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Cirque Du Soleil: Can It Burn Brighter?

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Abstract. With its unique hybrid of music, dance, and acrobatics, the Cirque du Soleil has created a new category of live entertainment. In the process, it has been both an artistic and commercial success. But the Cirque is reaching the limits of its current format, and is searching for ways to renew itself both commercially and creatively. This case study chronicles the rise of the Cirque from a ragtag band of street performers in small-town Quebec to a multi-million dollar, worldwide phenomenon. It allows students to analyze how the interplay between firm resources and capabilities can lead to a unique core competence and a strong competitive advantage. The case then describes the various forms of diversification that are being contemplated, and the difficulties involved in seeing these through. This permits students to consider how core competencies in one domain might, or might not, apply to new lines of business. Throughout, the case maintains the tension between commercial and artistic success that exists within the Cirque, and allows readers to debate how the organization might continue to walk the tightrope between these two imperatives.

Keywords: competitive advantage, resources and capabilities, core competence, diversification, cultural industries.

Indeed, the moment that an artist takes notice of what other people want, and tries to supply the demand, he ceases to be an artist, and becomes a dull or an amusing craftsman, an honest or dishonest tradesman. He has no further claim to be considered as an artist.

Oscar Wilde²

Creative people always need new challenges. We don't want people to leave us because they don't have big enough challenges.

Daniel Lamarre, COO, Cirque du Soleil³

1. Introduction

The relationship between art and profit has always been an uneasy one, but no firm has managed it better than Cirque du Soleil. The "Circus of the Sun," as it is literally translated, has married artistic creativity and commercial success almost seamlessly, all the while following its founder's philosophy that business can be as much fun as creating a show. But after 20 years of stunning success, the organization is now at a crossroads. With five touring shows and four permanent ones, it must find new ways to reinvent itself, both artistically and commercially.

1. This case was prepared for the sole purpose of classroom discussion, and not to illustrate either effective or ineffective handling of an administrative situation.
2. From *The Soul of a Man Under Socialism*.
3. Quoted in the *Montreal Gazette*, April 29, 2003.



1.1. From Rags...

The story of the Cirque begins in the small town of Saint Bruno, Quebec, about 200 km north of Quebec City. There, a fourteen-year-old Guy Laliberté, son of an aluminum company vice president and a nurse, ran away from home, accordion in hand, and started busking the city streets for pocket change. On a shoestring, he made his way to the cobblestone avenues of Paris, where he honed his street skills and dazzled tourists with stilt-walking and fire-breathing antics. He returned to Canada, and in 1984 took a job at a youth hostel in Baie-St-Paul, northeast of Quebec City. It was there that he met Gilles Saint-Croix, who would later become the creative director of the still non-existent Cirque du Soleil. The two men immediately recognized that they shared a passion for live street performance and, along with some others from the hostel, created Le Club de Talons Hauts (The High Heels Club), a traveling band of stilt walkers, fire breathers, and jugglers. The fledgling artists sought financing for equipment, but Laliberté recalls that “the first 50 bankers we saw laughed in our face, and we weren’t even wearing our clown noses.”⁴ As the Club toured small towns and cities in Quebec, they were one day lucky enough to be performing in front of former Provincial Premier René Lévesque, during the 450th anniversary celebrations of Jacques Cartier’s landing in Canada. The Premier fell in love with the show and granted the club C\$1.5 million to tour the rest of the province. The Cirque du Soleil was born.

With real money to manage but no business experience or inclination, Laliberté looked to his childhood friend Daniel Gauthier for help. Gauthier, a computer programmer, was quick to leave the small company he had founded for an opportunity to tour the province with the new-style circus. While the Quebec government continued to support its grassroots circus, Gauthier sought out sponsors and tried to turn the ragtag operation profitable.

