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Omega Production Resource

An Internship Report

Submitted to the Graduate Faculty of the University of New Orleans in partial fulfillment of the requirements for the degree of

> Masters of Arts in Arts Administration

> > By

Lydia Anne Burgess

B.A Theater Arts and Communications, Loyola University New Orleans, 2006

May 2015

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# Acknowledgements

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# **Table of Contents**

List of Figures	vi
Abstract	vii
Introduction	1
Organizational Profile	3
Internship Duties	6
General Duties	6
Projects and Contributions	7
S.W.O.T. Analysis	10
Strengths	10
Weaknesses	11
Opportunities	12
Threats	14
Best Practices	17
Recommendations	23
Conclusion	27
Works Cited	
Images Cited	
Appendix A	30
Production Photos	30
Appendix B	35
Logo	35
Appendix C	36
C1: Sample Renderings and Actualized Production Installment Images	36
C2: Sample Proposal	42
C3: Sample Quote	45

# C4: Sample Invoice

Vita

46

47

# List of Figures

# Appendix A

	Figure 1: Production Photo, Microsoft Conve	ergence	30
	Figure 2: Production Photo, Microsoft Conv	ergence	30
	Figure 3: Production Photo, Ducati Tent at	Moto GP, Austin	31
	Figure 4: Production Photo, Global Alliance	e	32
	Figure 5: Production Photo, 610 Stomper's	Ball	32
	Figure 6: Production Photo, LFEA Tax Cr	edit Event	33
	Figure 7: Production Photo, LFEA Tax Cr	edit Event	33
	Figure 8: Production Photo, Endymion Ma	rdi Gras Ball	34
Apper	endix C1		
	Figure 9: Apollo Ball Renderings		36
	Figure 10: Apollo Ball Renderings		36
	Figure 11: Apollo Ball Renderings		
	Figure 12: Apollo Ball Renderings		
	Figure 13: Apollo Ball Renderings		
	Figure 14: Apollo Ball Installation		
	Figure 15: Apollo Ball Installation		
	Figure 16: Apollo Ball Installation		39
	Figure 17: Apollo Ball Installation		
	Figure 18: Apollo Ball Installation		
	Figure 19: Production Photo, Apollo Ball		

# Abstract

This report documents the internship of Lydia Anne Burgess with Omega Production Resource from August 2014 to March 2015. Omega is one of several event lighting companies operating in Greater New Orleans. Omega's administrative offices are located in the Alario Center situated just inside of Bayou Segnette Park in Westwego, Louisiana. During her internship, Ms. Burgess worked under the direction of the Operations Director and the company founder and CEO. Among her various responsibilities, Ms. Burgess primarily assisted the CEO and Operations Director with administrative duties such as form creation/modernization, file organization, and scheduling. She also undertook marketing analysis for the company. An overview of Omega and of the internship is provided within this report. Additionally, this report provides an analysis of the company's strengths, weaknesses, opportunities, and threats (S.W.O.T.), recommendations for the company based on Ms. Burgess' observations, and an examination of best practices performed by similar companies.

# **Introduction**

In the late summer of 2014 I began an internship with Omega Production Resource, a local for-profit event lighting company. In my years studying and working in theaters, I have been exposed to virtually every component that makes a whole production, from sound boards and costume racks to gobos and curtain calls. Whether acting on the stage, calling cues behind the stage, or seating people in the front of house, I have done it. Of all of those various pieces of the pie that is theatre, however, lighting was my least favorite. It was therefore not without irony that I found myself interning with a lighting company. But, as stage manager Mark Leslie famously said, "An actor without techies is a naked person standing in the dark trying to emote. A techie without actors is a person with marketable skills."<sup>1</sup> This report details my internship in the often-overlooked world of event lighting.

What, exactly, is event lighting? It can be, as I was initially introduced to it, the lighting used for a theatrical production. It is also the lighting used for virtually any event: concerts, ballets, competitions, conferences, balls, celebrations, etc. Omega has lit everything from a private birthday party to the New Orleans Saints' Christmas Soiree, and from the Global Alliance business conference to the Red Bull rock stage at Austin's annual South by Southwest Festival.

While I spent most of my time during the intership in front of the computer reviewing forms, analyzing data points, and working on boosting the administrative efficiency of the company, I did get the opportunity to see the lights at work on occasion. You might never think about how important proper lighting really is. Then you see it for yourself, and you have a whole new perspective on the world.

<sup>&</sup>lt;sup>1</sup><u>http://www.cw.ua.edu/article/2014/09/techies-actors-pivotal-to-success</u>

Beginning with a look at the organizational structure of Omega and followed by a walkthrough of what exactly I did as an intern with the company, I will thoroughly analyze the strengths and weaknesses of the company as well as explore the best practices employed by the industry at large and some local competitors. Finally, I will make my recommendations and conclude this report.

# **Organizational Profile**

Omega Production Resource is a for-profit Limited Liability Company, and its mission statement is "to provide the best customer service possible for a price you can afford."<sup>2</sup> Omega is a full-service, turnkey production company based in New Orleans, Louisiana. It aims to provide production services to any event no matter how big or small. Past events have included everything from theater and concerts to corporate trade show booths and conferences to high-end weddings, anniversaries, and seasonal parties.

Omega's goal is to provide its clients with an unmatched level of quality and customer service by hiring only the best technicians, using the best gear, and custom designing and tailoring each event to match the clients' individual needs. As Omega's CEO, James Moore, likes to say, the company is about "finding the right person for the right job and allowing them the freedom to do it."<sup>3</sup> Omega prides itself on forging special relationships with its clientele and developing repeat customers. It strives to ensure it can cover any contingency, to produce events that exceed its clients' imaginations, and that the process is as effortless for the clients as possible.

Currently Omega's office is located at the Alario Center in Westwego, Louisiana, which houses the company in limited space for its equipment inventory and administrative office. The space allowed in the building is just large enough to hold the current inventory, such as various types of lights, light-operating boards, mounting equipment, electrical cords, and sundries needed to use the equipment as well as standard office equipment such as computers, file cabinets, chairs, and desks.

