

LESSONS IN ENTREPRENEURSHIP

The show must go on

How should entrepreneurs such as Cirque du Soleil founder Guy Laliberté move forward if their ideas become runaway hits? Stuart Read and Saras Sarasvathy report

Guy Laliberté, founder and CEO of Canada's Cirque du Soleil, was recently honoured with Ernst & Young's World Entrepreneur of the Year award. A fantastic achievement for someone who began his entrepreneurial journey by walking 56 miles in 22 hours on stilts to gain attention for his then fledgling accordion-playing, fire-breathing troupe.

THE CIRQUE: NOW AND FUTURE

Cirque du Soleil is a significant force in the entertainment industry today, generating an estimated \$600m in revenues and employing more than 3,500 performers and staff. So what next? Can it stay entrepreneurial? Should it grow? What role might Guy Laliberté play?

ENTREPRENEURIAL CIRCUS

Since 1984, Cirque du Soleil has created more than 20 new shows, with themes that range from water to Eastern culture. But the novelty of the idea – to create a circus without animals or a ring – remains a common factor.

And, with 120 cities under its belt, Cirque is a big, repeatable, scalable business. New opportunities, such as building a worldwide chain of Cirque schools, setting up a museum or offering products to the circus industry, might provide the Cirque du Soleil team with the creation space needed to harness the entrepreneurial spirit as it grows into the future.

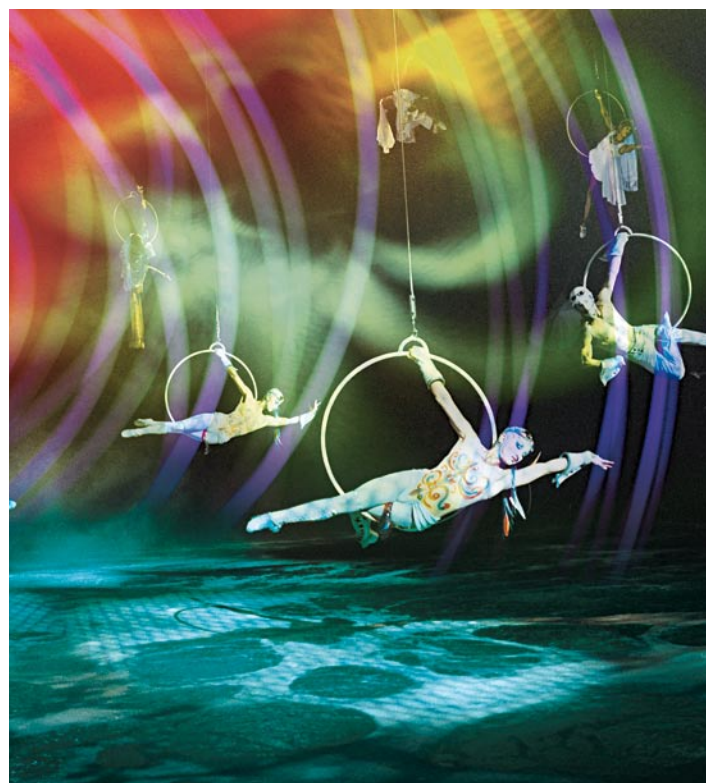
THE 'RAISON D'ÊTRE'

If it were a public corporation, shareholders would demand to know how Cirque planned to grow to \$1bn, \$2bn or \$10bn in revenue. But, as the firm is 95 per cent owned by Laliberté, defining the terms of success is up to him. Delivering top artistic quality to audiences, providing a desirable workplace or performing to less affluent populations could all provide alternative objectives to financial growth *per se*. Laliberté has considerably more freedom in defining and measuring the future of the circus than the average CEO of a publicly traded company.

ADULT MANAGEMENT

As ventures successfully grow, it is not uncommon to see founders move aside. Despite the fact that Bill Gates still runs Microsoft, the skills it takes to create a new opportunity are different to those needed to run a mature business.

Guy Laliberté has considerably more freedom than the average CEO



Going through hoops: performers at Cirque du Soleil's aquatic 'O' show in Vegas

CAMIRAND/VERONIQUE VIAL

And the prospect of releasing control may be unappealing. This tension was resolved three years ago at Cirque when Laliberté hired Daniel Lamarre, a Canadian executive with a broadcasting and PR background, as Cirque's COO and president. This released Laliberté to work on developing new talent, creating new shows, or doing something very different.

What will actually happen with Cirque as it moves ahead is as unpredictable as the next move in one of its spectacular shows. And that is the point. As with many entrepreneurial endeavours, the past may not be the best predictor of the future. It is more likely that Cirque will create something beyond a natural progression of what exists today – something that reflects both its current means and the dreams of its large body of stakeholders.

MANAGING SUCCESS

Entrepreneurs must consider what happens if a new venture is a financial blockbuster. How much time would you want to spend exploiting your successful idea versus exploring new ones? How would you want to incorporate non-financial aspirations into financial bottom lines? And what would you want your involvement in the company to be over time? Thinking through these questions up front can help guide the decisions you make on your entrepreneurial journey – even if you are on stilts for now.

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