So You Want to be a Haunt Entrepreneur

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First Edition

Deadication

I would like to thank the following people who have been influential in my decision to follow my dreams and who have made a significant contribution to helping me keep my passion alive:

To my Mom, who through the years has always believed in me and encouraged me to be myself and accepted my uniqueness: Thank you Mom for supporting me in every "leap of faith" decision I have made and for always encouraging me with your words of confidence, support and love!

To my Dad, who sparked the love of the Halloween and haunt genre: Thank you Dad for giving me this passion to carry throughout my life and for memories of the joy and laughter we shared at Halloween!

To Becky, who holds a special place in my heart: Thank you Becky for sharing the passion for Halloween and haunting with me and for the many hours spent together on the patio dreaming of the haunt possibilities. Thanks for your ongoing support and your faith in my dreams!

To Lee, my soul mate and the person with whom I am looking forward to growing old: Thank you for the way you smile when you see me get excited about things haunt related. Thank you for helping me to revive the dream of owning a haunted attraction, over and over again. Thanks for sharing the dream with me and loving the journey we are on together. Most of all, thank you for being you!

Introduction

From Screams to Reality!

When I think back on my life and I try to pinpoint the beginnings of my love for the horror and haunt genre, I return to very early childhood where my Dad would set up the movie screen and film projector in our living room and show my friends and myself old horror movies, such as Frankenstein, The Wolf Man, etc. I also reminisce of the Halloweens where my Dad would build what at that time would have been considered elaborate home made props and sets on our front porch and scare the wits out of the neighbors. I think this is where I initially experienced the adrenalin rush of scaring and being scared; a true haunter was born!

Over the years, I've always had a dream in the back of my mind to eventually own and operate a haunted attraction. Growing up, one of my favorite rides at Disneyland was the Haunted Mansion, of course. In more recent adult years, my partner and I would organize and host incredible Halloween theme parties, with elaborate sets, sounds and lighting, which would be attended by as many as 100 people or more. All through my working life, I've always excelled at my jobs, especially where business matters were concerned. I love marketing and advertising, and I've taken every college course I could on the subject. At one point in my life, I decided to go back to college to study computer technology and was very successful working in this field for several years, although I never completed my college degree. I've always been the type of person to take the classes in my area of interest with no concern for obtaining my degree.

Eventually I decided that the computer field was not people oriented enough to suit my personal “wiring”, so I decided to leave the technology industry, somewhat, and I took a job for several years at a technical college as a Career Advisor. Although I really enjoyed conducting seminars and workshops, and helping students make a transition into employment in their new field of choice, my creative energies were beckoning me to something different. After a great deal of soul searching and introspection my path led me to move out of California to Eureka Springs, Arkansas to invest in an inn, which my partner and I focused many hours of sweat equity into renovating and decorating with themed rooms. I was unable to take time off of work to make a trip out to Arkansas to investigate the area before moving, so the first time I set foot in Eureka Springs was when I pulled into town in a 26’ truck with all of our personal possessions in the back. I knew I could apply my business knowledge and skills here, especially marketing and advertising. Most of all, I knew I’d have a creative outlet and I’d have the time to be able to pursue my haunting dreams as well.

As an owner operator, I was finally given the liberty to pursue other interests as well. Being an owner operator requires a great deal of time and effort, but it allows you the freedom to set your hours, organize and work around your schedule for maximum productivity. I began rekindling my interest in owning and operating a haunted attraction once again. Over the years, prior to moving to Eureka Springs, I spent much time on the online forums as a voyeur, paying close attention to the questions posed by other haunted house entrepreneurs and to the answers they were given from those with a great deal of haunt and/or business experience. All this information was being archived in my memory banks for future use. Now that I had the time and daily access to my computer without fear of consequence for personal use, I was able to invest time into introducing myself in the online forums and present my questions. I was overwhelmed by the welcome, encouragement and support I received from my new haunt family. I was well on my way.

