Mission

To

**Invoke** the imagination

**Provoke** the senses and

**Evoke** the emotions of people around the world

Vision

In the pursuit of its dreams and in its business practices, *Cirque du Soleil* strives to position itself in the community as a responsible proponent of change.

Their long-term goal is to be the most inspiring creative company in the world.

**Savoie’s Major Objectives:**

1. Develop a strategic IT Vision that would be accepted by Cirque’s top management
2. Deploy a highly professional IT group that would have the required resources
3. Improve the credibility of the IT group among the leaders of the firm

IT Environment during 2000

* Servers: mostly clones; majority running on Windows NT 4.0 while some run with Novell Netware
* Network: uses various standards; shared or wireless in certain sites
* Desktops: comes from at least 10 different suppliers
* Operating Systems: inconsistent; various versions of Windows
* MS Office Suite: different versions
* Applications: more than 800, many supporting the same function (usage based on personal preference)
  + Critical Application: performer’s medical record tracker
  + Performers as critical resource
* Data Sharing: no actual sharing; applications were standalone; working as independent business rather than parts

Difficulties

* The demands made on maintenance support were very high.
* Users had to change their work methods and adapt to each workstation or workplace where they happened to be, impacting their effectiveness significantly.
* It was extremely difficult to deploy applications that worked on all workstations and in all regional contexts.
* The infrastructure was unstable.
* It took a considerable amount of time to solve any technical problems that arose.

Current Situation of IT Group

* Small size -> essentially a support group
* No development team
* No structured governance (no standards or procedures)
* Decentralized IT management -> no coordination between each unit
* Deficit in IT credibility
  + Poor ability to deliver the desired IT solutions with the required degree of depth, reliability and operational uptime availability
  + Insufficient leverage of user investment in terms of efforts and funds caused by lack of project management, weak integration of IT solutions and incoherent technology
  + A lack of vision with respect to IT direction in the organization, the delivery of business solutions, infrastructure acquisition and investments and technology transfer
* Nutshell: **Cirque’s IT could not support its growth.**

**Analysis from the**

Prior to Savoie’s arrival at Cirque du Soleil, a **feudal** IT governance was in place, where business unit leaders or their delegates have the decision rights and authority is localized. This style is found in enterprises with relatively autonomous business units and can be useful in delivering local responsiveness. The company’s travelling shows are often considered as the formerly-mentioned autonomous business units.

Once Savoie was hired by the company as CIO, the IT governance shifted to being a **business monarchy.** In a business monarchy, the executive leadership has decision rights. These are often exercised through an executive committee or IT Council comprising a combination of business and IT executives. The said business executives are included in the Executive Committee, and the IT executive being Savoie herself.

***Decentralized***, in which IT resources report to local or regional business management. or a global business unit and have "dotted-line" reporting to a global CIO.

In the decentralized model, the global CIO has no direct responsibility over the sometimes numerous local CIOs and their organizations. Here, the only smart way to lead is through a facilitated leadership style, with the CIO creating forums where group CIOs can come together to share best practices, debate issues and agree on common approaches.

*Centralized*, in which the global CIO has direct authority over all IT resources, and

The different levels of CIO authority and resources require different leadership styles. In the centralized model, the global CIO retains ultimate accountability over strategy and budgets, project portfolio, staff, major suppliers and senior executive reporting.

-> ganito niya gagawin( for governance:

IT governance must be thoughtfully and actively designed.

2) A sharp focus on a limited number of goals, behaviors and metrics is necessary. Good governance requires choices. You can’t optimize on multiple options.

4)Without transparency, there is not trust. Transparency must be built in to IT governance so that is confidence in the processes. This includes clear exception handling processes, with transparent and rapid escalation processes. Exceptions are how enterprises learn.

5) Acknowledge that changing governance can take months. Make changes only

**Stages of Growth**

1. Initiation
   * Acquisition of SAP to support the ff processes: human resources, logistics, and finance (p.5)
2. Expansion/Contagion
   * Current stage of Cirque du Soleil’s IT
   * Savoie was hired as CIO because of IT need
   * Decentralized IT
     + Each touring show had its own unique IT infrastructure
     + Over 800 software applications and packages installed. They were most varied and unconventional
     + Collaboration across different business units was difficult (p.6)
3. Control
   * Savoie’s IT strategic plan entails this stage
4. Integration
5. Data administration
6. Maturity