<sup>&</sup>lt;sup>2</sup> <u>http://omeganola.com/</u>

<sup>&</sup>lt;sup>3</sup> James Moore, personal interview, 2014

The CEO and Production Director (PD), James Moore, and the Operations Director (OD), Melinda Bruns-Marchand, are presently the only two full time employees. As such, both Mr. Moore and Ms. Bruns-Marchand perform many additional duties, and they are responsible for managing both the production aspects as well as the administrative tasks. Mr. Moore has thus far been using part-time freelance labor to perform the production duties and has contracted professional service providers such as lawyers, accountants, and marketing specialists to handle administrative duties that cannot be handled by himself or the OD. This employment model enables Omega to minimize overhead and operate efficiently at its current level but limits the growth that Mr. Moore would like.

While the company itself has only been in business for a couple of years, the staff has roughly 20 years of combined experience working in the theatrical and event lighting industries. Omega was created in the summer of 2012 by local lighting designer, James Moore. In 2006, after receiving his bachelor's degree in Theatre Arts with a focus in Lighting Design and a minor in Business, James Moore began freelancing as a lighting designer and technical crewman for various theatrical productions and entertainment events around New Orleans.

He was quickly hired by Express Productions and worked his way up to Lighting Supervisor. When Express was bought out by Solomon Group in 2010, Mr. Moore was retained as the lighting and event Technical Manager for that company. While employed with Solomon Group, Mr. Moore worked on several high-profile event and architectural lighting projects including the redesign of Champion's Square and the Mercedes-Benz Superdome.

Ms. Bruns-Marchand has been working as a stage manager around New Orleans since 2005. Since receiving her MFA in 2013, she has been working as the Operations Director for Omega, overseeing the scheduling, equipment, and staff management for events.

4

Mr. Moore started Omega because he wanted to provide better quality service than the company where he had been working. He felt that Express had been known for its customer service and quality of events, but that Solomon Group was growing too quickly to provide for its smaller customers, those doing shows with budgets under \$20,000.

The original plan was for Omega to be a supplier for the larger lighting companies Mr. Moore had either directly worked for or with, like Solomon Group and ATX. He wanted to provide those companies with rental equipment and fulfill various shortages that he had identified during his time as a production manager. In November of 2012, however, he expanded his focus to that of a full-service production company, designing and implementing staging, lighting, audio, and video. He began operating as a full service production company by reaching out to productions with budgets under \$20,000, as he felt those events were an underserved part of the production market in New Orleans.

Additionally, Mr. Moore continued to independently contract himself as a lighting designer and/or production manager for larger shows, both locally and around the country. Omega Productions Resource has utilized its owner's years of experience and professional relationships to build partnerships with other production companies across the country. Since the company has such a small full-time staff, it is very flexible and cost efficient. This enables Omega to provide its specific brand of production services anywhere and at any time clients require it. By participating in equipment rentals, solely producing smaller budgeted events, and co-producing larger budgeted events with bigger businesses, Omega has quickly positioned itself as a competitive player in the event production market, not only in New Orleans but across the county.

5

# **Internship Duties**

Helping Mr. Moore identify ways to improve Omega's efficiency in the administrative department was my chief responsibility during my internship. I was allowed full access to observe how the company was currently run, and given the freedom to formulate and implement various projects of my own design, in addition to working on expanding existing client relations and assisting in long term projects. These projects included assisting with the planning and production management of long term installs, identifying and working on correcting problematic internal company policies, and analyzing ways to market to new customers and generate new business for the company.

# 1. General Duties

Omega's business demand is growing quickly. In order to maintain that growth the company needs to expand. However, it lacked the foundation necessary to take on much more than it was doing. This is where my academic studies were truly put into practice.

As a company owned and operated by a lighting designer, Omega was more organized on the production aspects and less so on the administrative ones. Most of my duties revolved around making office operations smoother for both Mr. Moore and Ms. Bruns-Marchand. This started with getting them both to use the same software.

I helped to create some forms using MS Office Suite for use that brought the style that Mr. Moore liked to the easily used and shared file formats with which his OD and most of his clients were familiar. Prior to this, Mr. Moore preferred to use Apple's office software such as Pages, Numbers, and Keynote instead of the Microsoft Office Suite, but Ms. Bruns-Marchand and most of the clientele—tended to use programs like Office, Excel, and PowerPoint. In addition, I helped him look for and demo some specialized software, like IntelliEvent<sup>4</sup>, for his business that would have a lot of the elements the company needed (various forms, an electronic inventory tracker, scheduling calendar, quote generator, etc.). This would relieve someone at Omega from having to create them from scratch or piece them together from various sources. Currently, Omega uses several different software programs to perform administrative tasks and those programs do not always communicate with one another effectively. Scheduling, for instance, was done by Google Calendar, and Dropbox was used to pass invoices and project quotes back and forth but often the different formats would complicate that process. By the end of my internship, the IntelliEvent software had been purchased but was yet to be implemented. This move to dedicated software should eradicate a lot of the complication and inefficiency of using so many different systems.

# 2. Projects and Contributions

When not working on basic administrative tasks such as filing invoices, assisting with scheduling, tracking inventory, and working on updating forms and software for improved efficiency, I had an overarching self-directed project for the internship to produce a marketing analysis for Omega to use in creating a marketing and/or business plan for itself. This required that I do market research, speak with both of the two full-time staff and several of the independent contractors regarding various Omega business practices as well as practices used by other similar companies they had previously worked for and/or companies with which they would regularly still contract, so I would be able to more accurately compile my analysis into a report.

<sup>&</sup>lt;sup>4</sup> <u>http://intellievent.com/</u>

In doing the research for the marketing analysis, I also researched various ways that Omega could achieve some state and federal certifications to make applying for certain small business loans and business contracts easier. Mr. Moore is an Asian American. As such, he can potentially qualify for the Small Business Association's (SBA) Socially Disadvantaged Eligibility status and/or Economically Disadvantaged Eligibility which would help him qualify for the SBA's 8(a) certification. Based on the information in the application, this certification would enable Mr. Moore to gain access to services such as "developmental analysis, counseling, and progress monitoring; management and technical assistance," furthermore, "firm-specific analysis, counseling, and monitoring services are provided to eligible firms by staff located in SBA's district offices. Management training and professional consulting is provided by contractors and grant recipients."<sup>5</sup>

I helped Mr. Moore look at local opportunities for similar programs. The State of Louisiana has beneficial programs for minority-owned small business, such as the Louisiana Minority Supplier Development Council (LAMSDC). According to the application, "LAMSDC offers minority-owned businesses an excellent opportunity to meet with corporate buyers who are interested in working with qualified and certified minority business enterprises (MBEs)."<sup>6</sup>

While I did not help Mr. Moore actually apply for any of the registrations or certifications during my time at Omega, I did identify sources, compile some needed information, and leave