Once I decided that I was going to take the "leap of faith" and pursue my dreams of owning and operating a haunt, I began with one of the most critical parts of the process in business ownership, the business plan. I knew from business experience that if I was to obtain venture capital from an investor or financing from a bank, I would need to have my act together and present a strong business plan. Although preparing a business plan can be quite a daunting task, I found myself getting more and more excited as each component of the plan came together. The whole idea seemed to become more and more real as the business plan developed. As I compiled the survey data from the market research we conducted, analyzed the financials from the potential revenue vs. estimated expenses, and prepared the final financial information, I could see that this was actually something we could make work! From this point on, momentum took over!

From the point that we initially decided to purchase our haunted attraction, formed and named the business Eureka Screams!TM and the attraction Raycliff Manor, to the lease negotiations and securing a building, the negotiations and final contract agreements with radio stations and print advertisement, and to the point of issuing press releases, which resulted in a tremendous amount of free press and advertising, the time just flew by! Before we knew it we were purchasing a hearse with a trailer that pulls a huge headstone marquee and two Ex Mortis Stalkarounds and conducting publicity stunts all over the area. The dream was, in fact, becoming a reality. Of course, like any venture in life, this didn't come without its trials, tribulations and challenges.

As I mentioned above, due to the press releases we sent out to the media and press, we received a great deal of attention. We had a media night scheduled for our opening, which wound up having to be moved back a week. What happened was that the company we had contracted to build the attraction for us had run behind in their delivery schedule and proved to be lacking in the area of communication. Without going into great detail, let's just say that we spent a Friday and Saturday night at the haunt location with nothing but an empty building and a lot of apologies to both the press, media and to the patrons who had responded to our radio and print advertising and arrived expecting a show. When we finally opened a week later, one of our actors lost his footing, fell and split open his head on opening night. We had to call for paramedics and shut down for the night. A couple of weeks later, a young man coming through the haunt assaulted one of our female actors and broke her jaw in three places. Fortunately, we not only took out the required liability insurance policy, but we also took out an additional medical insurance policy to cover our actors' medical expenses in the event of an injury. They say things come in threes; the third and final setback we encountered was the incredible amount of rain we experienced on Halloween night. Unfortunately, we didn't have an indoor queue line area for the guests and it was raining so hard there was a river running in front of the entrance to the haunt. Needless to say, we did almost no business on Halloween night.

The good news is that in spite of the challenges we encountered with our first year haunt, we experienced overall success. We were able to cover the first of five annual payments on the haunted attraction business loan, payroll for all of the Fright Team crew, the lease on the building we used, the cost of marketing and advertising (including the development of a web site), both liability and supplemental medical insurance, the storage unit lease to house the attraction in off season, and we were able to bank some finances for startup costs for the next year. If my Dad were alive today, he would be very proud. I may have even heard a few of his "Vincent Price" laughs in the haunt.

So You Want To Be A Haunt Entrepreneur

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Chapter One

So You Want To Be a Haunt Entrepreneur

Perhaps you’ve been a home haunter and every year you can be counted on by your friends and neighbors to elaborately decorate your house or yard for Halloween. Maybe you’re the person who throws the best Halloween party amongst your circle of friends, and everyone looks forward to the incredible sets, props and décor that seem to grow in number and professionalism each year. On the other hand, you could be a closeted Halloween or horror genre fanatic and you’ve always dreamed of operating a haunted house attraction. If you’re interested in becoming an entrepreneur in the growing haunted attraction industry, or you’ve worked in the industry for a non-profit haunt and you’ve decided take the step of operating as a for profit business, this book is designed to help. Although this book is geared primarily toward the for profit haunt, the majority of the material herein will also benefit the non-profit haunter.

If you’re like me, then you’ve spent many hours sitting around with loved ones or friends dreaming of how awesome it would be to own and operate a haunted house attraction. You’ve talked about the various themes you would incorporate into your haunt and the designs you would implement. You've mentally engineered, or perhaps even done so on paper, the room and set configurations that would provide the ultimate scares. You've talked about the reasons your attraction would be so much better than some of the successful haunts you've attended. If you hold this passion for the haunt and horror genre, why not apply your passion into a business venture that can make you money?

