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# Cirque du Success

Behind the scenes at today's hottest live entertainment act

By Alex Markels

**E**very year, when the Canadian Grand Prix speeds through Montreal, the hottest ticket in town isn't to the auto race. It's to Guy Laliberté's annual bash to celebrate it.

A devoted Formula One fan, the billionaire founder and owner of Cirque du Soleil invites a select list of guests to a lavish two-day fete featuring the circus juggernaut's most beguiling performers. Complete with acrobats swinging from the trees, opera singers who appear to walk on water, and luminous faux moons so big they eclipse the real one overhead, the Fellini-esque festivities don't just flaunt Cirque's wild success. They help to ensure it.

Take the time Laliberté invited fellow auto racing fan George Harrison to the party. So inspired by the creative free-for-all unfolding in his host's backyard, the former Beatle soon returned the favor and invited Cirque's impresario to his own gardens at Friar Park, England.

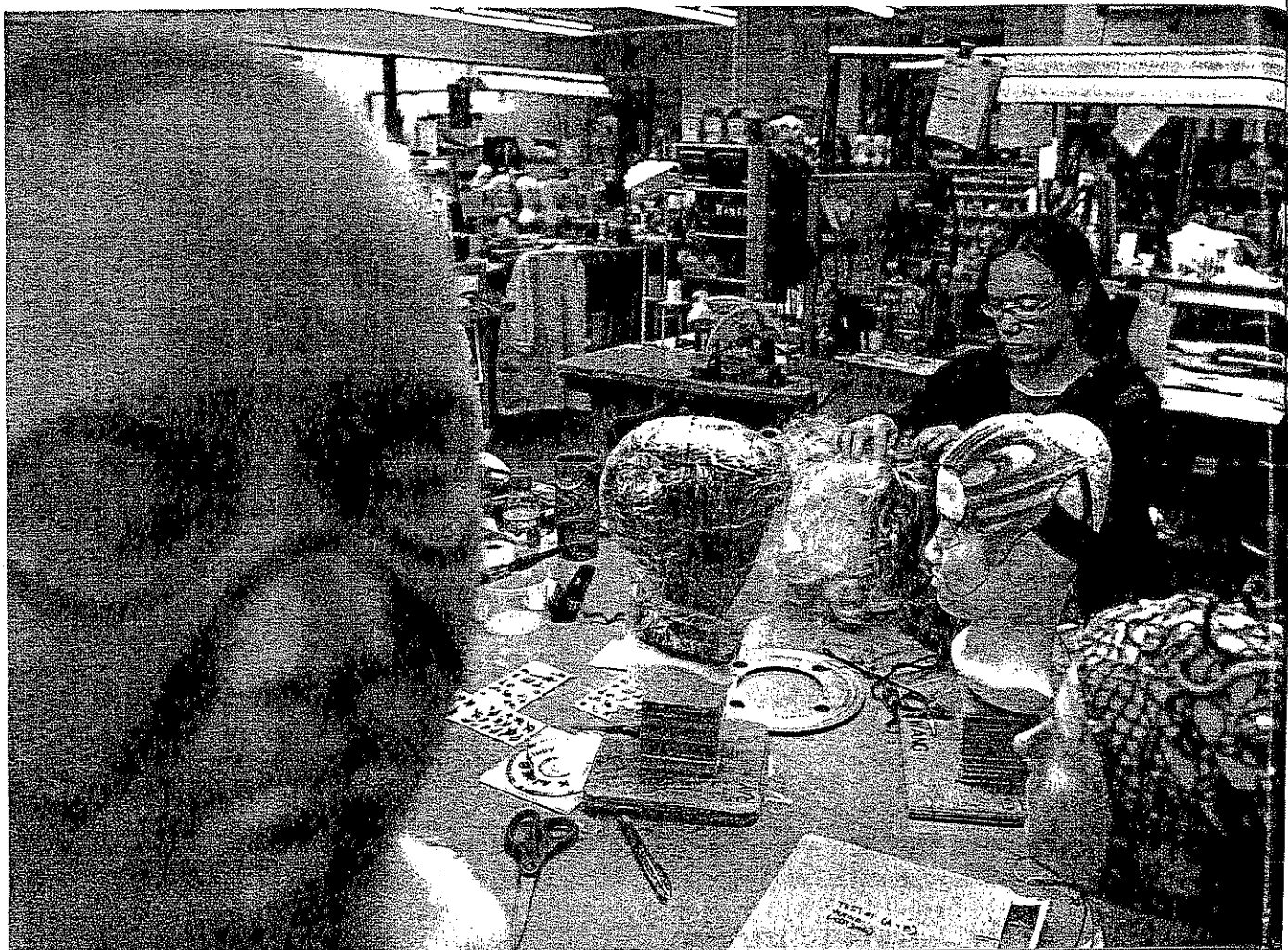
"Do you think there's anything you could do with the Beatles' music?" Laliberté recalls Harrison asking him.