<sup>&</sup>lt;sup>5</sup>"Developmental opportunities, in the form of sole-source and limited competition Federal contracts, are provided by acquisition agencies. In addition to determining initial eligibility for the 8(a) BD Program, the OCE certifies firms as SDB's under Economy Act Agreements with Federal agencies." <u>https://www.sba.gov/category/navigation-structure/8a-business-development-program</u>

<sup>&</sup>lt;sup>6</sup> "Certification with the Louisiana Minority Supplier Development Council (LAMSDC) provides minority-owned businesses with valuable resources to help them grow and succeed...LAMSDC offers formal and informal venues to meet with corporate buyers so MBEs can learn about state and local opportunities and expand professional networks." <u>http://certassist.net/lamsdc-mbe/</u>

the company in a better position to submit applications in the near future. Neither specific certification nor similar registrations are necessary to grow his business, though doing so would allow Mr. Moore access to a wealth of low or no-cost resources that could help Omega immensely.

In addition to office efficiency and compiling my marketing report, I would also occasionally provide onsite aid for some events. This mostly occurred during very busy periods when Omega would have multiple shows booked at the same time. The Christmas holiday season and Mardi Gras are two examples of when Omega was very busy. During these busy times there were occasionally multiple shows booked on the same date requiring the PD and the OD to lead separate events. For instance, while Mr. Moore and one team would be working on the larger-budgeted balls for Mardi Gras Krewes like Endymion and Orpheus at the Superdome, the OD and I would be arranging everything for smaller-budgeted Krewe balls like Amon-Ra and Lords of Leather.

In addition to my administrative tasks on the show I also acted as the production assistant for my last event with the company, *The Lords of Leather Mardi Gras Extravaganza 2015*. Duties included helping with the lighting set-up, following cues over headset, and operating curtains for the show. Overall, however, performing onsite event tasks was very rare, and most of my time was spent in the office.

# S.W.O.T. Analysis

Below is an overview of the current strengths and weaknesses of Omega Production Resource, as well as opportunities and threats for the business as it continues to develop for 2015 and beyond.

# **Strengths:**

### 1. Management Team

Mr. Moore and Ms. Bruns-Marchand have just under 15 years of combined experience in the lighting industry. Both appear well-respected by their customers and by the other professionals in the industry who work with them on a regular basis. Being able to provide quality service to both your "Average Joe" customer as well as the established industry names is definitely a strong selling point.

#### 2. Customer Loyalty

Omega's loyal customer base has been built up over the years, many of whom followed Mr. Moore from his time employed with various other companies. Though the company is only entering its third year in business, it already has several customer contracts that use Omega exclusively and fairly frequently.

## 3. Low Overhead

The company can currently be run by a team of two. Having low overhead for a startup is a strong asset for the company's viability. Assuming the management team can set up the proper infrastructure for the company to grow properly as its business increases, this is an ideal starting place.

#### 4. Best Prices—Both for Customers and Staff

Bids are usually several percentage points lower than the next closest competitor. Mr. Moore will often negotiate prices with customers directly to ensure they are getting the most they can have for their budget. Additionally, it pays a higher average wage to its independently contracted labor than the local competitors. This keeps both customers and staff pleased to do business with Omega.

#### Weaknesses:

# 1. Front Capital

Investors and/or loans are needed for long term goals of expansion and further diversification of services. Omega is currently making only meager profits because it is forced to undercut its competition to establish itself in the market. With low starting capital, the company cannot afford as much inventory as is necessary to provide for the more complicated and lucrative events, forcing it to pay out high equipment rental costs.

# 2. Reserve Capital

The company does not have the capabilities to match the advertising and marketing dollars of its larger competitors. This has made it a largely "word-of-mouth" company. Most of the company's profits have been reinvested in purchasing additional equipment. Without reserve cash any break in business flow could be very detrimental to the company as a whole.

## 3. Small Staff

Though the small size of the staff can provide for flexibility, it can also be problematic. If the OD needs to pick up additional equipment for an installation, for example, she would not also be present onsite to provide staff supervision during the same timeframe. Additionally, if Omega

won bids for three different events all taking place on the same day, the company would not have the ability to have a full-time staff member onsite for one of the events. There are any number of obstacles and issues that can arise during an event that would require being addressed by a supervisor-level staff member. The incredibly small size of Omega's management team thereby limits its potential business opportunities.

# 4. Newer endeavor

Omega has no pre-established brand and little presence outside of the current contacts it holds in the community. This makes it more difficult to compete with the larger companies in the area like Solomon Group and PSAV, both of whom have deeper reserves of cash, larger inventories, and higher brand recognition.

### **Opportunities:**

### 1. Underserved Market in Smaller Budget Events

Currently the established lighting companies serving the Greater New Orleans area are less inclined to bid for lower budget productions (those under \$20,000). It appears those companies are more focused on larger productions. Target markets include individual customers looking for audio/visual production components for their wedding, anniversary, birthday or other party events; corporations looking for those same components for their trade shows, product/service launches and conferences; theatre, dance, opera, and concert performances; and commercial, film, and television shoots.

#### 2. Destination Management Companies

A lucrative customer base for Omega is Destination Management Companies (DMCs), essentially travel agencies for companies. DMCs specialize in high-end parties and corporate events. DMCs do not usually contract the AV aspects of conventions, but leave that up to the hotels or convention centers that are hosting their events. In addition to expanding its share in this market, Omega could attempt to pick up additional audio/visual (AV) clients for meeting rooms, general sessions, breakout rooms, etc. for conventions.

#### 3. Interstate Partnerships and/or an Austin Expansion

Omega already does a fair amount of business in the Austin, Texas area with its sistercompany, ATX Productions. The two companies often work together on larger projects in the area such as the annual South by Southwest mega-festival. Expansion opportunities are likely to become available for setting up an additional office for Omega in Austin, TX or merging with an established company there like ATX within the next two years.

### 4. Local Partnerships

Obtaining one or more partnerships with local New Orleans businesses, specifically hotels, would open up conference revenues that are currently picked up by the larger contractors. A large venue like the Ernest N. Morial Convention Center or a hotel like the Hyatt Regency, for example, has a company it contracts to oversee its convention needs. That company contracts with a couple of different lighting companies from its own internal list which will service virtually all of the conference events for a given year.

