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Two Thumbs Up For Movie House Entrepreneurs

It's Showtime!

The smell of popcorn hits you first. Then, after settling into plush velour-covered seats and balancing your soda on your knee, the lights slowly dim. As you sit up (or hunker down) in anticipation, the unfailing magic of Hollywood lights up the silver screen . . . and you are transported to another time, another place.

Each year, nearly 1 billion tickets are sold at almost 25,000 movie auditoriums across the country. Consumers pay up to \$7.50 a pop for movies costing millions of dollars to produce. And the movie houses . . . big business for big players only, right?

Not so. Sure, thousands of theaters have five, six, even a dozen

screens in one facility. But according to estimates from the National Association of Theatre Owners (NATO), approximately 35 percent of all theaters have just one or two screens, and most of these are run by an independent operator.

Everybody loves the movies, but almost no one gives a passing thought to the hard work involved in running a movie house. "These entrepreneurs work very hard, long hours," says Mary Ann Grasso, executive director of NATO. "It takes a lot of cash to get started, and unlike other businesses, it can be difficult to get the product [i.e., the films]."

The independent often has to be manager, film buyer, projectionist and usher all in one! Profit margins may be slim at a single movie house, so the independent cannot afford expensive advertising campaigns designed to lure the Saturday night crowds.

Competition, too, can be very fierce. Not only do the slick multiplex theaters vie for the lion's share of ticket sales, but so do many other entertainment mediums. With a recession still raging in many parts of the United States, consumers are being particularly stingy with their entertainment dollars.

On the other hand, only the independent can get away with things like dollar movies, homemade concession goodies, and an open-door policy during the day for concerts, private parties and charity functions. "Independents bring wonderful innovations to the business," Grasso says.

You are about to take a walk through the lobbies and aisles of the movie house entrepreneur. From Portland, Oregon, to Northampton, Pennsylvania, independent movie houses are alive and well, holding their own in the face of cable television, home movie rentals and first-run movie complexes. Movie house owners run their businesses to make money, but mostly they do it as a

Jaded theatergoers are lured by the charms of the independent movie house, from vaudeville marquees (left) to dinner-and-movie shows like Ted Bulthaup's (right).

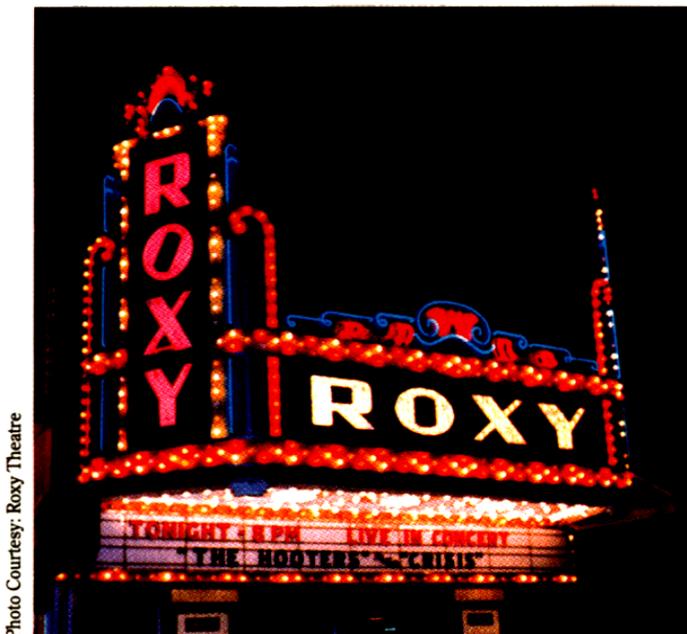


Photo Courtesy: Roxy Theatre

BY ERIKA KOTITE

Patrons make themselves comfortable at a bar designed with the exact measurements and materials as the one in "Casablanca."

labor of love. They want to restore the old-time movie house credos of good service, quality entertainment and floors that don't stick to your shoes. So sit back, relax, and enjoy the show!

Ted's Excellent Adventure

In Indianapolis, "dinner and a movie" doesn't mean quite the same thing it does in most cities. Welcome to Ted Bulthaupt's Hollywood Bar & Filmworks, a magical place where patrons nibble gourmet pizza, sipping cabernet and watch "The Hand That Rocks the Cradle".....all in elaborately decorated auditoriums with individual cushy leather executive desk chairs set behind long counters.

