "He provided so much more than what was expected. We were looking for business advice on investment opportunities and such, but the result was so much larger when you create that relationship."

Dave continued, "It's a matter of having someone else encouraging you;...a consistent hand next to you saying, 'don't worry, it happens all the time;' as well as someone you can always call when you have a question. That, combined with the business knowledge, is such an important relationship. I am not sure how we would have managed the process without him."

Merola created the original business plan, approached the investors,

assisted in space selection and designers, created the layout/design, worked with the vendors to get things delivered and installed, and oversaw every facet of the entire development process.

Dave commented in a 2011 interview, "Lots of people starting out often forego the services of a professional consultant due to the cost of the investment, but we have found that the return is so high that this has to be a mandatory part of the process."

EDUCATION AND ATTRACTIONS

Dave and Hugh also recognized the importance of learning everything possible about creating and running an entertainment experience. In 2008, they attended the International Association of Amusement Parks and Attractions (IAAPA) Expo and signed up for every educational offering for FECs.

Their next stop was **Foundations Entertainment University (FEU)**

(www.foundationsuniversity.com) in February 2009. "I quickly realized that this was the program that provided the 'Foundation' of information we needed to get started," said Dave.

Funhaven's development team enlisted the help of some of the top attraction vendors in the industry to ensure the center provided the most current trends and thrilling interactive experiences.

Their jungle temple-themed Jungle Gym (Ballocity™) by **PrimePlay** features multi-level platforms with interactive blasters and vacuum cannons and buckets that propel, throw, raise, vacuum, and dump thousands of foam balls in a shoes-off environment that is laugh-out-loud fun for everyone.

The Jungle Gym is an innovative soft contained play area that is specially designed with fun, interactive play elements to climb, jump on, slide down, and explore to create a one-of-a-kind adventure for all ages.

Funhaven features four lanes of Highway 66 mini-lane bowling by **QubicaAMF**, 10 electric floor powered bumper cars by **RDC**, and climbing walls from **Extreme Engineering**. Guests may find that climbing 20 feet straight up might seem a little frightening, but Funhaven's climbing walls feature the safest, double-redundant auto-relay technology in the industry so that anyone can climb safely without having to worry about how far they've climbed.

Guests can play games to their heart's content, and then have even more fun redeeming their accumulated tickets for great prizes at Funhaven's monster prize giveaway center.

FINAL INSTALLATIONS

Just days before the soft-opening of

Funhaven and minutes after the carpet was laid, **Alpha-Omega Amusements & Sales** (www.AlphaOmega-Sales.com) proceeded to deliver, set up, and program 80 redemption, merchandise dispensing games, video games, and related equipment for the grand opening.

At the same time, the Alpha-Omega team designed and packed a redemption center that boasted 32 feet of counter space and 25 feet of slat wall. In less than 48 hours, the team successfully completed a game zone, redemption center set up, programming of all games, and stocked six plush cranes and seven high-end prize dispensing merchandisers.

Creative Works finished out the attraction mix with the 5,000-square-foot jungle-themed laser tag arena, which provides enough room for a state-of-art 30 player **NexusFEC** laser tag system. Creative Works also added the single maze Lazer Frenzy where players have to weave and crawl their way through a field of lasers to reach the checkpoint.

Dave opted for the adventure theme for this attraction, which coincides with the theme of laser tag, as well as the rest of the facility. Creative Works also built a 12-foot smiley-face Fun-Haven logo, which hangs on the front of the building. They used a combination of foam, wood, steel, and paint to bring this prop to life.

When guests get hungry, Noble Roman's pizzas are made to order onsite. For dessert, guests can enjoy the California-style self-serve frozen yogurt bar that includes a wide assortment of flavors with a variety of 50 toppings. For an extra treat, Funhaven also offers fair-style fun foods such as mini-donuts, popcorn, cotton candy,

funnel cakes, churros, and more.

ATTENDANCE GROWS

Since opening, Funhaven has seen attendance steadily climbing with about 12,000 guests coming through the facility each week, estimates Dave. There were over 100 birthday parties planned for the last week in April and they are already booked out months in advance.

Projected revenue has been within 10 percent since opening and, given that they did not start the birthday program right away, Dave feels they are technically right on the mark and are doing very well.

"When you spend so long creating a project like this, once you finally open the doors, you turn your face to the sky and expect a rain of money to wash over you," joked Dave. "The reality is actually that once you open, the real work of getting the word out to generate group and party business begins, as these and other things are going to help you maintain a consistent income over time."

SOCIAL MEDIA

A lot of centers have a marketing budget and will outsource that work. Dave took a portion of their

marketing budget and decided to hire a full time marketing manager. He wanted someone to be responsible for responding directly to social media; getting Facebook, Twitter, and other social formats up and running; arrange for blogs; and serve other departments as needed. Dave felt that this was a significant expense but it would result in significant rewards that come in through proper management of the social media market. If it is any measure of success, they have only been open four months, compared to their competitors who have been open over 20 years, and Funhaven already has three times as many "likes" on their Facebook page.



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Amusement Entertainment Management, LLC

Amusement Entertainment Management, LLC is a worldwide industry consulting group specializing in the feasibility, design, layout and operation of Family Entertainment Centers and Leisure-Based Entertainment venues.

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“I find the inbound marketing concept of people coming to find you when they are actually looking for your services are very important and the best use of marketing dollars,” said Dave. “One of the things about being a new business is that a significant portion of your revenue is going to be used for paying back capital and interest that was borrowed. Whereas your competitors are spending that same money on advertising, so when their advertising budgets are five times larger than yours, you have to be smart about how you spend that money. And the smartest way is through social media.”

Dave also invested in a world class Web site (www.funhaven.com) that was designed and developed by Katie Bruno and her staff at Web Site Design & Development (wddonline). Dave felt that the “C4-Creative Content Control Center” from wddonline has allowed his staff the ability to easily add, edit, and delete content from their Web site at any time with very little technology experience necessary.

CHALLENGES

Some of the challenges they have faced since opening include having a small amount of expenditures come up that they didn’t fully anticipate; simple things like more garbage cans



Mini-lane bowling from QubicAMF.

and water fountains, the need for more coat rack space, and a lot of little miscellaneous things that make the capital spending never seem to stop.

After the first quarter, the Ellis’ got a chance to see what areas still needed attention, but they also could see their successes and realize just what the business is capable of doing.

Due to the current financial market, it was initially difficult to get financing for the project and they ended up with higher interest rates than anticipated. Having these kinds of positive numbers coming out of the gate, and consistently growing, will allow them to go back to the bank in the very near future and apply for conventional financing with lower interest rates.

Funhaven’s management team has made a “Commitment to Fun!” and their vision is to “Captivate our guests with innovative approaches in all that we endeavor, and foster a passion to create personalized experiences for every guest we meet. We are energized by our imagination and charged with the task of elevating the quality of entertainment for our guests.”

Funhaven is a great example of what the new generation of FECs look like and how smart business practices can be used to build a solid foundation for success and growth. We look forward to seeing their progress and accomplishments over the next year.

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