But failed runs in Toronto and Niagara Falls almost crippled the Cirque. Then, in 1987, at a time when the Cirque looked like it was about to go broke, Laliberté and Gauthier decided to spend their final pennies in a gamble that would become part of Cirque lore. They were invited to play the Los Angeles Art Festival, but had no means to pay for the cross-continent trip. Laliberté describes the stakes:

We went down there barely paying for the gasoline. The festival had no advance money. So I said, “I’ll take the risk, but give me some publicity and the opening-night slot.” It was a hit. The next day, the scalpers were making money from us. But if we had failed, we had no money to bring our equipment back to Quebec.⁵

1.2. ...To Riches

The gamble paid off, and the Cirque has never looked back. Since its founding, over 37 million people have seen a Cirque show in over 90 cities around the world. Today, over 7 million people per year see one of Cirque’s nine productions. With ticket prices ranging from C\$50 to C\$230, and profit margins of 15-20%, the Cirque has been an unqualified financial success. At the same time, it has garnered critical acclaim, notably prestigious Emmy, Drama Desk, Rose d’Or de Montreux, and National Arts Centre awards.

2. The Concept

People said we reinvented the circus - we didn’t reinvent the circus. We repackaged a way of presenting the circus show, in a much more modern way. But basically we took an art form that was known, that had a lot of dust on it, where people had forgotten it could be something other than what they knew, and we organized for ourselves a new creative platform.⁶

Guy Laliberté, President

The Cirque du Soleil hardly resembles a typical circus. With a distinctly international flair, the Cirque blends opera, dance, theatre, and circus with live music, world-class choreography, and state of the art pyrotechnics. All these elements come together to create a unique context that captivates and surrounds the viewer’s attention. There are no animals in any of its shows. Much of the Cirque’s success is rooted in its ability to create an ‘alternate reality’ that transports the audience to a ‘parallel universe.’ Mario D’Amico, Vice-President of Marketing, explains:

People come to our shows and seem to be profoundly affected by what they see. It brings people back to their childhood, when all seemed possible... [it] hits people at a very emotional, visceral level.⁷

4. Quoted on The News Hour with Jim Lehrer, March 19, 2001.

5. Quoted in “CIRQUE DU SUCCESS: The Montreal circus has reached the top with a mix of ethereal athletics and business savvy,” *Maclean’s*, 07-27-1998. Page 36.

6. Quoted on The News Hour with Jim Lehrer, March 19, 2001.

7. Quoted in the *Financial Post*, February 26, 2001. Page C6.

Although born in Quebec, the Cirque prides itself on its universal, 'citizen of the world' appeal. Performers are recruited from all corners of the globe, plot lines avoid cultural themes, and even the song lyrics are written in a made-up language based on Latin. The result, according to Guy Laliberté:

You could have all kinds of people sitting down, forgetting about where they are from, forgetting about their political differences, forgetting about their difference in color, and just being entertained and enjoying the same thing at the same moment.⁸

3. The Shows

The circus is a change of pace; beauty against our daily ugliness, excitement against our boredom.

John Steinbeck

The Cirque currently runs five touring shows and four permanent shows. "O" and Mystère shows are held ten times per week at the Bellagio and Treasure Island Hotels in Las Vegas. Nouba is the name of the permanent show at the Walt Disney World resort in Florida. A fourth permanent show, Zumanity premiered in Las Vegas in September, 2003.

Saltimbanco, Alegria, Quidam, Dralion, and the new Varekai tour North America, Europe and Asia, spending at least one month in each city. Over 90 cities worldwide have been visited by Cirque shows to date. All Cirque projects were originally planned with a shelf life of ten years in mind. Recently, Alegria celebrated its 3000th performance. Saltimbanco, the oldest show, has been touring for over ten years and should be the first to retire. Yet the demand for the show has been growing at such a pace that the company is reconsidering its ten-year rule.

Interestingly, the plot of Saltimbanco resembles the rags to riches story of Laliberté. The characters in the show are called Worms and are born with nothing. Each Worm is unique, but they all share the same status at the very bottom of their society. As the show continues, the Worms must adapt themselves to their changing environment as they strive to move upwards through society to reach the highest possible rank, that of Baroque, a prophetic family of visionaries. As the Cirque website describes, "Saltimbanco [is] an antidote to the violence and despair typical of the 20th century... this phantasmagorical show proposes a new vision of urbanity, overflowing with optimism and happiness."