It was music to Laliberté's ears. Soon, the Beatles' producer, George Martin, and his son, Giles, were signed up to fashion a psychedelic mash-up culled from the Beatles' original recordings—laying, for example, the opening chord from "A Hard Day's Night" over Ringo's *Abbey Road* drum solos, screams from fans at the group's landmark

Above, learning how to apply makeup at Cirque headquarters; left, a scene from *Love*



FROM TOP: PETER SIBBALD FOR US&W; TOMAS MUSCIONICO  
(COSTUMES BY PHILIPPE GUILLOTTE)



Shea Stadium gig, and the opening guitar chords from "Get Back." Cirque's designers then put flesh and blood on the songs' characters, such as Lady Madonna, whom director Dominic Champagne conjured up as a pregnant black woman dancing South African style with her rock-and-roll lover, the Sugar Plum Fairy, in yellow gumboots.

All you need is *Love*. Six years and \$125 million later, the resplendent result is *Love*, an audiovisual kaleidoscope that has both reaffirmed the Beatles' vaunted place in musical history and cemented Cirque's status as today's hottest live entertainment company.

Since opening in June in a custom-built, 2,000-seat theater at Las Vegas's Mirage Hotel, the 90-minute show has all but sold out every one of its twice-nightly performances, pulling in about \$2.3 million a week on a run expected to last at least a decade—yielding a total take well north of \$1 billion.

Although performing-arts audiences have long

been declining, *Love*—combined with Cirque's four other permanent shows in Vegas, another in Orlando, and seven more now touring the globe—will push Cirque's ticket sales to nearly 8 million this year. That's about the same as Broadway's 20 biggest shows combined, and a 60 percent increase over Cirque's ticket sales five years ago.

The privately held Cirque says it has annual revenues of \$650 million, but it declines to reveal its annual profits. It's enough—even after pouring 70 percent back into new productions, sharing an additional 10 with employees, and reserving 1 percent more for charity—to keep the 46-year-old Laliberté firmly ensconced on *Forbes* magazine's annual list of the world's richest people, with a net worth of \$1.4 billion.

**Cirque's Montreal workshops turn out much of the 10 miles of fabric its shows use yearly.**

His wallet should only fatten after yet another traveling show premieres next April, then two more permanent gigs in 2008 in Tokyo and Macao, and a partnership with Elvis Presley's heirs to create shows in homage to the King.

Laliberté's life as a new-age P. T. Barnum is a long way, indeed, from his far more bohemian roots in Quebec's late-1970s counterculture. Then a long-haired, accordion-playing troubadour and fire-breather-in-training, he had just returned from a trip busking around Europe. He soon crossed paths with fellow street performer Gilles St. Croix, a lanky stilt-walker who'd become obsessed with

combining circus skills and theater after performing in an oddball revue that

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otic garb cut from more than 10 miles of fabric used each year, much of it dyed and printed on the premises. (The reason: With most Cirque productions running 10 years or longer, material purchased from outsiders is often discontinued before the show closes.)

The huge investment—\$100 million and up per permanent show and up to half that for touring versions—means there is scant room for a flop. “We are condemned to success,” St. Croix jokes as he and colleagues plan Cirque’s next production.

Second acts. Indeed, unlike Broadway producers, who simply replicate their best productions and send them on the road, Cirque must reinvent itself each time it launches a new project. “We can’t afford to have someone say, ‘Cirque du



A Cirque textile artist paints muscles on an acrobatic performer's bodysuit.

Soleil? Oh yes, I’ve seen that,” St. Croix says. “Otherwise, they won’t come back.”

It’s just that sort of shoot-for-the-moon ideal that propelled Laliberté to woo George Harrison. Until then, the former Beatle and his bandmates

had tightly guarded their musical legacy, even suing to stop the hit show *Beatlemania*.

So instead of approaching Apple Corps, the Beatles’ company, directly, Cirque’s shrewd owner merely planted the seed when he crossed paths with Harrison. Kismet prevailed in 2000, when Harrison showed up at Laliberté’s annual party, picked up a guitar, and didn’t leave until the next day.

“I do believe it’s time now,” Laliberté recalls Harrison later telling him as they daydreamed the possibilities in Harrison’s garden.

Sadly, the former Beatle, who died of cancer in 2001, didn’t live to see the night this June when *Love* finally came to life. But thanks to Cirque, his dream surely did. ♦



A compilation of research produced by America’s Best Business Schools

By Justin Ewers

## That Unbreakable Glass Ceiling

There are only 10 female CEOs in the *Fortune* 500. Less than 1 in 5 of those companies’ corporate officers is a woman. When are these numbers going to budge? Not soon, according to *The Pipeline to the Top: Women and Men in the Top Executive Ranks of U.S. Corporations*, in the current issue of *Academy of Management Perspectives*. Taking an unprecedented look into the pipeline to the executive suite, researchers from the Tuck School of Business at Dartmouth and Loyola University Chicago found fewer women than they expected. As of 2000, nearly half of the 1,000 biggest U.S. companies had no top female execs. And if current trends continue, in 2016, only around 6 percent of CEOs will be women. In some fields—law, accounting, and information technology—women are well represented. But at the top, says coauthor Constance Helfat, a strategy professor at Tuck, “parity isn’t going to happen for a long time.”