Bulthaupt, 35, has a great sense of what works and what doesn't in show business. During his many years as a Chicago concert promoter, he became proficient in putting his finger on what people look for in entertainment. What they *don't* like, he says, is "sitting in neon-trimmed film bunkers with sticky floors, stale candy, styrofoam like popcorn coated with artificially colored yellow soybean syrup while drinking flat sodas." Bulthaupt's idea was to take two activities normally enjoyed in back to back stages during an evening — dinner and a movie and make

them available all at the same time and in the same place, but it isn't just a restaurant. It's so much more

The movie/dinner theater, open for the past 10 months, now boasts 75 employees and is bringing in "very credible numbers" in sales — but only after Bulthaupt spent three years and \$750,000 renovating a 120-year old warehouse, scouring the area for investors and literally spending 24 hours a day on the premises during construction and for the first six months of operation.

"I worked and slept there," he says, locking the doors at closing and collapsing on a black couch under one of the screens. To get the look and feel he wanted, Bulthaupt worked as both designer and general contractor. The old warehouse's high ceilings, exposed brick walls and heavy native oak wood beams created a perfect atmosphere for the scores of old movie stills and posters that put patrons in the Hollywood mood.

Patrons of Hollywood Bar & Filmworks walk up a yellow brick road to purchase tickets. A huge turn-of-the-century safe from the 1870's so heavy it couldn't be moved was left by the first occupant of the space and inspired a search for a hundred year old oak bank tellers cage to serve as the box office, surrounded by extra large



posters from the classic movies “Bonnie & Clyde” and “Butch Cassidy and the Sundance Kid”.

They then pass through a glass lined hallway with hundreds of colorful animation cells to make themselves comfortable in a beautifully decorated lobby with dozens of plush black leather couches or to sit at a replica bar designed with the exact measurements and materials of the one in the classic film “Casablanca.” The bar is fully stocked with beer, wine and dozens of brands of liquor, as well as large glass jars of fruits and vegetables seeping their flavor into premium rums and vodkas. Bulthaupt boasts the theater has the best sound and projection in the Midwest, and he shows his movies on a full-sized custom made solid movie screen.

Most of Bulthaupt’s revenue comes from meals and drinks purchased by the over-21 clientele, who assure him they never watch movies anywhere else.

Bulthaupt coins the term “Cinema, Bar & Eatery” to describe the full to-your-seat service offered including a wide variety of appetizers, salads, sandwiches, pizzas, desserts as well as beer, wine and cocktails provided throughout the featured film, the first operation in the country to provide such amenities. Highly trained staff

provide quiet efficient service in the dark from the aisles without disturbing the audiences enjoyment. The movie is the thing, that’s why people come, but great service of quality fare is the key to profitability and success, keeping loyal customers coming back for more, often bringing back family and friends with them for first time visits. The surprisingly small kitchen is capable of churning out individual hot meals for up to 300 guests in a single seating, some times four or five times a day.

Bulthaupt compares the look and feel of his theater to the grand movie palaces of the 30’s and 40’s. His is definitely a modern entertainment concept but acknowledges the old movie theaters as inspiration for the look, feel and magic of the physical facility.

Today’s audiences may be jaded by the dizzying number of ways they can spend their leisure time, but they still appreciate the little extras like immaculate floors, comfortable seats, spectacular settings, good food and drinks, and — most important — cartoons before the show!

Crowd Pleaser

Remember that old downtown theater you went to as a teenager? The place had a balcony and neat art deco murals on the walls. It was sort of the town meeting place, where everybody knew everybody else, and on Friday night the entire adolescent population showed up to see and be seen.

Lisa Hedley remembers. The 31-year-old entrepreneur was visiting her family’s home in Washington, Connecticut, two summers ago when her mother told her the old theater in the nearby town of Bantam, where Hedley spent many a summer evening as a teenager, was about to close unless someone bought it. Hedley, then vice-president of business and legal affairs for a

film company in Los Angeles, decided then and there she must have "I remembered how much those avante-gard films influenced my life, I thought it would be fun," she says.

But when she sat down with the manager, Hedley got a jolt. She had no idea how much was involved in running the business, and she knew nothing about programming, ordering films or running a concession stand. Undaunted, she plunged with plans to turn the 73-year-old Bantam Cinema into a setting as intimate as a living room. Using more than \$10,000 of her own money, she upgraded the old movie projectors, built a stage, repainted the lobby and planned a movie schedule packed with intellectual, cutting-edge offerings. Don't expect standard fare at the snack bar either, instead of Coke and Milk Duds, Hedley stocks Swiss chocolate, gourmet licorice, herbal tea, old time sodas and natural soft drinks. The theater was running at a deficit when Hedley bought it in 1990, this year, she broke even.