Upon returning from their performance at the Academy Awards ceremony in Los Angeles on March 24th, 2002, the Cirque announced the name of its newest creation: Varekai, meaning "wherever" in the Romany language of the Gypsies. The show premiered in Montreal and has embarked on a tour of North America that will take it to 2005. Critical acclaim for the show, inspired by admiration for the will of the artist, suggests that the Cirque had not lost its creative touch:

Just walk under the big top, Alice, into this wonderland where dancers fly in the air in eerie synchronicity, beautiful women fold backwards and tie their limbs in knots, downs utter a language nobody has ever heard but everyone understands, gymnasts dressed like salamanders slide from one side of the stage to another, and plenty of impossible things look easy and natural. The words "fabulous," "eerie" and "Felliniesque" have all been used over and over but have fallen way short of evoking the powerful impact the Cirque has: it leaves you speechless, and inspired.⁹

Its latest show has a decidedly different twist. Zumanity, a show for adults only, promises "a provocative and arousing display of human sensuality". This R-rated cabaret has raised eyebrows, with some wondering what impact it will have on Cirque's image with long-term fans.

4. Human Resources

The Cirque du Soleil faces human resources challenges unlike any other. It counts over 2500 employees representing 40 nationalities and speaking 25 different languages. The average age is 34. While the company headquarters are in Montreal, two-thirds of these employees are outside of Canada at any one time. Keeping this internationally dispersed troupe on track is a high-wire walk for Executive Vice-President Marc Gagnon. In 1997 Gagnon recognized the need to decentralize the HR operations of the Cirque. With different employment policies, insurance regulations, and tax laws from country to country, it made more sense for each country to manage its own employees than to receive directives from Montreal. Now, an American performer is hired and managed under the Las Vegas office, a European under the Amsterdam office, and an Asian under the Singapore office, regardless of where they might be performing at any point in time. Currently, Cirque performers are not unionized.

8. Quoted on The News Hour with Jim Lehrer, March 19, 2001.

9. Quoted in "The Cirque's sweet shock" *Maclean's*; Toronto, May 6, 2002.

Asked if talent shortage was a worry, Laliberté replied that with 6 billion people in the world, the planet is full of “jewels and raw diamonds”.¹⁰ Generally, Cirque talent scouts look for superior athletes at major sporting events, including the Olympics. Promising candidates are flown to Montreal to train for three months, where they are taught how to interact with the audience and add emotion to their sets. Training is conducted in English, Russian, and Chinese.

Performers are pampered. Remuneration is competitive at C\$40,000 to C\$250,000 per annum, housing and dietary needs are tended to in four-star quality (the head chef in the Montreal headquarters was once former Canadian Prime Minister Brian Mulroney’s personal chef), and an accounting department handles each employee’s tax returns. Teachers travel with the troupe to tutor young performers. The result is a retention period of three to six years in an industry where the norm is less than one year. Yearly turnover is approximately 25% on 500 performing artists, much of it due to the natural aging of performers.

This employee-first attitude in HR does not stop at the contortionists or the acrobats; rather, it spreads through the entire company so much so that in 2002 Cirque won the *WORKFORCE Magazine* Optimas Award in the Global Outlook category, which recognizes an HR department that has created a program or strategy to help a company succeed in the world marketplace. Jobs at the Cirque are in such high demand that, according to Gagnon, the company receives 30-60 unsolicited resumes each day. Few openings are advertised outside the company. Internal job mobility, both vertical and horizontal, grants employees access to a wide range of experiences, and permits the firm to fill 90% of its openings internally.

