

NEW MILLENNIUM EXPERIENCE: OPERATIONAL POLICY FOR SESSIONS AND POTENTIAL FOR IMPROVED NET REVENUE

Operational Objectives in respect of:

Visitors

The assumed primary operational objective is: the admission of the highest number of visitors, consistent with the admission charge policy and capacity.

Income

The second objective of high importance is to operate most cost effectively, i.e. run the Experience to generate the optimum net income, or at lowest net cost.

Sessional Operational Rationale

The Dome and related facilities are being planned to maximise the visitor capacity. Our target (subject to detailed internal layout and content/facilities planning) is 30,000 visitors in the Dome and the external display space/theatre); leading to an estimate of site capacity as being 35,000. For this reason, and because in an exhibition of this kind a length of stay of 6 hours within the site (plus travelling, access and departure time) is likely to be the practical maximum, two session operation is planned for peak demand days, mid year. This would achieve a daily capacity of 70,000 visits in two sessions.

Because of the high cost of operation (staff, performers and operational overheads) and the very limited opportunities to reduce operational costs when operating at low levels of visitors, it will be important to manage sessional operation via marketing, promotion and availability (by not accepting bookings for low demand second sessions on off peak days, that the operational break-even point is always exceeded.

Provisional Sessional Programme

The Business Plan and the operational cost budget assume 227 two session days and 140 one session days. The notional capacities available within this are:

$$\begin{array}{r} 140 \text{ days} \times 2 \text{ sessions} \times 35,000 = 9,800,000 \\ 227 \text{ days} \times 1 \text{ session} \times 35,000 = \underline{7,945,000} \\ \hline 17,745,000 \end{array}$$

The budget is based on an expectation of 12 million visits. This is an ambitious total, believed to be attainable and supported by a balance of opinion from experienced professionals most of whom are, however, unaware of the content of the Experience and the anticipated quite high admission charge. There are some optimists who project, without supporting evidence, that 12 million visits is greatly understated. More people believe that the admission total is overstated than understated.

However. It should be noted that on a 1 session basis daily for 367 days the total available capacity is 12,845,000. Accordingly if marketing stimulation of ticket sales combined with availability management can achieve virtually full capacity on one session days and if the 12 million proves to be the actual level of demand, virtually no 2 session days would be necessary to accommodate the visitors. This scenario is of course only achievable if seasonality is strongly influenced so that part of peak day demand (especially holidays and weekends) is moveable to off peak times. If the

Experience is publicly recognised as being a "good value, must see" attraction, uniquely available in the year 2000, most potential visitors will be prepared to schedule their visits, within reason, to when they can get a ticket.

At the very least it should be possible by marketing stimulus and booking controls to limit the number of 2 session days to considerably below the 140 as provisionally planned and budgetted, and still accommodate 12 million visits.

Public expectations for evening access

It is certain that in the late spring, summer and early autumn period the public will expect to be able to have evening access to the Dome and NME site - plus special evening events such as the two New Years Eves. However, assuming morning opening at 10.00am, relatively few early arrival daytime visitors would be likely to, or able to, remain on site for more than 8 hours. It would be efficient so far as possible to limit the hours of public access within the Dome main displays, so as to be contained within a single working shift, so far as the large number of sessional staff are concerned.

In winter and out of holiday periods when it is dark and the weather is likely to be cold and/or wet, there is unlikely to be much demand for evening access; except for special evening show performances and related Corporate Hospitality.

Potential Non-"Session" evening access

The new configuration of the Arena at the heart of the Dome would make it possible to arrange separate evening access to:

the Arena: for special evening performances (not the main show) with the use of the adjacent catering and retail facilities in the Dome

the Corporate Hospitality at the cores

the external display/theatre, for evening shows, concerts etc

the external Piazza and Meridian Point

These limited areas could be separately staffed economically for evening use and operated on a different, indeed variable, admission charge policy, provided that the main Experience displays are not accessible. This would open up the potentially valuable opportunity for "repeat" visits to the site, especially by people who had already visited the Experience, mainly residents of the Greater London area for whom repeat visits to the site for new events would be convenient and affordable (repeat evening visits from more distant locations will generally require an overnight stay).

Partial access within the site and Dome should however never be permitted to the extent that it is appreciated and enjoyed by visitors as an acceptable substitute for a "full" admission visit, unless the Session capacity is full and no further two session days can be arranged, or the demand for Experience visits has been largely satisfied (e.g. late in the operational year). This is a very real commercial risk requiring judgement - and the new open arena and spectacular central areas may make separate event access to the Dome, whether with or without Meridian Point, undesirable for the general public, except for highly priced and very popular events, corporate hospitality and special occasions.

The Arena and the external display space/theatre could be open and operated separately, providing that adequate supporting facilities are accessible to either or both when open concurrently. Separate access to the external display space/theatre for shows and events and the facilities in the adjacent Piazza poses no threat to admission demand for the Experience.

The external display space/theatre could operate in separate show mode in evenings when there are still daytime Session visitors within the Dome, by instituting "exit only" controls at the Dome entrances, or arranging contained access direct to the display space/theatre and adequate associated facilities.

Business Plan reflection of these potential refinements

These types of visits and income represent a potential net income contribution not previously fully evaluated or reflected in the present Business Plan. Clearly the combined effect of higher "occupancy" in daytime Sessions with resultant operational cost savings, and the potential for additional evening trade and repeat visits, are valuable.

However it may be prudent at present not to attempt to further squeeze the Business Plan or pump up income projections - at least not until the creation of the required facilities, and any related constraints, and costs is certain. I propose that we work through the optimisation of these possibilities, in the Dome interior and Piazza replanning work we are now doing, reviewing the principles and related costings with [REDACTED] then subsequently with [REDACTED] and [REDACTED] as the situation and net potential clarifies.

Is this understood and agreed?

Sessional Operation Notes

Sent to: [REDACTED]

Copies to: [REDACTED]

[REDACTED]
Operations Director

30 December 1997