

The Magic of a Deal: Purchasing a Show

I had the fortune of catching up with Mike Cooke, the CEO of dmg World Media recently. Mike, like me, is English and unlike me, still has his English accent. Dmg recently completed the takeover of George Little Management and it got me thinking about what makes the perfect alchemy when shows change hands.

Before we spoke about that, we had a general conversation about where the event business was going. We agreed that technology is 'putting more power in the hands of the consumer'. Since technology is for the most part behind general business in the events business, many events companies are playing 'catch up'. Former sponsors of events are doing their own events where they can exert maximum control over what happens. On top of this, as I mentioned in my last column [Improving your customer service by improving your perspective](#), the consumer expectation of service is much higher which puts extra demands on show organizers.

Mike certainly is an expert when it comes to acquisitions, and part of dmg's strategy in turning in to B2B 'machine' is buying and selling events to go forward with their strategic plan. He asserts that the keys to a success in buying an event are the following things, some of which is counterintuitive, is the following:

- 1) Make sure that the deal is a good deal for both sides;
- 2) Provide a detailed plan that lays out what happens once the deal is done. This, in my experience, is rarely done properly. It makes no sense to me, since the value of the new asset can be partially or even completely diminished if the community served by the event is unhappy with the 'speedbump' which is created when a handoff is improperly done. Examples of this could be the special relationships the old owners have with key stakeholders of the event which are misunderstood or disregarded by the new owners. I would suggest that part of the deliverables of the deal, is a 'cookbook' which details all of the important aspects of the event which are not evident from the numbers.
- 3) Develop the strategic knowledge of what will you add to your business from the acquisition, in other words what will the acquisition add to your business now and in the future and how is it part of your strategic plans?

Now you can get to the part where most companies start, which is:

- 4) Negotiate the best deal.

By following the above you can avoid much of the painful transition that seems to occur far too often. Mike certainly has built a career in success in this area, so I believe it would do well for many of us to emulate him....

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