But while the Cirque goes to great lengths to ensure the safety of its performers, its stunning acts are not without risk. For example, in June 2002, during the premier run of *Varakai*, a Russian acrobat flew over the protective sheet he was to land on, vaulted 45 feet into the air, struck the side of the big top, and fell 20 feet to the ground. Fortunately, the performer was not seriously hurt. Commenting on the incident, Training Director Bernard Petiot reiterated Cirque’s commitment to protecting its performers, and noted that “compared to football or hockey, Cirque shows have a much lower injury rate, and the injuries that are suffered have, thankfully, been minor.”¹¹

5. Headquarters

Cirque’s International Headquarters is located on 75,000 square meters of land in the North End of Montreal, near a former waste dump. In fact, the construction of the headquarters was part of an urban revitalization plan for the area. Consistent with the firm’s gestalt, landscaping is highly original. With help from some fifteen young people from the local area, gardeners not only laid over 600 square meters of geotextile membrane and planted 625 shrubs, 32 apple trees, and 200 rosebushes, but also sowed a vegetable garden that yields corn, peppers and pumpkins. The harvest goes to prepare the over 450 meals served daily in the cafeteria, and any surplus is given to staff and local residents. For its decision to set up its headquarters in this controversial area, Cirque was awarded the City of Montreal’s “Orange Prize” in the “Urban Relocation” category.

Housing over 1000 employees, the sprawling complex has 31,000 square meters of building space, including the Studio and the Shops. All shows are created and produced here. The Studio’s main training room has 1,425 square meters of surface area with a trampoline-like grid made of 38 kilometres of braided metal cable stretched 18 meters above the floor from which acrobatic equipment can be hung. A second training room features a pit filled with 25,000 Styrofoam cubes rather than a conventional safety net. The Studio was designed so that offices line the building’s central axis, surrounded by the training studios, in order to foster visual contact between performers and administrative personnel. Ties are rarely worn at headquarters, and can usually be used to identify visitors.

All Cirque du Soleil costumes are custom-made and constructed from scratch at the Shops. Unique in North America, the Shops cover a total area of 4,180 square-meters and employ specialists in fields as varied as shoemaking, textile creation, lace-making, wig-making, pattern-making, costume-making and millinery. In total, Shops alone have over 282 full-time employees, and in 2002 produced more than 15,500 pieces using more than 20 kilometres of fabric, obtained throughout the world. 80% of all fabrics are treated and dyed in-house by the craftspeople of the textile design team.¹² Each Cirque performer has a head and face cast in Montreal, so that headwear can be fitted centrally and shipped to remote performance sites.

Like the Cirque, Montreal prides itself on its multiple languages and cultures, as well as its *joie de vivre*. In December of 2002, it was announced that the City of Montreal had ceded to Cirque 290,000 square feet of land adjacent to its headquarters, as part of a planned expansion. Formerly part of the quarry, the land is to be developed over the next 20 years with funds from the federal and provincial governments and the Cirque itself. The resulting “Cité du Cirque” park will then span a massive 192 hectares of land.

10. Quoted on The News Hour with Jim Lehrer, March 19, 2001.

11. Quoted in *Montreal Gazette*, June 15, 2002. Page A6.

12. Montreal itself is a textile center, with extensive competencies in the manufacturing of fabric and clothing.

6. Finances and Corporate Governance

Cirque du Soleil is a privately held corporation. The vast majority of shares belong to the president, Guy Laliberté, and a considerably smaller amount is distributed amongst the upper management team. In a sense, this liberates the firm from the typical demands of short-term growth made by the financial markets. It gives the firm the freedom to make decisions based on artistic and creative criteria instead of on industry benchmarks and ratios.

Eighty-percent of revenues are from ticket sales, with the remaining 20% coming from merchandising and sponsorships. The firm's cost structure is quite high, due in large part to the labor intensive nature of its business and the tight market for top talent. Each show requires approximately 60-70 artists and 70-80 support staff to travel, and another 150 people are hired locally at each venue. The traveling employees typically stay in four-star hotels. This represents a major change from the Cirque's early days, when it made due on more modest means: "I'm astonished at the change," commented Gilles Ste-Croix as far back as 1994, "every idea we had for *Mystère* seemed to cost more than \$100,000. And I'd say, 'We built an entire show for that much in '84!' But we spend the money because we want to keep the show of the highest quality. It is the point of the arrow of what we do."¹³