## **Threats:**

### 1. Competition

#### A. Solomon Group, New Orleans

The most direct threat of competition for Omega is the Solomon Group—the company Mr. Moore left in order to form Omega. Solomon Group has dozens of full time staff and hundreds of independent contract laborers at its disposal. While only a few years older as a company, Solomon Group has a much higher reserve of money and assets, as well as a more solid infrastructure. As evidence, within its first year of operating Solomon Group was able to buy out Express Lighting, one of its smaller, local competitors. The company website states:

"Solomon Group was founded in New Orleans, Louisiana by Gary Solomon Jr., Jonathan Foucheaux and Stephen Fink. With their respective backgrounds in theatre and lighting, entertainment technology and live arena productions, the three partners intended to fill a void they saw across their collective industries. In 2009 they began building a full-service entertainment design and production firm capable of competing for projects on a national level.

Since then, Solomon Group has risen to become one of the leading providers of creative and technology solutions for a variety of industries including events, museums and theme parks, broadcasting, stadiums and arenas, theatres, brand activations and more."<sup>7</sup>

#### **B. PSAV**

Currently, the majority of the hotels and convention halls in the Greater New Orleans metro area are contracted with a national company called PSAV. Capable of producing an event from start to finish without hiring subcontractors and controlling most of the subcontracts for national

<sup>&</sup>lt;sup>7</sup> <u>http://solomongroup.com/</u>

hotel chains, PSAV is both a local and national competitor with a longer history and deeper pockets. PSAV's company overview touts:

"With locations in more than 1,400 destination resorts and hotels throughout the U.S., Canada, Mexico, Caribbean, Europe and the UAE, PSAV is the leading in-house audiovisual provider in the industry. For more than 78 years, PSAV® has been setting the standard for event technology services within the hotel, resort and conference center industry, offering the expertise for everything from intimate gatherings to large conventions.

As a full-service technology provider, PSAV produces all aspects of events, from networking HSIA to overhead rigging to 3-D projection mapping to hybrid meetings. Our 5,000+ full-time professionals receive on-going training through our unrivaled development program, ensuring our events are produced using the latest technology trends. Founded with a strong commitment for innovation and creativity, PSAV is the comprehensive supplier for all your event needs."<sup>8</sup>

# 2. Hurricanes/Other Natural Disasters

In New Orleans and the larger Gulf Coast area of the United States, natural disasters are an ever-present threat for any business. Hurricanes Katrina and Rita combined into one of the most costly natural disasters in national history. This year marks the 10<sup>th</sup> anniversary of their devastation and places in the area have still yet to recover. While insurance might cover loss of certain assets and inventory, another catastrophic disaster could leave the area devoid of business for long time periods. Logically, if your business is under water you will not be hiring a lighting

<sup>&</sup>lt;sup>8</sup> <u>http://www.psav.com/</u>

company to make your company Christmas party sparkle because your company will have other priorities.

# 3. Illness/Injury

The current management team at Omega is vulnerable to being unable to maintain revenue if injured or ill. The company requires rapid income turnover to stay afloat—the money earned for one job often directly funds initial costs for the next contract. If contracts are scheduled several months in advance, but the PD and/or OD fall ill or are injured even for a short time, the business flow could be interrupted at great detriment to the company.

## **Best Practices**

In order to ascertain how Omega's general business practices stacked up to the best practices in the field, I researched some local and national companies in the industry. In addition to Solomon Group and PSAV, this included practices of local companies like Corporate Lighting & Audio and Power On Productions as well as national companies such as Beyond Lighting, PRG, and ATX. Additionally, I looked at various film and theatrical production companies in the area, as well as some companies that specialize in weddings and parties like OohLaLa Music Company and Luminous Events, which offer some overlapping services. Many of the independent contract laborers currently work for, or have worked with extensively in the past, at least one of these companies. To get a feel for how accurate some of the information I was getting actually was, I also informally spoke with several contracted workers about some basic items.

#### 1. Administrative Software

Keeping track of schedules for contracts and staff, inventory management, general office accounting, and other basic administrative tasks are handled similarly, yet differently in each of the companies I researched. That is, most companies use software that does most of the same things. The specific software used might differ with the difference seeming to be more a matter of the company management's personal preference—and operating budget—rather than there being one or two standard systems. While QuickBooks appears universal as in-house accounting software, there are numerous systems available for inventory control and scheduling. Some companies even created their own software. For smaller companies like Omega, however, the general practice was a decent, reasonably priced software system like Rentex, Flex, or IntelliEvent. Systems like those each have their own benefits and shortcomings but overall will handle most of the basic tasks needed. With the scheduled implementation of the IntelliEvent software, Omega will be in keeping with this standard industry practice.

#### **2.** Equipment Transportation and Logistics

I found that only a few of the companies that I researched had company-owned trucks. This initially struck me as surprising because of the frequency and high-cost of truck rentals. However, some savvy companies are able to work out cheaper rates with their local rental shops because of the volume of rentals. It also does not hurt a rental shop like Penske to have its easily recognizable, bright yellow trucks parked around event locations. For the smaller companies like Omega, however, most have become resigned to paying the standard rental fees and fighting with the direct competitors and, more recently, the flashier indirect film industry competitors for truck rentals.

Equipment is both owned and rented across the board. Each company owns varying amounts of equipment, but none are stocked with every kind of light, mount, rig, or attachment available. To do so would be cost prohibitive because most of the equipment is expensive. Each event will require different types and volume of equipment and storage space required to house that amount of items would be untenable. To get around having to hold a vast inventory, most companies will cross-rent from competitors. For example, if Solomon Group is hired to light a show with a design that calls for 800 can lights and 10 moving lights, but only owns 350 can lights and 4 moving lights, it will rent the remainder of the equipment from other companies in the area. These cross-rentals can be a large expense for the company renting but an excellent source of additional revenue for the owning company.

18

Surprisingly, smaller companies do not necessarily tend to have higher overall crossrental costs than larger companies even though the inventory stocks for smaller companies tend to be smaller. One reason for this might be intentionally having higher stock of more expensive equipment like moving lights in order to earn revenue by renting them out, even if that means needing to rent more of the less expensive equipment like can lights. Another reason might be simply contracting for smaller venues and events that do not require as much equipment.

## **3. Employment Standards**

Contracted stagehands (the basic day laborer for an event) are typically paid \$10-\$18 an hour, skilled hands (crew supervisor, rig technician, board operator, etc.) \$15-\$35, and freelance leads (the lighting supervisor, production manager, stage manager, etc.) \$250-\$450. Overtime is paid at the standard time and a half rate, though it can vary when it is applied. Some contracts might allow for overtime after a 10 hour shift, others at anything over 12 hours.