There is nothing more exciting and exhilarating than working and doing what you love! With Halloween now second only to Christmas in revenue spent by the public, having seen tremendous growth of the past several years, the haunted attraction industry has become a Halloween fanatic's or horror genre lover's land of opportunity. There is actually an international association dedicated to haunted attraction enthusiasts and business owners, the International Association of Haunted Attractions (IAHA). The quality of haunted houses has grown and changed with the industry as well. The garage haunts still exist today; however, many have evolved and continue to evolve into larger attractions that draw thousands through their doors every year.

Many haunted attractions throughout the United States are constructed in permanent locations, operating seasonally for six to eight weeks per year. They are successful enough a couple months a year to afford the owners the luxury of purchasing the property. Some attractions operate successfully several months out of the year and some are open year round. There are even Halloween or haunted theme parks that operate successfully with several haunted attractions in one location. What I'm saying is this; there has never been a better or more exciting time to tap into this exciting industry. It does require hard work, perseverance and dedication; however, if you know this is your passion and you possess a love of the genre, there is no reason why you shouldn't move forward to realize your dreams! As I share with you information to help you on your journey toward success, I'll also share the fun and excitement I am experiencing as a haunt entrepreneur.

Purpose: When I set out to write this book, I decided I wanted to write a book that would be as comprehensive as possible and cover all of the business oriented topics that relate to starting up in the haunted attraction industry. What this book is not is a book on set designs, make-up tips, and prop making ideas. An excellent book with this type of information, which would make a great companion to this book, is "The Complete Haunted House Book" by Tim Harkleroad.

My desire is that this book will encourage entrepreneurs to pursue their dream of opening and operating a haunted attraction and help them to be successful in negotiating the hurdles of this venture. Deciding to go into business for your self is a scary, yet exhilarating experience. The history of haunted houses has shown that, with the right planning, business knowledge, and attention to safety, there is no reason why you cannot share the success of many other haunted attraction owners. My goal in writing this book is also to help align your enthusiasm, passion and love for the haunt genre with good common sense business practice. In doing so, I hope to have you feel I have partnered with you in achieving your personal goals.

Putting Together a Plan

Chapter Two

Business Plan, Business-Plan, Business Plan!

Often, people ask, “What is the first step in starting a haunted attraction business venture?” Many people don’t realize that I actually started working on my plans to operate a haunted attraction several years prior to opening the doors to my attraction, Raycliff Manor. Of course, one of the primary obstacles to starting was the financing. When researching the idea of starting such a business venture, I quickly realized that a sizable amount of funding would be required to do so. Since I’m not independently wealthy, and I don’t have rich relatives, I would need to be able to obtain financing. The best way to be considered for a business loan is to have a professional business plan to present to your loan officer and to the bank board, if you are lucky enough to have the board’s attention.

Getting your loan request considered by the bank is but one reason to invest the time and effort into constructing a solid business plan. You will find a haunted attraction business venture is no different than the formation of any other business. In order to run a business successfully, you will need to know your market; I’ll talk about knowing your market more in the

"Marketing & Advertising" chapter of this book. Part of developing your business plan is conducting surveys and/or researching the market demographics of the area in which you plan to operate. You will also need to have a good financial plan within your business plan. In order to be successful, you will need to have an idea of the costs associated with operating your haunt, as well as the allocation of the finances you may be borrowing. Projections are a significant part of your business plan. You will need to estimate the anticipated attendance of your attraction and the growth of that attendance. You will also need to be able to project your expected expenses over a period of time. Keep in mind, your business plan is a tool to be used not only to obtain the financing for your venture, but also to keep you on track with your goals and objectives as you grow your business. Even if you already have the finances to start your business, you will need to go through the work of developing a strong, comprehensive business plan in order to guarantee the success of your business.