From time to time, the idea of going public was raised. "They'd be crazy not to go public. It's one of the most important circuses in the United States," according to Harold Vogel, Entertainment Analyst and Author.¹⁴ With estimated sales of C\$500 million per year, the company could be worth as much as C\$1 billion using a multiple of two times annual sales. Yet, Laliberté claims that keeping the firm a private concern with employee shared profits permits him to take risks as he pleases. As Gauthier explained, "we don't want the pressure of going public. One year, we might decide not to make a profit, in order to develop a new show. Or, if we decided to delay development, we don't want shareholders asking us why we didn't do what we promised."¹⁵ But when questioned on his stance with regard to an IPO, Laliberté seemed reluctant to rule out the possibility:

We've always been able to support ourselves through cash-flow. At this point, we don't see the need [for an IPO] - but you never know. If the Cirque did go public, we'd probably be a hot stock based on the achievement we do business wise.¹⁶

In 2000, Daniel Gauthier, who had been there from the start, shocked Cirque watchers and resigned as co-president of the firm due to undisclosed personal reasons, leaving Laliberté behind as the sole ringleader and majority shareholder.¹⁷ With Laliberté being described as the creative "dreamer" and Gauthier the "numbers man", Laliberté will have the additional challenge of keeping the company financially successful in the absence of his friend and partner. Laliberté, now a 42 year-old father of three, is still full of fire, and there has been no talk of succession to date.

7. Beyond the Bigtop

The Cirque du Soleil has not forgotten its roots as a band of street kids turned world-class performers. The Cirque currently manages eight different programs aimed at mobilizing people and resources to improve the situation of youths around the world, from Sao Paulo to Montreal. The Cirque du Monde ("Circus of the World") program, where kids are brought together to learn the circus arts in order to forge new healthy relationships with other kids and society has, for example, been implemented in 34 communities across the globe. In addition to its own initiatives, 1% of Cirque revenues from ticket sales are donated to outreach programs designed to aid the development of disadvantaged children.

8. Competition

Fans of the Cirque might just as likely attend a live musical or the opera. Yet, to date, Cirque has faced little direct competition in their unique brand of entertainment. This, however, appears to be changing, as new upstarts and experienced rivals try to emulate the Cirque experience.

In the 1990s, two smaller but remarkably similar competitors surfaced from circus schools on the Cirque du Soleil's home turf. One, known as Cirque Éloize, was founded by a group of seven young graduates from Montreal's National Circus School and has enjoyed a rapid ascent to international stature and recognition. Éloize has performed its two

13. Quoted in Voila! *Time*, Oct 3, 1994.

14. Quoted in "Make 'em laugh," *Canadian Business*; Toronto; Aug 7, 2000. Page 50.

15. Quoted in "CIRQUE DU SUCCESS: The Montreal circus has reached the top with a mix of ethereal athletics and business savvy," *Maclean's*, 07-27-1998. Page 36.

16. Quoted in "Make 'em laugh," *Canadian Business*; Toronto; Aug 7, 2000. Page 57.

17. Gilles Saint-Croix had left earlier, to pursue his dream of staging a production with horses. Cheval Theatre, as the troupe featuring over 30 horses was called, performed in eight U.S. cities before folding in early 2003.

shows over 1000 times in more than 200 cities in 20 countries. Much like the Cirque du Soleil, Éloize delivers an animal free show blending theatre, dance and live music. Ticket prices for the Montreal premiere of its show “Nomade” ranged from C\$29.50 to C\$39.50, with a 50% discount for children. In comparison, a recent staging of Dralion in Montreal cost adults anywhere from C\$60 to C\$80, and children C\$42 to C\$56.

The Cirque Éos, spawned out of Quebec’s first circus school, the École de Cirque du Québec, launched its first North American tour in August of 2002. Its founder, Michel Rousseau, had decided to take his best pupils out on the road instead of shipping them off to the Cirque du Soleil. With the exception of cheaper tickets (as low as C\$17) and younger performers (the average age is 23), the Cirque Éos has admittedly taken on the Cirque du Soleil model.

Unlike the Cirque du Soleil, both the Cirque Éloize and the Cirque Éos can be contracted for one-time events such as conventions, corporate functions, private galas, and charity events.

In addition to these locally-based competitors, Cirque copycats have sprung up as far away as France (“Archaos”) and Argentina (“De La Guarda”).