The standard for salaried employment within the industry coincided directly with the size of the company. The larger the company, the more salaried employees the company would retain. If the company was doing constant business, retaining salaried employees would actually help it keep independently-contracted lead and overtime costs at bay. Consequently, smaller companies had lower overhead because of fewer salaried employees but higher costs for contracted labor. Virtually no company retained unskilled stagehands, and few retain skilled ones.

19

### 4. Marketing Strategies

All companies had websites, but not all of the websites looked like they had been updated since the turn of the century. Most of the companies had interactive websites that displayed portfolios and/or photo galleries of events. Some included GIFs and audio/visual elements to show off various A/V designs.

Unsurprisingly, the younger the company the flashier the website appeared. Older companies tended to have plain, basic websites with little pizazz. For instance, PRG's website was dark gray with light gray text boxes and only a little in the way of visual appeal.<sup>9</sup> The exception to this "older as plainer" rule was PSAV. Though I would argue that the company as it stands today is actually much younger than the 78 years it claims to have been in business, as it merged with/bought out several much older companies and uses the oldest company's incorporation date to achieve its "78 years in business" claim. <sup>10</sup> In addition to websites, several companies also had online advertisements and a few used search engine optimization (SEO) for favorable placement in Google and Bing search results.

Offline, the marketing was a hodge-podge of strategies as varying as the company that used them. Corporate Lighting & Audio advertises with several area Chambers of Commerce. Solomon Group spends a lot of time, effort, and money on branding and social media. PSAV has the hotel contracts in a stranglehold and doesn't seem to do much marketing outside of that. While there are trade magazines for the event lighting industry, most companies were more likely to peruse lighting equipment wholesaler magazines and catalogs than their specific industry trade magazines.

<sup>&</sup>lt;sup>9</sup> <u>http://www.prg.com/</u>

<sup>&</sup>lt;sup>10</sup> <u>http://www.psav.com/about/our\_story/</u>

Word of mouth was, by far, the most commonly and heavily used marketing strategy for the majority of companies I researched. Achieving favorable placement on internal lists of contractors for various venues around town appeared to be the most sought after goal, and most thought using word of mouth was the best way to achieve it. Once on internal lists, according to the thoughts of several people I spoke with, a company does not need to do much marketing on its own since the venues tend to hire from their internal lists. Conventional wisdom holds that those venues provide the bulk of events in the area. I would argue that while that might be a common industry strategy, it might not actually be the best practice, as there are a lot of independent events that a company could pick up that will be much more likely to engage with traditional print and electronic marketing systems than know who to talk to about which companies are the best.

## 5. Pricing

Wholesale equipment rates are set as per lighting manufacturer standard, but sale and rental of equipment usually adds a 30%-50% mark-up, depending on the company and piece of equipment in question. Out-of-date, used, and/or damaged/dinged equipment is discounted according to its condition. Labor rates, as mentioned above, vary based on specific job duties, skill set, and company policy. Mark-up for labor can also be upwards of 40%. Omega generally pays higher wages to its independent contractors than its competitors and is also on the lower end of the scale for labor rates charged to the clients. This means Omega earns less profit on labor and occasionally loses money on it, but the practice is in keeping with its corporate culture of quality service both to its clients and its contractors.

Discounts on labor, equipment, designs, and/or other production aspects can be applied to invoices for a number of reasons. Often companies will give discounts to charitable events or even donate certain services. Some of those kinds of things can be written off as tax deductions. Other times discounts might be given to preferred clients and repeat contracts. This is a common practice across different companies but does not appear to have a set way it is applied. It seems to be at the discretion of the specific company's management.

## 6. Accounts Payable & Collections

The way that the various companies collect payments is fairly standard with other forprofit companies. Traditional payment forms like credit cards, cash, and business checks are accepted across the board, and some companies also accept newer forms of payment like PayPal and Apple Pay. Most of the companies require a deposit and partial to half payment before the delivery of goods and services. The remainder of payment is due upon the completion of the event. A 30 day payment window is generally allotted for accounts payable before the account becomes delinquent. Some companies charge additional "late" fees for delinquent accounts. Accounts past due for more than 90 days are usually referred to a collections agency, though this is also sometimes left to the discretion of the specific company's management.

22

# **Recommendations**

In the months I spent interning with Omega, I saw a number of things the company was doing right and a number of areas where it could definitely improve. Over the course of the last six months of my internship, Omega took several steps in the right direction to address those areas I identified as weaknesses. To further move towards a solid infrastructure, I would recommend that Omega continue to increase its administrative efficiency, strengthen its marketing supports, register as a minority-owned business, eliminate additional unnecessary expenditures, and apply for a small business loan or credit line.

# 1. Continue to Increase Administrative Efficiency

A number of steps have been made in this direction over the last few months. Continuing in that vein will only be beneficial. Now that the company has purchased the IntelliEvent software, some of the more time consuming and frustrating administrative tasks—specifically inventory tracking—should be easier to complete. Time should no longer be wasted on converting quotes, invoices, and proposals into different file formats. Taking the time to learn to use this new administrative tool and not falling back into old habits could be challenging for the staff, but I believe it is worth it in the long run. Efficiency should increase production. Increased production should increase potential for profit. I would advise that the management team stay on course and maximize the use of the software.

### 2. Strengthen Marketing Supports

#### A. Website

Currently Omega's website is somewhat drab. There are some interactive elements, but the homepage is monochromatic and some of the links are pointless or "under construction." Mr. Moore has been overseeing Omega's website himself, but since he is also the CEO and Production Manager, in addition to the main talent, he has not yet found the time to finish updating the site. With Omega's increase in business, it is unlikely that he will have time in the future either. Just because someone can create a website himself does not mean that a professional web designer could not do it better. Since a company's website is such an integral part of various marketing strategies these days, spending the time, effort, and money to have a very client friendly space for your current and potential clients to view your professional portfolio and interact with your company is of upmost importance. I would recommend that the website get a professional facelift.

#### **B.** Networking

Word of mouth marketing and having a website, while important, are not enough to snatch the attention of the average potential new client. Getting involved with the local Chambers of Commerce would be helpful and could introduce Omega to a lot of local businesses that could become potential clients.