"I give my customers what they want: a nice atmosphere with good films and lots of character," Hedley says. "They're tired of scuzzy old places and they are bored with new hygienic places." Customers look forward to the monthly calendar, distributed via mail and to local shops, listing all the movies the Bantam will feature that month. Hedley spends hours on the phone with her booking agent to get the best movies possible, the writes a witty review of each one.

The Bantam crowd is a loyal one; Hedley considers this her biggest advantage in keeping the movie house in business. Its difficult to cultivate a big audience anymore, especially in a small town like Bantam," she says. "But people who try to watch good films on TV screens don't know what they are missing."

For the tried and true Bantam Cinema fan, Hedley offers T-shirts and mugs with the defin-

ition of cinema on them, as well as a funny saying authored by her husband. A membership card gives members discounts on movies and other special privileges.

It's a Wonderful Life

Richard C. Wolfe's class of '66 remembers him as the guy who brought show biz to their humble auditorium. "I sure raised a few eye brows," he says, laughing. Wolfe fell in love with the technical aspects of theater at the age of 16, and he became student director of the stage and film crew. During one extraordinary showing of a very ordinary film for the seniors' economics class, he played music, dimmed the lights slowly and got a volunteer to work the curtain. Wolfe worked as an usher in a downtown movie palace, and soon moved up to assistant manager for a chain of theaters. Today, the sense of showmanship he developed has turned Wolfe into a successful movie house entrepreneur.

At 43, Wolfe heads Roxy Management Co. Inc., which, among other things, runs the Roxy, a discount theater in Northampton, Pennsylvania, where customers can watch second-run movies for only \$1. But while the price might be low budget, the theater itself is anything but.

Since purchasing the business in 1970, Wolfe has spent half a million dollars restoring the Roxy, built in 1921 as a vaudeville theater, to its original art deco glory. Trained as an architect, Wolfe took one look at the Roxy's canopy marquee, painted over with years of nondescript beige, and knew there was a treasure underneath. Today, moviegoers are dazzled by the historical landmark's multicolored designs and carvings, and the hundreds of incandescent and neon bulbs are never allowed to burn out. Brand-new upholstery, carpeting and a hand-stitched curtain have customers packing in to watch cartoons and features.

Wole kept a sharp lookout for unwanted fixtures and picked them up for a song. Last fall, when Paramount filmed a period piece at the Roxy, the company was awed by Wolfe's vast inventory of projectors, lights, stage curtains, promotional banners, popcorn and peanut machines, a pipe organ and scores of other relics from the golden age of movie palaces. By reading every thing possible on movie advertising, architecture and history, Wolfe has made himself into an expert, and he shares that expertise with other movie house owners.

The business side of running a discount movie theater is frustrating at times, especially when you have to deal with uncooperative movie distributors. Since distributors' revenues come from a percentage of individual ticket sales, they often put discounters last on the list. Wolfe's experience is no different, but not too long ago, he realized it didn't matter. "Someone called the office to ask what time the show began, Wolfe recalls. "I told him, and just before he hung up I said, 'Wait don't you want to know what's playing?' He said, 'Oh no, I don't care. I just come for the theater.'"

Some Like It Cold

Drinking and driving is a lethal combination. But drinking and "Driving Miss Daisy" isn't. In fact, it's just the ticket for enthusiastic patrons of Brian McMenemy's Mission Theater and Pub in Portland, Oregon.

McMenemy, opened a chain of pub/restaurants with his brother Mike in 1980, and recently began experimenting with a pub/movie house when business was a little slow. "We thought, 'Hey, how about throwing a movie up on the wall?'" says McMenemy, 34. "Then we went one step further to create an actual theater/bar

combination." The Mission Theater, formerly a church with a flat floor and balcony, was converted into a theater with tables and a full-service bar. The McMenamins started showing classic and art films, but sales, unlike their fresh brews, remained flat. Part of the problem was an already well-developed array of artsy movie houses in the Portland area.

So they went back to the drawing board, deciding to offer second run movies for free, while increasing their food and prices by 10 percent. Patrons were thrilled with the idea of seeing current movies for free, and the idea took off.

"We weren't sure we'd make any money, but it worked," says McMenemy. "The house was packed every weekend." Another problem arose, however—this time with both the movie distributors and neighboring theater owners. The movie studios didn't like the concept because it cut into their profits; the theater owners felt the free admission at McMenemy's was unfairly encroaching on their business. So the brothers once again adjusted their prices, charging. Finally, it seemed, the concept was a box office hit.

Although the Mission Theater caters to an over 21 clientele, it also promotes a family atmosphere by offering Disney matinees on Sunday.

The End