



Cirque du Soleil, Monster Jam and Disneyland:

Marketplace Reopening Lessons for Your Church

RICH BIRCH



There's no doubt that the reopening phase at your church is going to include some of the most complex decisions you'll ever make. The switch to fully digital a few months ago will look like an easy decision and simple process in comparison to what will come next.

Unlike the last transition, the reopening phase discussion will be with us for months and its impact will be felt maybe even for years as we deal with COVID-19 without a widely available vaccine. We will all be dealing with the public perception that gathering in large groups is a real issue. This will impact our ability to do the ministry that God's called us to do. We need to think creatively about solutions. In a season like this, it can be incredibly valuable to learn from other organizations about how they are responding to this crisis and then apply those lessons to our churches.

All three of these businesses are well respected and loved in their various sectors. They have a significant in-person component that is critical to what they do. Each of them offer different lessons that we could pull out for our churches in this season.

Cirque du Soleil: Leading on the Balancing Wire

At the end of June 2020, <u>Cirque du Soleil filed for bankruptcy protection</u>. This was a dramatic move and caught the attention of international headlines, as this global live entertainment

business informed its lenders that it was not going to be able to pay back the debt it had generated in the previous months.

A few years ago, Cirque du Soleil came under a new ownership structure that saddled the company with a tremendous amount of debt. After experiencing multiple months of no revenue, that debt became too crushing and ultimately led the organization to seeking relief. While they have an initial offer on the table from their shareholders that will help restructure that debt and ensure a path forward, they are still looking for offers to wrestle through to the future. Another interesting piece of this situation is that 3,480 employees around the world have been terminated from their positions with Cirque du Soleil. Their intention is to bring these people back. But at this point, there's no guarantee that they'll be able to do that. It would appear like it's going to require government intervention and a complex financial arraignment to ultimately ensure the Cirque will go on!

For the church world, we're seeing a similar dynamic. Churches that went into this period with a tremendous amount of debt are going to struggle in this coming season. As the government pulls back liquidity through its various programs, churches are going to need to restructure their debt obligations. There was a season when banks didn't have an appetite for closing churches. However, I believe we're going to enter a season where banks will not hesitate to swoop in and take a church's assets to relieve the debt obligation.

Your church and my church need to think very carefully about the gap between revenue and expenses in the budget going forward. Rather than just continuing to ratchet up expenses as our churches grow, we need to find ways to become more financially efficient to ultimately become a more dynamic financial engine. Generating a cash cushion needs to be an operational priority for senior leadership teams across the country. We all need to be thinking about how to restructure the financial picture of our churches to generate surplus revenue in the future in the same way that Cirque du Soleil is restructuring its business to generate a higher profit to ultimately pay off their debt.

Cirque du Soleil believes that it will be the beginning of 2021 before they return to performing any live shows. They've been very clear that no one really knows when normalcy will return. This is an important distinction for us to wrestle with as church leaders. Our rush to act as if we know with great confidence that everyone will come back is going to hurt us. In fact, we're seeing that across the country already.



Cirque du Soleil is talking about a **phased** reopening starting in Las Vegas and in Orlando where they have residential shows and large operations. They're starting in those locations because they're the most reliable and they have the highest amount of control in those locations.

This is an important strategy, particularly for multi-site churches when thinking about which campuses to open. You may have to process reopening in a phased manner by looking at a portion of your campus footprint rather than forcing every campus to reopen at the same time. There are going to be some locations that are more simple and straightforward to open. Start with those locations first and begin to slowly increase your capacity over the time.

Cirque du Soleil also claims that they begin to break even on their shows at about 40%. **This grants Cirque du Soleil some financial resiliency as they look to the future.** They could end up running at half capacity and still generate income that could maintain their organization long term.

It's important to understand our numbers as church leaders. What do the finances look like when we open in various capacities? We know that the coming season is going to be financially difficult for us in the return to in-person services. Those services will cost us more resources, not to mention the additional expense of adding personal protective cleaning supplies, equipment, sanitation equipment and other resources to our operations. **Understanding those expenses** clearly and how that number relates to the revenue we are currently generating will be an important task for this coming phase.

Monster Jam: Sunday! Sunday! Sunday! Will look Different!

Monster Jam is a global entertainment juggernaut with close to 5,000 employees and multiple touring groups on all continents. They offer high energy experiences in arenas and stadiums around the world.