#### C. Advertising and Social Media

It does not appear that traditional print ads are overly popular or useful to companies in this particular industry, but electronic ads are worth looking into, as are search engine optimization possibilities. Social media presence can also be worth checking out once the company has additional staff. I would not suggest attempting to have either Mr. Moore or the OD add social

media management to their current list of duties as they do not have adequate time for it. It is better to not have social media presence at all than to do it poorly.

#### 3. Register as a Minority-Owned Small Business

Since Mr. Moore is currently the sole-owner and is Asian-American, there is no reason for him not to register Omega as a minority-owned business both with the State of Louisiana and the federal government. There are no real additional costs associated with registering, though it is time consuming. If Mr. Moore wants to pursue national Small Business Administration or local options for minority-owned businesses, he will need to at least register with them. Doing so would also allow him to apply for certification for the SBA's official Socially Disadvantaged and Economically Disadvantaged statuses. It would place a large number of additional resources for his business at his disposal including additional business grant and loan opportunities.

# 4. Eliminate Additional Unnecessary Expenditures

#### A. Equipment Transportation

There are a few areas of the business that cost more money than necessary. Cutting down on these expenditures would increase profitability. One glaring example is in truck rentals. Despite it being a common practice to rent trucks to move equipment from warehouse to event site, having a company truck would eliminate rental fees, of which Omega shelled out over \$10,000 in 2014 alone, and it would reduce time spent picking up and dropping off rented vehicles. That time could be better utilized, and is a two person job. Also, since the influx of film crews all over the state, rental trucks are increasingly difficult to schedule. Even if the truck cost \$50,000 and

depreciated at a rate of \$10,000 a year and blew-up after 5 years, the company would still come out ahead to have purchased it rather than spending \$10,000 or more a year in rental fees.

# **B.** Additional Equipment

Purchasing additional equipment would also reduce cross-rental fees. Omega is more frequently contracting larger events than when it started up two years ago. Recently Mr. Moore purchased several more expensive moving lights because the company had spent so much money on renting them the previous year it could have purchased the same number three times over. Purchasing some additional higher-end equipment would further cut down major reoccurring expenses and increase cross-rental revenue potential.

# 5. Obtain Additional Capital

Buying a truck or other equipment is a grand idea, but Omega's current budget does not provide for that at this time. Mr. Moore would prefer to purchase assets outright rather than take on additional debt to do so. However, while a good ideal, this is not always the best business practice. A lot of expansion possibility is stymied without additional capital. A small business loan could provide the company with much needed cash to purchase the before-mentioned items and more. Larger companies operate with running debt. Lines of credit, loans, and investments help the big companies get bigger. It is also a way that a smaller company could become a big company. So long as the company's income to debt ratio remains at acceptable levels, Omega should look into taking on a loan or two.

# **Conclusion**

Omega has a wealth of talent and experience in design and production management, but lacks a strong administrative structure. With the proper foundational groundwork, Omega could expand to include a more solid full-time administrative staff. Currently, the entire company is managed by two people. At its current size, that is enough, but Omega doesn't want to stay at its current size. Mr. Moore would like to see the company grow and would eventually like to open a second office in Austin, Texas. In order to achieve the goals Mr. Moore has set for Omega, the company needs to continue to streamline its internal processes to maximize efficiency and utilize some of the resources mentioned throughout this report, such as specialized small business loans for minority-owned businesses. Omega has a number of challenges with which it needs to contend, but it also has a lot of potential. So long as Omega continues to strive for its goals, I see no reason why it should not achieve them.

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#### **Images Cited**

Figure 1: A Centerpiece for the Microsoft Convergence at the New Orleans Aquarium. New Orleans, LA. Omega Production Resource, LLC. 2013Figure 2: The Microsoft Convergence at the New Orleans Aquarium. New Orleans, LA. Omega

Production Resource, LLC. 2013.

Figure 3: The Ducati Tent for Moto GP. Austin, TX. Omega Production Resource, LLC. 2013.

**Figure 4:** Figure 4: Global Alliance event at City Park. New Orleans, LA. Omega Production Resource, LLC. 2013.

**Figure 5:** 610 Stomper's Ball at the Sugar Mill. New Orleans, LA. Omega Production Resource, LLC. 2013.

Figure 6: LFEA Tax Credit Event. Baton Rouge, LA. Omega Production Resource, LLC. 2013.

Figure 7: LFEA Tax Credit Event. Baton Rouge, LA. Omega Production Resource, LLC. 2013.

**Figure 8**: Endymion Mardi Gras Ball. New Orleans, LA. Omega Production Resource, LLC. 2015.

Figure 9: Apollo Ball Renderings. Baton Rouge, LA. Omega Production Resource, LLC. 2015.
Figure 10: Apollo Ball Renderings. Baton Rouge, LA. Omega Production Resource, LLC. 2015.
Figure 11: Apollo Ball Renderings. Baton Rouge, LA. Omega Production Resource, LLC. 2015.
Figure 12: Apollo Ball Renderings. Baton Rouge, LA. Omega Production Resource, LLC. 2015.
Figure 13: Apollo Ball Renderings. Baton Rouge, LA. Omega Production Resource, LLC. 2015.
Figure 13: Apollo Ball Renderings. Baton Rouge, LA. Omega Production Resource, LLC. 2015.
Figure 14: Apollo Ball Installation. Baton Rouge, LA. Omega Production Resource, LLC. 2015.
Figure 15: Apollo Ball Installation. Baton Rouge, LA. Omega Production Resource, LLC. 2015.
Figure 16: Apollo Ball Installation. Baton Rouge, LA. Omega Production Resource, LLC. 2015.

Figure 17: Apollo Ball Installation. Baton Rouge, LA. Omega Production Resource, LLC. 2015.Figure 18: Apollo Ball Installation. Baton Rouge, LA. Omega Production Resource, LLC. 2015.Figure 19: Apollo Mardi Gras Ball. Baton Rouge, LA. Omega Production Resource, LLC. 2015.

<u>Apendix A</u> Production Photos



Figure 1: A Centerpiece for the Microsoft Convergence event at the New Orleans Aquarium. 2013



Figure 2: The Microsoft Convergence event at the New Orleans Aquarium. 2013

Omega Productions, in partnership with ATX Event Systems, lit the Ducati Tent for Moto GP in Austin, TX. Omega contributed the lighting design and equipment, CAD drawings and 3D renderings, and the production management and technical troubleshooting for the event.



Figure 3: The Ducati Tent for Moto GP in Austin, TX. 2013

Omega Productions, contracted by Solomon Group, oversaw the technical aspects of the Global Alliance event at City Park.