**Business Model Canvas**

1. Customer Segments - people from which you create value
   1. The redefined circus performance is intended for the whole audience of Cirque Du Soleil. The industry is aimed at the general audience ranging from children to adults. **(p2)**
2. Value Proposition - bundles and products and services that creates value for your customers; something that solves a customers problems and satisfy the customer’s needs
   1. **Distinct and unusual style of circus (p. 3)**: Cirque du Soleil reinvented the traditional circus by integrating the interesting and exciting side of the traditional circus with the sophisticated more dramatic elements of theatre. No animals were used which made the circus set apart as a special class of circus.
   2. **Theatrical and coherent performance (p. 3)**: A Cirque du Soleil show is not a series of unrelated acts but a theatrical performance featuring talents as actors. With the reduction of rings from three rings to one ring, the circus would captivate the audience’s attention.
3. Channels - how you can deliver your value to your customers ( through communication, distribution and sales channels)
   1. **Touring Shows (p. 3)**: Cirque du Soleil is known as a little village that travels from city to city. As said, they deliver their value to their customers by having tours in different cities around the world. They also have permanent shows in selected areas.
   2. **Permanent Shows (p. 2)**: They have three (3) permanent shows in Las Vegas and Walt Disney World Resort.
   3. Regional offices (p. 2) These are responsible for managing and supporting the events/performances that happen within their respective areas
4. Customer Relationship - outline the relationship you want to establish and maintain with your customers or each customer segment
   1. Create a lasting effect on their customers/audience through invoke, provoke, and evoke - their creative mission. **(p. 3)**
   2. Achieving their creative mission through combining the sophistication of theatre and the awe-striking effect of the circus.
5. Revenue Streams - make clear how and from which and what pricing scheme from which your business model is capturing value. ( result from value propositions successful offered to the customers )
   1. Their source of revenue comes from the ticket sales of their permanent shows that they have in selected places, from the tours they do in cities around the world, and other merchandise that they sell before, during and after their shows.Some of these merchandise are unique garments and accessories inspired by cirque du soleil. each piece of merchandise is unique given that it was created under the company’s theme of human expression, costumes and troup with each having a part of garment coming from the costume of the performers of cirque themselves.( althought it was not stated during the time of the case, presently merchandise by the company is now available which can be seen in their website <http://www.cirquedusoleil.com/en/home/other-activities/desigual.aspx> ) **(p3)**
6. Key Resources - build and create, deliver and capture value which assets are indispensable
   1. **Performers (p. 4-5)**: Quality of shows relies heavily on the availability of excellent artists, acrobats, jugglers, athletes, singers, etc.
   2. **Key Players in Show Production (p. 5)**: The key players are Creation, Cirque Image, Finance, Merchandising, Resources, Marketing, Legal, Production, SAP and Planning and Public Affairs. (p. 5)
   3. **Casting Directors and Talent Scouts (p. 4)**: Casting’s talent scouts are always on the move, travelling to the ends of the earth, recruiting artists for new shows in the future. Together with the Casting Director, they handle recruitment and maintaining pool of artists.
7. Key Activities - which are the things you need to perform well
   1. **Casting (p. 4)**: The recruitment, training, and managing the talents of the shows in order to maintain the quality of shows. Scouts go around the world to find and recruit key talent in different places for their shows.
   2. **Pre-Production Staffing (article)**: Every aspect of the creative process is considered from selecting key staff to pre-production, the creation of the ‘acrobatic skeleton’, facilitated group discussions among the members of the creation team, casting, rehearsals and finally until premiere.
   3. **Precise and methodical arrangement of materials (p. 3-4)**: During the assembly of the infrastructure for the shows, the logistics, while complicated supremely efficient that is supported by technical documentation.
8. Key Partnerships - activities that are outsourced and resources acquired outside the enterprise
   1. In order to identify new talent, develop acts and identify new areas of technology and knowledge, external sources are needed.
   2. Cirque du Soleil established strategic alliances with educational institutions, including polytechnics and circus schools to feed its inspiration and stock its cupboard of ideas.
   3. Partnerships with hotels and other establishments like Treasure Island, Bellagio and Walt Disney World Resort. **(p2)**
   4. They can also partner with ticketing offices.
9. Cost Structure - the business model elements result in the cost structure
   1. **Using only one ring (p.3)** instead of three that is used in typical circus productions.
   2. The decision to **not use animals(p.3)** for performances.

They have **three regional offices(p.2)** around the world. These regional offices supervises that shows that happen within their area of responsibility. They have offices in Las Vegas, Orlando, Amsterdam and Singapore.