The business plan is often something that people regard as extremely difficult or a task that individuals would rather skip. I am going to show you that developing a business plan isn't really all that scary. I decided to address the topic of the business plan first; however, you will want to read this book in its entirety before proceeding with yours. The following chapters contain a wealth of information you will want to consider in order to evaluate and develop the plan that best suits your particular situation and your haunted attraction. As I go through the steps of creating a business plan, you will see how developing the plan can be fun, and I will be provide samples of each section of the business plan to make it easier for you to work on yours.

Before you begin writing your business plan, try to see your haunt as already in operation and successful. This is a great visualization exercise and a great way to get your creative juices flowing. The creativity can start now. It should not wait until you begin the construction of your haunt. Remember, your business plan is a sales tool that will convey many aspects of your haunt which will contribute to its success. Get excited about your haunt and you can incorporate this enthusiasm into your business plan.

Getting Started With Your Business Plan:

There is no hard, fast rule regarding the format of a business plan. I've seen very long and very short ones. The point of it is to get the relevant information together in a comprehensive manner that conveys the pertinent information about your company. You may be seeking financing; you may be looking to solicit a partnership, or you may just be looking to put your plan of action in writing for the sole purpose of keeping yourself on track with your business goals and objectives.

The order of the elements contained in a business plan can vary as well. The Executive Summary can be either at the beginning or at the end. In a nutshell, your business plan should consist of a cover page and the following 7 primary sections.

Executive Summary
Business Description
Market Strategies
Competitive Analysis
Design and Development Plan
Operations and Management Plans
Financial Components

I'll go through each section and attempt to explain a thoroughly, yet as concisely as possible. Keep in mind that I'll also be providing samples for you to review.

Cover Page

Your business plan will start with your cover page. On the cover page, you will want to display your company logo, (I'll talk more about company professional logos in the "Marketing & Advertising" chapter of this book), your business name, the names of the members of your business, and the date.

Executive Summary

The Executive Summary is just that, a brief summary of your business plan. You'll want to indicate what it is your company will be doing, (i.e. what service you will be providing, what product you are selling, etc.). Cover the financial points outlined in your business plan, such as your projected sales, capital requirements and any other relevant financial data. In the executive summary you will also need to identify the key personnel, such as the owners, board members, management team, etc. and indicate the related achievements and experience of these individuals. If you are writing a plan for a start-up business venture, you can still list the past achievements of the team members which reflect acquired skills that will be applied to the new business.

Business Description

For the Business Description section of the plan you will indicate the legal form of operation of the business, such as a corporation, partnership, sole proprietorship, or some other kind of legal entity, such as a limited liability partnership. You should also explain who owns the company and, if there is more than one owner, in what proportion. If your business is a corporation, specify whether it is a C (the more standard type) or an S (more suitable for small business without many different owners) corporation. Also, of course, specify whether it is privately owned or publicly traded. Briefly describe offices and locations of your company, the nature and function of each, square footage, lease arrangements, etc.

Provide the reader of your plan with a description of your industry. If you have obtained market research data on your intended service, (I'm assuming entertainment in the haunt industry because you are reading this book), indicate what you know about the industry, how you plan to stand out as unique or what plans you have to secure a competitive edge. If your plan isn't too complicated, keep the descriptions of your business short, describing the industry in one paragraph, the product in another, and the business and its success factors in three or four paragraphs to conclude the business description section. You will be covering this same material again in greater detail later in the business plan, but the point of this section is to grab the attention of your reader and let them know that your plan is worth further investigation.

Market Strategies

In planning your market strategies, you will first need to conduct a market analysis so that your market can be defined. The market analysis will help you to determine your competition, your promotional strategies and pricing. You'll want to begin your market analysis by defining the market in terms of size, structure, growth prospects, trends and sales potential.

By educating yourself on the success and ticket sales experienced by the competition in your area or nearby, you can get a pretty good idea of the sales potential that exists for your haunted attraction. That is, of course, if you provide a show of the same caliber or better. If the competition has experienced a 5% rate of ticket sales growth per year on average over the past 5 years, you can use this information to project your sales growth. Obtaining market demographics for your haunt may prove to be challenging, especially if the competition is unwilling to work with you to cross-promote and is not willing to share their confidential market data. If your competitor doesn't throw the doors open to you and embrace the announcement of your attraction, don't take it personally. After all; you are the competition. You may find it necessary to investigate other avenues in order to conduct your market analysis.