Figure 4: Global Alliance event at City Park. 2013

Omega Productions, contracted by Corporate Lighting, created the lighting for the 610 Stomper's Ball at the Sugar Mill.



Figure 5: 610 Stomper's Ball at the Sugar Mill. 2013

Omega Productions, contracted by event designer Kellie Mathis, provided lighting, audio, video, staging, CAD drawings, and the production management and technical troubleshooting for the Louisiana Film Entertainment Association (LFEA) event.



Figure 6: LFEA Tax Credit Event. 2013

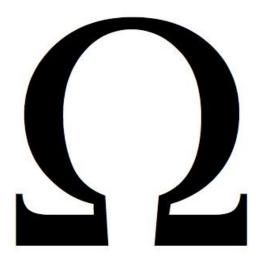


Figure 7: LFEA Tax Credit Event. 2013



Figure 8: Krewe of Endymion Mardi Gras Ball. 2015

<u>Appendix B</u> Omega Logo and Coversheet



# Omega Production Resource LLC www.omegaNOLA.com info@omegaNOLA.com 1-504-905-1412

<u>Appendix C1</u> Sample Renderings and Actualized Production Installment Images

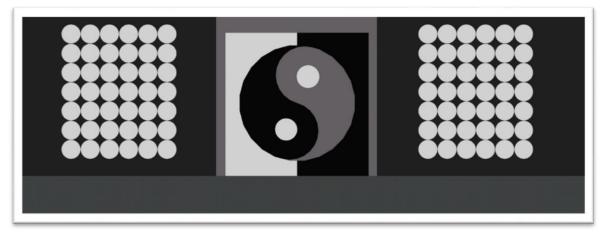


Figure 9: Apollo Ball Rendering. 2015

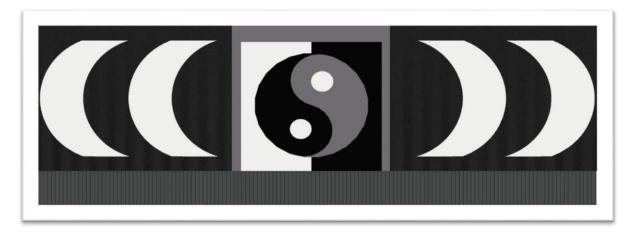


Figure10: Apollo Ball Rendering. 2015

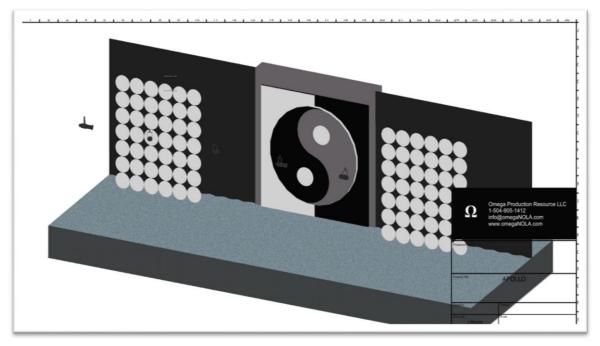


Figure 11: Apollo Ball Rendering. 2015

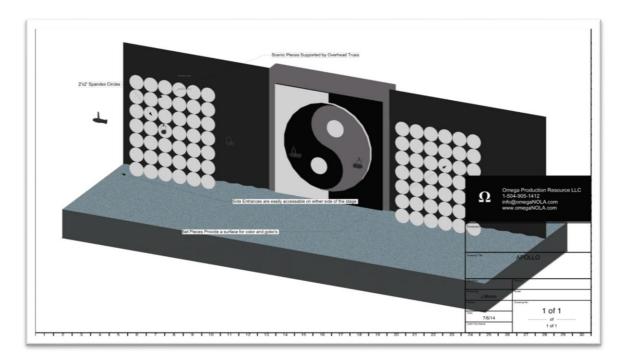


Figure 12: Apollo Ball Rendering. 2015

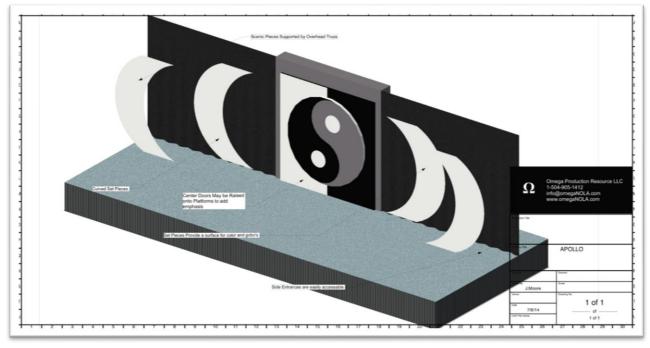


Figure 13: Apollo Ball Rendering. 2015



Figure 14: Apollo Ball Rendering. 2015

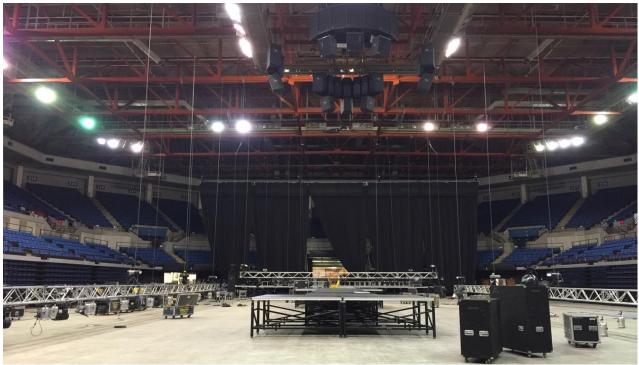


Figure 15: Apollo Ball Installation. 2015

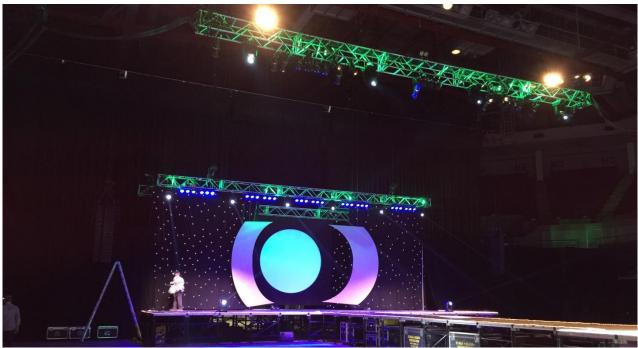


Figure 16: Apollo Ball Installation. 2015



Figure 17: Apollo Ball Installation. 2015



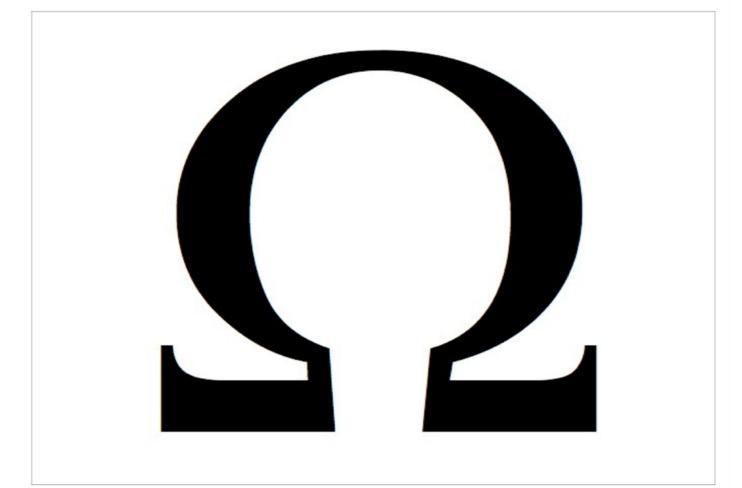
Figure 18: Apollo Ball Installation. 2015



Figure 19: Apollo Ball. 2015

#### Appendix C2 Sample Proposal

Omega Production Resource LLC Ω PO Box 24751 New Orleans, LA 70184 Phone: 504-940-4594 <u>www.omegaNOLA.com</u> info@omegaNOLA.com



# Proposal

Prepared for: Carla Adams - Canal Place Client Email:CAdams@shopsatcp.com Client Phone#: 504.522.9200 Prepared by: James Moore, Omega Production Resource LLC May 2, 2014 Proposal number: 1164v1

### OMEGA PRODUCTION RESOURCE LLC $\boldsymbol{\Omega}$

Proposal to provide 6 - LED Lights for columns and black stage skirting for canal place stage for Sipping in Seersucker Event on May 30.

- 6 LED Lighting Fixtures, 3 per column
- Black Stage Skirting for a 24'x 36' Stage

### OMEGA PRODUCTION RESOURCE LLC Ω

# Totals

Description	Quantity	Unit Price		Cost	
LED Up-Light	6	\$	35.00	\$	210.00
32" Stage Skirt (Price Per Ft.)	84	\$	2.00	\$	168.00
Labor To Install / Remove	1	\$	360.00	\$	360.00
Delivery	1	\$	100.00	\$	100.00
Discount on Equipment	-1	\$	75.60	\$	(75.60)
Total				\$	762.40

#### TERMS AND CONDITIONS

- 1. Customer will be billed after indicating acceptance of this proposal
- 2. 50% deposit is required upon signing
- 2. Remaining payment will be due prior to delivery of service and goods
- 3. Please email, fax, or mail the signed proposal to your sales person.

Customer Acceptance (sign below):

X \_\_\_\_\_

Print Name:

If you have any questions about this price quote, please contact your sales person Thank You For Your Business!