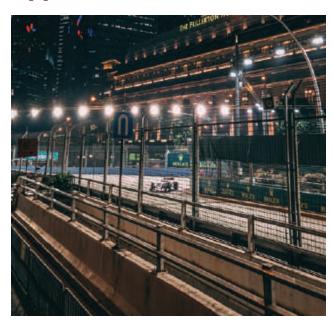
Monster Jam's parent company, Feld Entertainment, has laid off 90% of their employees. In fact, they've signaled that many of those employees won't be returning. **They've communicated that they anticipate a structural shift in their business and will not be returning to everything that they've done in the past.** They're still figuring out what it would look like in the future. Largely, however, they're seeing this as an opportunity to restructure their operations to a more financially efficient model.

They did begin a responsible return to racing in late May and early June by providing live events on NBC that had no audience and exercised extreme caution as related to coronavirus. They're committed to a hybrid of both live and online events in the future as well as exploring brand new models.

It may be belaboring the point, but the future of our churches will definitely include providing

both in-person and online church experiences.

We need to find a new distribution model in the same way that Monster Jam struck a new deal with NBC who was looking for sports content to engage its audiences, new and old.



We also need to be finding those new ways to engage both those who are already a part of our churches and those that we're attempting to reach. Here are just a few new "distribution channels" that we've heard churches engaging during this reopening phase:

- **Television Ministry** // It may sound like a 1975 solution but getting airtime on your local TV channel is a great option for reaching new audiences.
- Watch Parties // What if you launched a mid-sized group strategy of multiple small groups meeting together in a neighborhood?
- **Public Events** // Some churches have seen good traction with taking their ministry to parks and parking lots. Maybe this is a long term pivot rather than just a short term solution.

Monster Jam saw this crisis as an opportunity to get its product in front of more people. In the same way, this season is posing all kinds of cultural questions that our churches are uniquely designed to answer. This could be an incredible season for us if we could find new distribution models to get in front of people, rather than just repurposing old practices for online.

Disneyland: The Most Sanitized Place on Earth?

For long term readers of this blog, you'll know that I'm a fan of all things Disney. It was sad to see Disneyland in Anaheim, California announce their opening date and then have to step back from those plans because of state requirements and pressure from their cast member communities.

This provides a cautious tale for us as we think about reopening in the coming months. The government is going to continue to articulate their requirements and the changing criteria of safety protocols. Our organizations need to think independently about how we're going to respond to those demands. Just because the government will allow us to open does not mean that people will return. In Disneyland's case, we've seen pressure from their cast members about not reopening because their team doesn't feel safe.

Our churches will face a similar problem when we ask our volunteers to come back and serve. Our churches don't run without a robust volunteer culture, and we know that volunteers are feeling nervous about serving in this season. We need to provide incredible amounts of new and robust training in order to facilitate the return of our guests.

Disneyland is also reducing its overall service mix. Although it's not clear exactly what won't be returning, they have been clear that some of the offerings they used to provide will not be returning when the park ultimately reopens. This includes live shows and some other experiences. Likewise, we need to think the programs and ministries that we offer. There are probably things that we need to drop in this season because they simply aren't safe or the cost of doing them is too high for us to consider.

When Downtown Disney opened Disneyland earlier in July, it opened to huge crowds. It was fascinating to watch this roll through on social media. It used to be great to see lots of people queuing up in Downtown Disney. However, this is perceived as a problem now. Our churches are facing a similar issue. "Success" with numbers could be a problem in this

season, as what we used to see as positive is actually now negative.

The same thing happened with <u>Disney World's opening weekend</u>. Unfortunately the same weekend that Disney World opened, Florida reported the highest, new rates of infection. This resulted in these two unrelated facts getting conflated in the public conversation. We need to think very carefully about our communication processes this season and find ways to ensure that our guests feel safe.



These are the three organizations that provide live events and a few lessons that stick out from each one of them. I'd encourage you to be looking for examples in your culture and your community of other organizations that are wrestling with opening plans. Look at what they're doing to ensure they can open safely and for those communities that are excited to have their churches return to in-person services!

Even more help for your church to grow during this season

Is your church not growing as quickly as you'd like? Are you wondering how to grow your church without compromising the message? Would you like to see your church impact as many people as possible?

This free three part video series is **packed with** ready-to-implement ideas to help your church reach more people, even in this season of distance.

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