**Value Chain**

Support Activities

* Firm Infrastructure
  + Events and planning management - each regional office provided an overview of each show namely operations, finance, human resources, marketing and IT. This provided efficient movement of resources from production until presentation to the audience. Each office had responsibility over the area that they were assigned in. (p.2)
* Human resource management
  + the need for high quality human resource is because their business relies heavily on it. The quality of the performances/ presentations would be determined by the skills of the performers they hire.
  + Management control, marker, measurements and making of casts.
* Technology development
  + diverse technology Involved all about IT here
  + each touring show had its own unique IT Infrastructure
* Procedure
  + standardizing its practices in terms
  + documented
  + excel

Primary Activities

* Inbound Logistics - Receiving , storing, disseminating inputs to the product
  + The company invests heavily in recruitment since they acquire/recruit performers from different parts of the world specializing in their own fields. according to the case, they search for sopranos who radiated childlike energy, artists with gesture that guaranteed laughs.
  + performers, casting
  + creating the concepts of each show happen during the discussion of the members of the creation team wherein after thinking of concepts, music, design etc they work individually to create the different parts of the show (From website link given)
* Operations - transforming inputs to the final product form
  + training of performers which are sent to montreal
  + the transfer of logistics and other equipment
* Outbound Logistics -collecting storing distributing product to buyers
  + trained performers
  + having regional offices and having tours all around the world
  + a little village travelling from city to city
* Marketing and Sales - providing means by which buyers can purchase the product
  + localized global marketing teams
  + Strategic regional offices to manage shows on certain regions
    - Las Vegas -> Las Vegas and Orlando
    - Montreal -> America
    - Amsterdam -> Europe
    - Singapore -> Asia-Pacific
* Services - providing service to enhance or maintain value of the product
  + merchandise -



**Critical Success Factors**

|  |  |  |  |
| --- | --- | --- | --- |
| **Objectives**  What objectives are central to the organization? | **Critical Success Factors**  What critical factors that are essential to meeting the objectives? | **Decisions and Actions**  What decisions or actions that are key to these critical factors? | **Variables**  What variables underlie these decisions, and how are they measured? |
| Reinventing the circus and differentiating themselves from traditional circuses. | Offering theatrical performances instead of traditional circus acts. | Finding and nurturing key talents. | Characteristics of the talents that are being searched |
| Maintaining low cost structure | Low support costs | Animals are no longer used. |  |

**SWOT**

|  |  |
| --- | --- |
| **Strengths**   * Lower cost structure * Ability to find and nurture talent in different fields of production * Large information base of different talents from around the globe. * Gifted producers in relation to their creative department * Reinvent circus to differentiate themselves * Recruitment of world class acts | **Opportunities**   * Expansion of their creative base through different partnerships with educational institutions. * Innovation by showing different show formats compared to traditional circus shows * Integrating new and old technology with their procedures and other processes * Collaboration with renowned creators for various projects |
| **Weaknesses**   * Maintenance support required for IT is very high * Little coordination between different shows in the organization * Unstable infrastructure * Manual documentation (folders, Excel) | **Threats**   * IT may not scale well as the company expands leading to information mismanagement * Indirect competition in the form of traditional circus performances and other theatrical productions |

**TOWS**

|  |  |  |
| --- | --- | --- |
|  | **Threats** | **Opportunities** |
| **Weaknesses** | * Maintenance support required for IT will increase as the company expands * With manual documentation already having the risk of loss, the threat of information mismanagement will lead to a greater loss of information | * Through integration, it is possible to lower costs from IT maintenance. |
| **Strengths** | * Continually, recruiting unique talents from around the globe in order to create more innovative productions. | * Through partnerships with educational institutions, it is possible to further expand and produce more creative shows. |

**Critical Business Process**

1. Show Creation & Production
   1. Each new production is assigned a Director, a Product Manager and a Director of Creation. They will conceptualize an idea based from guidelines from Guy Laliberte. Once the basic idea is formed, other creators such as a set designer, a costume designer, a composer, a choreographer and other specialists. (p3)
   2. The acrobatic skeleton is developed and acts that will make up the show is formulated. The concept is formed based on existing knowledge and discussion among the members of the creation team. The concept is discussed from pre-production until the premiere and beyond. (<http://www.cirquedusoleil.com/en/press/news/2011/creation-process.aspx>)
2. Casting and Training
   1. Scouting
      1. Talent Scouts
   2. Training
      1. Make-up lessons
      2. Costume Workshop
      3. creation of Casts
3. Logistics
   1. A tour is a little village travelling from city to city
   2. Electricity, phones, water, offices, Internet, and a computer network; practically self-sufficient, with its own kitchen, workshop, box office, and heating and air conditioning system
   3. Moves every six to seven weeks, which means that it has to be constantly torn down and set up again
   4. Big top that seats 2,500; 55 trailer-loads of equipment; everything has to be in working order within 30 hours; technical documentation
   5. Everything has to be precise and methodical. Everything needs to be documented.
4. Business Support Units
   1. Human Resources
   2. Finance
   3. IT