## Not So Neutral on the Net

They don’t agree on much, but Google and Microsoft—and a host of other big-name tech companies—do see eye to eye on one issue: They all support “net neutrality” legislation that would prevent Internet providers from creating different tiers of Web access for small businesses and deep-pocketed corporations. In *The Economics of Product-Line Restrictions With an Application to the Network Neutrality Debate*, two economists at the University of

California-Berkeley’s Haas School of Business argue, though, that the tech giants and their congressional supporters have overlooked an important fact: Legislating a single tier of service is likely to hurt the very customers it is supposed to protect. By stifling competition, the authors conclude, “net neutrality” will keep prices high and quality low, satisfying neither lower-end nor higher-income customers. “If you poll 10 economists,” says coauthor Benjamin Hermalin, “9 out of 10 would say net neutrality’s a bad idea.”

## Location, Location, Location

Companies pay top dollar to place advertisements in “premium” spots in the middle of magazine articles and TV shows. But that system may be inherently flawed, according to *Media Transportation and Advertising*, appearing in the September issue of the *Journal of Consumer Research*. In three studies asking undergrads to read short stories interspersed with ads, researchers from Northwestern’s Kellogg School of Management and the University of Iowa’s Henry B. Tippie College of Business found that the more the students were absorbed in the narrative flow of a story, the more likely they were to resent the ads that disrupted it—especially when the ads were relevant to the reader. In a twist, though, when those same ads were placed at the end of the stories, students projected positive feelings about the article they’d just read onto the products being advertised.

teamed huge papier-mâché animals with stilt-walkers and musicians.

Another friend, Guy Caron, had found similar inspiration in Europe's *cirque nouveau* movement of the 1970s, which also scorned live animal acts in favor of acrobats, clowns, and jugglers woven together with choreography and theatrical themes. Caron, who soon founded Montreal's National Circus School, would become a key source of talent and ideas when Laliberté launched Cirque's first major production in 1984.

The decision to do without animal acts wasn't merely a creative departure; it was a practical one. Expensive and controversial, they require the care and feeding of both the animals and their star handlers. Substituting theatrical themes for such traditional three-ring fodder, Cirque lowered its overhead while creating "a whole new circus concept," notes Renée Mauborgne, a management professor, in her book *Blue Ocean Strategy*.

That's not to say Cirque shunned the genre's classic allures: the clowns, acrobats, and big-top tent. Indeed, Cirque's trademark blue and yellow "Grand Chapiteau" has become a branding symbol. The clowns and acrobats remain, too, "but their roles were reduced and made more elegant by the addition of artistic flair and intellectual wonder," writes Mauborgne. By doing that, "it appealed to a whole new group of customers: adults and corporate clients pre-

pared to pay a price several times as great as traditional circuses."

In fact, Cirque's big break came in a place full of such patrons: Las Vegas, where in 1993 gambling mogul Steve Wynn bankrolled Cirque's first permanent production, an exotic exploration of the origins of life called *Mystère*, at his Treasure Island casino. Audiences showed up in droves, and Wynn, who had hesitated to even open the mold-breaking show, signed Laliberté and his troupe to do an even more outlandish production, *O*, an aquatic spectacle that sent synchronized swimmers and divers plunging into a pool-cum-stage.

**Circus maximus.** Today, Cirque is a Las Vegas fixture, attracting 1 in every 10 visitors to the city. And thanks, in part, to its proprietors' deep pockets, Laliberté and his troupe—including Caron and St. Croix as director of creation and vice president of creation, respectively—have expanded on the circus-as-theater theme, adding ribald cabarets and a martial arts spectacle as they build Cirque into a big-top version of Willy Wonka's Chocolate Factory.

Not unlike the confectioner's foreboding address, Cirque's Montreal headquarters is a paradoxically nondescript building made of corrugated steel and set beside a former city dump. But open the doors to one of its cavernous, 75-foot-high acrobatic studios and you may see Brazilian street performers learning to bounce on brass beds outfitted with trampolines instead of mattresses, South Africans stomping out the latest gumboot dance moves, or Ukrainian trapeze artists trying to best one another at the triple somersault.

Pulled from a scouting database of about 20,000 acts from around the globe, the bulk of Cirque's 900 "artists" arrive as acrobats and gymnasts, including many former Olympians from the Russian and Ukrainian teams. The recruits spend their first months learning everything from how to apply their own makeup to the fine art of clowning on stage. Those who make the final cut are then paraded through Cirque's vast costume, shoe-making, hat-making, and props workshops, where each is sized up and outfitted from head to toe in ex-

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Custom fitting wigs (left) at headquarters, where each performer has a plaster cast. Below, the aquatic show *O*.