If your area has organizations that cater to individuals in the age groups you suspect may be your target audience, go to them and ask them if you can obtain contact information to help you conduct a survey. Try your local Chamber of Commerce and ask them to help you with contacts. You will often be surprised how helpful they can be. Let them know you plan on becoming a member once your business is established and then do so. You can ask permission from the local schools to distribute a survey there, or go to your mall or shopping center and distribute them. Remember, individuals usually want something in return for taking the time to fill out and return your survey forms. Come up with an incentive like a drawing for 8 free tickets to your haunted attraction when it opens, movie passes to see the latest horror flick, etc. When you get creative, you can have fun with it.

Once you've narrowed down and determined your target market, you will want to include information in your business plan on the process you utilized to determine your market and the market data on your prospective audience, such as target population size, age demographics, area demographics, etc. At this point, you will include in your business plan, the strategy you plan to use to put your attraction in a position to succeed.

When discussing market strategy, it's inevitable that positioning will be brought up. A company's positioning strategy is affected by a number of variables that are closely tied to the motivations and requirements of target customers.

Your strategy will also be impacted by the actions of your competitors. Before your haunt can be positioned, you need to answer several tactical questions such as:

1. How are your competitors positioning themselves?
2. What specific attributes does your attraction have that your competitor/s' don't?
3. What customer needs does your product fulfill?

Once you've answered your strategic questions based on research of the market, you can then begin to develop your positioning strategy and illustrate that in your business plan. A positioning statement for a business plan doesn't have to be long or elaborate. It should merely point out exactly how you want your product perceived by both customers and the competition. You can see an example of this in the sample business plan provided in this book. Remember; please don’t just copy the sample business plan. If you cheat yourself now, your business success will probably be impacted by your lack of ownership in your business plan. I’m trying to help, not provide shortcuts. (Wink).

You’ll want to discuss your entry, marketing and growth strategies. For your entry strategy, how do you plan to introduce yourself into the market and with what type of presence? Convey to the reader of your business plan how you plan to wow the public. Will you offer an incredibly low price due to the fact that you received such an excellent deal on the purchase or construction of your haunt, and you are able to pass this along to your customer? Do you have the newest technology and the latest and greatest product in the industry in your haunt, which has never been seen in your target demographic area? You get the idea. Thoroughly cover your marketing plans for the business and include information on all forms of marketing you plan to utilize: for example, branding techniques, press releases, print advertising, radio advertising, web site and Internet presence, and publicity stunts. Be specific and detail your marketing plans. A good investor/lender knows that marketing and advertising is crucial to the success of any business and they will be carefully scrutinizing your marketing and advertising plans. For growth strategies, you'll want to discuss your long term goals and plans to pursue growth in attendance to your attraction. Do you plan to grow the business, providing a larger haunt and longer experience with improved sets, props, and scares? Will you step up your marketing efforts to reach a larger geographical area? Share your growth plans with the reader.

Competitive Analysis

When you address the competitive analysis section of your business plan, this is not an opportunity to trash another haunt. (Smile) You will use this section of the plan to convey to the reader your knowledge of the industry and, more specifically, your knowledge of those already in business in this industry in your area: your competition. Begin by explaining the general nature of competition in your type of business, and how customers seem to choose one provider over another. What might make customers decide, visibility or ticket pricing, reputation, or image and visibility? Is location important? How influential is word of mouth in providing long-term satisfied customers. Compare your attraction, in light of these criteria, to the competition. How do you stack up and what are advantages do you possess? Without insulting another business, emphasize the strengths and advantages your haunt will have in the market.

Design and Development Plan

Typically, the purpose of the design and development plan section is to provide investors with a description of the "product's" design, chart its development within the context of production, marketing and the company itself, and create a