

The Clarion-Ledger

Firm comes home for fair

Ridgeland-based company provides rides, games, vendors

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The carnival industry, traditionally as family-themed as its fairgoers, turned into big business for one Mississippi company.

Ridgeland-based North American Midway Entertainment, the world's largest portable carnival company, sends crews, games and rides to 20 U.S. states and four Canadian provinces annually. Workers set up Monday and Tuesday at the Mississippi Fairgrounds for today's opening, one of the company's 115-plus yearly events.

"We don't play favorites, but we always enjoy coming home," Chief Executive Officer Mike Williams said.

The multi-faceted company has more than \$3.5 billion in equity and provides kiddie rides, teenage scream-machine rides, midway games and food vendors. North American Midway Entertainment grew out of Farrow Shows, a 20-employee, family-run carnival company based in Jackson.

Williams worked summers for Farrow Shows while he earned a computer science degree at Mississippi State University.

"My senior year, 1975, the owner, Ernie Farrow, asked me if I'd come run it for him. I married his daughter and in 1982 bought the company," Williams said. "Back in those days, we did business in about seven or eight states, in the South and Midwest."

The move that made North American Midway the industry giant came in 2004. Williams and Fred Rosen of Ticketmaster put together a deal to buy four amusement companies. The Cypress Group, a Manhattan-based venture capital firm, backed them to the tune of nearly \$100 million, Williams said. Since then Williams added two more carnival companies and employs about 3,000 people, many of whom work the nine- or 10-month carnival season.



A worker with North American Midway Entertainment helps construct a ferris wheel at the Mississippi Fairgrounds in Jackson on Tuesday in preparation for the State Fair, which kicks off today. (Joe Ellis/The Clarion-Ledger)

BY THE NUMBERS

Fair midways involve some big numbers. The carnival industry has an estimated annual total impact of more than \$2 billion, according to the Outdoor Amusement Business Association. Ridgeland-based North American Midway Entertainment provided these:

- Portable roller coaster: \$1.6 million
- Mega-Drop ride: \$1.2 million
- Total number of rides: 250
- Trucks and trailers: 250
- Seasonal employees: More than 500
- Total employees: 3,000

Through the carnival industry's 120-plus-year history, two hallmarks remain: road-hardened showmanship and the tradition of family ownership.

"They work hard and travel far," said Bob Johnson, president of the Florida-based Outdoor Amusement Business Association. "Typically carnivals are family owned and passed down. Some are now in their fourth and fifth generations."

Johnson estimates about 350 carnival companies operate in the U.S. and Canada. What sets North American Midway apart, he said, is the scope of its business strategy - family oriented but in a modern, big-business way.

"It was the first ever, the first of its kind. They buy a carnival and issue new stock in the parent company so the owners stay with the companies and they continue to manage and run the operations," he said.

"You want continuity, the same level of quality and expertise in each unit. You want the marketing and the bigger thing is you want the relationships to continue with the fair boards and the fair managers. Equipment depreciates. There's value in it but the real value is in the routes, in the fairs themselves."

Besides the Mississippi State Fair, North American Midway sets up at Calgary Stampede, Indiana State Fair, Miami-Dade County Fair and South Carolina State Fair. It operates at 10 of North America's top 50 fairs, uses a fleet of more than 250 trucks and trailers, operates a traveling school, hauls generators to produce its own electricity, and has storage and refurbishing facilities in Mississippi, Texas, Indiana, Illinois and two in Florida.

"It's been a cash business. There are a lot of guys who operate as top-line kind of guys who look at the large, gross income but at the end of a season don't have anything left in the bag," Johnson said. "But it's big business now. Most large carnivals have a (chief financial officer), they pay their taxes and they're on the up and up."

The large operators could gross around \$15 million or \$20 million a year, he said. Despite North American Midway Entertainment's success, consolidation likely won't become an industry trend, Johnson said.

"A more innovative business strategy would be (for smaller carnivals) to develop relationships with other carnivals, where one could cover another's territory instead of traveling so far," he said. "We could see more regionalization, but it depends on how dire the gas situation gets."

North American employs about 500 foreign workers each season, mainly from Mexico, Canada and South Africa, who work on an H2B visa. North American Midway pays a company to screen, train and transport those employees. Carefully selecting management remains key for promoting the company culture across what was multiple companies, Williams said.

"We focus time and money on training because the result is a good product. We have daily meetings with employees. We recognize particular employees for their customer service and (they are) rewarded with anything from a pin to extra pay," he said.

Asked about profit margins, Williams offered a simple answer.

"Never enough," he said. "Fuel certainly this year has hit us pretty hard."

Fair attendance remains strong this year, despite economic troubles, Williams said.

"What we found this year was that in a lot of places, people wanted to stay closer to home for their vacations and entertainment and the fair offered that solution."

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