Any discounts will be removed from invoices over 30 days past due 5% interest per month of total invoice is charged per month on invoices over 45 days past due.

### Appendix C3 Sample Quote

## Omega Production Resource LLC $\boldsymbol{\Omega}$

300 Jefferson Highway, Suite 608 Jefferson, LA, 70121 Phone: 504-940-4594 www.omegaNOLA.com Prepared by: J. Moore QUOTE

DATE:	7/2/14			
QUOTE #	1189			
Customer				
Valid Until	8/1/14			

#### Customer

ATX Event Systems Bruce Gibson

DESCRIPTION	Price Ea	Quantity	TAXED	AMOUNT
		Quarterey		
24" Truss Base	\$150.00	2		\$300.00
Global 7' Truss	\$280.00	2		\$560.00
Light Source - Plasma Universal Mount Set (Check	\$155.00	2		\$310.00
Shipping - TBD (Will be billed with final invoice)				
Global F34 Type 7.05' is Available at \$400/ stick				
			Subtotal	\$1,170.00
TERMS AND CONDITIONS			Taxable	\$0.00
1. Customer will be billed after indicating acceptance of this quote			Tax rate	9.000%
<ol> <li>Payment will be due prior to delivery of service and goods</li> <li>Please fax or mail the signed price quote to the address above Customer Acceptance (sign below):</li> </ol>			Tax due	\$0.00
			Other	\$0.00
			TOTAL Due	\$1,170.00

#### х.

Print Name:

If you have any questions about this price quote, please contact your sales person

#### Thank You For Your Business!

### Appendix C4 Sample Invoice



300 Jefferson Highway Suite 608 Jefferson, LA 70121 1-504-905-1412 info@omegaNOLA.com Www.omegaNOLA.com

# INVOICE SUMMARY

Company <b>LB Laundry</b> Contact <b>Joe Williams</b> Address <i>123 Lane</i> ty, State, Zip <i>New Orleans, LA</i> Phone <b>504-555-5555</b> Email	Fax		Page # Proposal # Event # Date Salesman	1 of 1 123 5671 8/1/13 Moore
Event Date Start Time Venue Name Movie Set Rental	8/16/2013 8:00 AM	Thru End Time Event Name 22 Jur	np Street	9/1/2013 11:59 PM
	DESCRIP	TION		PRICE
Lycian 1267 Spot Light (New)( Lamps for Lyc	Delivery Inc	luded)		6,698.00 275.00

Total Due 6,973.00

## THANK YOU FOR CHOOSING OMEGA PRODUCTION RESOURCE LLC. O.P.R. LLC ACCEPTS CASH, CHECK, VISA, MASTERCARD & AMERICAN EXPRESS

Lydia Anne Burgess was born and raised in Alabama. She received her high school diploma from Calvary Christian Academy in 2002, and promptly moved to New Orleans. She received her degree in Theater Arts and Communications from Loyola University New Orleans in 2006. She spent the following year teaching in the Republic of Korea and returned to the United States in 2008 to help reopen the Mahalia Jackson Theatre for the Performing Arts in New Orleans after it was closed due to damage sustained from Hurricane Katrina. She left and began her pursuit of a Master's in Arts Administration at The University of New Orleans in 2011. In the process of her studies, she was given the opportunity by CrescentCare Health to head a pilot health testing program at the Orleans Parish Municipal Court. With that program's continued success, she has spent the last few years working in the healthcare industry while completing her studies.