However, perhaps the biggest challenge comes from the larger Feld Entertainment, the American firm that runs the century-old Ringling Bros. and Barnum & Bailey Circus. Their production, called Barnum’s Kaleidoscape, did away with the traditional circus lineup of goofy clowns, elephants and candied apples, and replaced it with a modern mix of acrobatic performers, live music, and of course, higher admission fees. A gushing review suggest that this product pushes some of the same buttons as the Cirque du Soleil:

From the preshow reception to the final bows, Barnum's Kaleidoscape raises goosebumps of joy and gently evokes joyous memories of everyone's youth. Hats off to Kenneth Feld and his creative team for giving us this stunning masterpiece of sight and sound! Our family can hardly wait to see it again.¹⁸

As these new competitors enter Cirque’s niche, not only is there more competition at the box office, but it also becomes more difficult and more expensive to find and retain top performers. Presently, Cirque requires about 100-125 new performers every year just to keep up with turnover and retirement, and this does not include new shows. Varekai, for example, required 75 new hires. With added competition, a sort of “free agency” akin to professional sports may develop for top talent, sending salaries skyrocketing.

9. Diversification: Artistic and Commercial

A critical question facing the Cirque du Soleil is where future growth – both artistic and commercial – will come from, as its core market becomes more crowded. Even ignoring the new competition, it is not clear how much longer the Cirque can keep filling 1000 seat theatres at such high admission prices with variations on what is essentially the same product. With five touring shows, four permanent shows, and more shows planned, eventually a saturation point will be reached. Although the Cirque had long been involved in merchandising, TV specials, and video and CD sales, perhaps it was time to re-evaluate the very boundaries within which their circus was operating.

9.1. The Battersea Project

We'll never abandon our roots in live entertainment, but it's time to find a way to reinvent ourselves and see where else we can stamp our brand of creativity, whether it's a hotel, a museum, a restaurant or an art gallery.¹⁹

Mario D'Amico - VP Marketing

In December of 2000 the Cirque made public its plans to establish mega entertainment complexes around the globe. These complexes would consist of a combination of hotels, restaurants, retail stores, museums, spas, and the like, all sharing the common theme of the alternate “Cirque” reality. With a Cirque show at the center of the complex, Cirque du Soleil would reinvent these other venues as it had the traditional circus. The idea would be to create an environment that would enhance and extend the Cirque experience. This would give the Cirque a “bigger stage” upon which to play, and blur the lines between performer and guest. Guy Laliberté explained the idea:

Right now you go to a Cirque du Soleil show, you are inspired about the experience, then you walk away from the big top and you are back to reality. Our dream is to have someone walk from the show and go to a Cirque du Soleil hotel, or a Cirque nightclub or a Cirque restaurant or to an Art Gallery designed by Cirque du Soleil. If you think of ‘O’ for instance, we have developed a very specific trademark of a water show.²⁰ The brand of ‘O’ and all the equipment we have there is

18. <http://www.barnumskaleidoscape.com/people.asp?t=69>.

19. Quoted in “It’s Showtime for Cirque du Soleil,” *Financial Post*, February 26, 2001, Page C1.

owned by us. We have the intellectual property. Can we take this water show and tailor that to a spa? That's the creative thinking behind this project.²¹

The first of these centers was to be built in the Battersea Building in London, England, a retired power plant site. This, the largest brick building in all of Europe, was to house a permanent Cirque troupe, a 2000 seat theatre, two hotels, retail space, residential as well as office units, and an entertainment complex. The building, worth about C\$1 billion, is owned by Parkview International, a real estate and construction company controlled by the Hwang family of Taiwan. The project was conceived as a joint venture, with Parkview supplying the capital and construction expertise, and Cirque the creative content.

Cirque created a new business unit to manage this and similar complexes that it planned. Daniel Lamarre, former CEO of Quebec media group TVA Inc., was brought in to head this "new ventures unit." The business unit's primary mandate was to realize Laliberté's dream of establishing Cirque resorts in entertainment capitals such as Hong Kong, New York, Tokyo, Singapore, and Sydney. The idea seemed simple: find partners to put up the money and expertise, and Cirque would do the rest.

