

LOPOLITO HOSPITALITY CONSULTANTS, CORP.

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CASE STUDY

AN EXAMPLE OF RECOVERY FOLLOWING 911

Focus: Recovering Your Business from Severe Conditions.

Expertise: Sales and Revenue Management, Creativity in Operations, Expense Management, Risk Management, Renovations, Employee Training and Development, Food and Beverage Operations.

The Capitol Theatre

A national historic landmark built in 1926, this 15,000sf building seated 1800 people. Building was refurbished and remodeled as a multi-concept entertainment venue to support private and semiprivate catered events.

Significant Concerns

- Project assignment began October 2010 immediately following the 911 conditions.
- Poor market reputation prior to arrival.
- Low estimated revenue with owners presenting just \$250,000 in future contracts.
- Street view unappealing with marquee and with facility inside in significant disrepair.
- Conditions set by owner on profit expectations: Contracts must achieve a minimum \$10,000 profit.
- Conditions set by owner on contract approvals: No concerts permitted because of past damages incurred.
- Most employees on payroll with little or no service experience.

Development Actions

- Built new business with unique ideas and techniques. Supervised the rehabilitation and turnaround of the Theatre. Added secondary 3-Phase electric, renewed stage, renovated flooring, improved catering, etc.
- Repaired the marquee to a reasonable condition and added carpeting for event luxury.
- Initiated a P&L process for every contract outlining a full range of costs and revenue per event.
- After extensive negotiation with the owner, contracted the first event below the \$10,000 profit threshold, which resulted in two events booked from this event above the threshold.
- Terminated all but 10 employees due to theft and other matters. Hired new staff and designed a new custom training program.
- Raised prices significantly in the second year of operations. During this time, many contracts from Bar Mitzvahs and weddings to fundraisers and corporate events began coming in.
- After tough negotiations with the owner, booked a concert rehearsal 2nd year with a major tour band. This resulted in significant income in concerts over the years including eight years of contracts with Paul Simon and Art Garfunkel. Contracts for concerts grew with Rob Thomas, Bob Dylan, Katy Perry, Joan Osborne, Sonny Landrith, Buddy Guy, Robert Randolph, and other notables with no damages were occurring.
- Designed a custom service style specifically for the Theatre. This unique style became a big hit and a common conversation at events, as well as, a signature selling point for the Capitol.

Outcome

The end of the second season generated over \$500k in contracts for 2003, the third season over \$800k for 2004 and the returned the Theatre to being profitable and over \$1 million in contracts was achieved for 2005. The revenue continued to grow to over \$1.5 million, and from Lopolito's efforts the Theatre also generated an estimate of over \$20M in revenue over his ten years as manager to the vendors hired by clients for their events, as well as, additional jobs to the community. In December of 2011, The Capitol Theatre was sold for \$11.5 million dollars, well above the estimated price when Lopolito started in 2001.

Jim Lopolito, President, Lopolito Hospitality Consultants