However, the Cirque's first major foray outside of the bigtop quickly derailed. The Parkview joint venture collapsed, reportedly over creative control, on which the Cirque wanted exclusivity. Cirque is said to be looking for an alternate London site for its mega-complex. Yet the question arises, will Cirque ever be able to find a partner willing to put up the cash and leave the artistic side entirely to Laliberté and his team? Or would the Cirque have to make creative compromises in order to grow in this direction? And even if it did find a willing partner, how well would its competencies in live theater translate to hotels, restaurants, spas, and the like?

9.2. The Montreal Mega Complex: a Compromise?

With the Battersea project off the table, Cirque found a less risky compromise. In December 2001, Laliberté announced plans to open a mega-complex in the heart of downtown Montreal, the company's hometown. While a full blown complex elsewhere would cost between C\$500 million and C\$2 billion, the Montreal complex – which was to include a 1200 seat theatre, a 300 room hotel, a spa, and restaurants – would cost an estimated C\$100 million. This scaled-down complex would serve as a sort of laboratory test for future projects around the world. In much the same way that the headquarters in Montreal trains all performers that join the troupe, the Montreal complex would serve as an international training center for future complexes. Explained Daniel Lamarre, head of New Ventures:

For Montreal, the hotel and spa will be the main money makers. Ticket sales will be our bonus, but it's certainly a statement for our brand. The reason so many people in Montreal are interested in having our prototype here is we think we can create in Montreal what is lacking – a destination. Because of Cirque's brand recognition abroad, having this Cirque prototype here in Montreal will be very intriguing to people and it will become our window, our showroom, for people who want to have a full fledged complex in other cities.²²

Because of its close proximity to the United States, Montreal was also considered a safe destination for vacationing Americans. Laliberté made a presentation to the Montreal Chamber of Commerce, requesting their assistance in helping him make Montreal a "cultural destination of international stature." Laliberté arranged for C\$20 million in financing from the provincial government, and entered into a lease with a local university for use of some vacant land in the city center.

In December 2002, however, the Montreal plan was abruptly cancelled. The only explanation given was that current economic conditions did not warrant the investment. Nevertheless, Cirque maintains that it plans to establish a permanent presence in major entertainment markets of the world. With its two initial multi-purpose complexes stillborn, however, the question remains whether there is room for mega-entertainment complexes in the post-9/11 tourism market.

9.3. From the Big Top to the Small Screen?

With Cirque watchers wondering what comes next, the company announced its latest plans for diversification: 13 one-hour television episodes of wordless entertainment. The series, called *Solstrom*, to feature 270 artists from around the

20. With "O" Cirque du Soleil has created an entirely original form of live entertainment. A permanent show at the Bellagio resort in Las Vegas, "O" (which is the phonetic spelling of the word for water, or "eau," in French) is a production that makes water the centrepiece of the performance.

21. Quoted in "First Cirque Complex Planned for Montreal," *Amusement Business*, Dec 17, 2001. Page 9.

22. Quoted in "First Cirque Complex Planned for Montreal," *Amusement Business*, Dec 17, 2001. Page 9.

world, was to be filmed in Montreal in the second half of 2003. Part variety show, part comedy, part drama, the show is to air in Canada, the United States, Germany, France, Britain, and Japan. “The reason the Cirque is so international is that we have no language – we’re universal,” explained Lamarre to a business audience. Although costs were “in the millions of dollars,” projected revenues were not disclosed. The ultimate goal was to turn the venture into a continuing series. “Watching TV these days is a little depressing,” continued Lamarre, “people are looking for artistic entertainment that inspires them and makes them think about something other than war and sickness.”²³

Yet, as with the mega-complexes, questions remained about how well the Cirque magic would translate to the small screen. Had the Cirque experience reached its saturation point? Would it be able to move out from under the big top and onto new stages, and still be the same Cirque du Soleil? Could the Circus of the Sun burn any brighter, or if by trying to spread, in fact burn out?

23. Quoted in “Cirque Breaks New Ground,” *Montreal Gazette*, April 29, 2003.