

Strikes and Spikes

A Minnesota bowling center adds volleyball and other outdoor components... and now generates profits throughout the year.

WITH GEORGE McAULIFFE



Corey Kolquist is co-owner (with his father, David) of Skyline Social & Games in Duluth, Minn. The Kolquists invested in a major modernization of the center in 2019, and have an extremely strong outdoor component as well.

Tell us about your center, its history and operating philosophy.

It was originally named Skyline Lanes when it was built in 1956. It was small, 12 lanes, and community based. My grandfather and his brothers bought in as silent partners and investors in the early '70s. In the early '80s my father, David, got involved and took the leadership reins in 1985. I joined him in 2015. The center evolved a lot over the years, which has always been a part of who we are. We went from 12 to 20 lanes in

Corey Kolquist says that adding volleyball and other outdoor attractions to Skyline Social & Games has transformed the venue into one that's attracting a new generation of young professionals with money to spend.

the early '70s, added another eight in the mid-'70s to 28, and added the bar and restaurant. We also had 8,000 square feet of tenant space. The center ran as traditional for many of those years. In our last remodel, in 2019, we reduced our regulation lanes to 22, added eight duckpin lanes in the bar, added virtual reality and did a major arcade upgrade. We took back the 8,000 square feet of tenant space to add duckpins and expand the bar.

Share with us how your thinking evolved over the years to the bowling entertainment center (BEC) model.

We had a great bowling center with an arcade. We were geared toward leagues and birthday parties. I felt we needed a more upscale, professional environment where adults could feel good about being there, a place that community decision-makers could feel good about bringing folks. We spent a couple of years on research, attended trade shows, talked to a lot of people and realized we needed to move to more open bowling. Add in the fact that leagues were declining and open play was rising the whole time. So it became clear that we wanted to create a more comfortable environment with more entertainment options.

So, ultimately, what did that look like?

We eliminated our lockers, the leased space, and six regulation lanes to create more indoor space. Early in our research, we noticed VIP and boutique areas were becoming more popular. We kept seeing Brunswick's duckpin lanes and felt that would be a perfect fit and great addition in our limited space. Now we are a 100% entertainment facility inside. We redid the exterior. We thought it was important to have a building [that looked] beautiful outside to reflect the changes inside. We now cater to that entertainment customer with more disposable income that will spend it to socialize, eat, drink and play in a great environment.

So the guest mix has changed?

That was the vision. It boiled down to the question: Who was our target audience? We still love our serious and league bowlers, of course, and we work hard to give them a great experience. But our expanded income is from that young professional with disposable income. We designed it for them. We also knew

that if we designed it for them, the families with kids would still love it on weekend days.

You completed the project prior to the 2019 holidays, and just launched the upgraded center when COVID-19 hit a few months later. Are you able to judge how happy you are with the results?

We opened up post-modernization in October 2019. We were able to get Q4-2019 and Q1-2020, essentially a six-month window, under our belts. And, yes, we're very happy. We exceeded our projections.

What are the secrets to attraction selection? Any surprises? Success stories?

I've always looked at it that you need attractions to get people in the door. Ours are bowling lanes, duckpin, virtual reality, and our outdoor league space. The arcade really is an attraction, but it feeds off of

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the others as well. Surprises? Duckpin is doing tremendously well, as is the arcade. We went from using an operator to owning our own equipment, and it has been great.

We've been talking about the indoor transformation, but you also have a substantial outdoor, seasonal business.

Our outdoor business has been a great attraction for the facility and a key to our success over the years. We've learned that it has to be big enough to attract people to the property, and when they're here their spending trickles down to other attractions.

How does that work?

The attractions pull them in and let them see all the offerings. A person may be passionate about volleyball, but they are also looking to fill social time with their friends. Previously, our outdoor players didn't necessarily come into the building. But with the addi-

tions, our promotion and marketing programs, and opening up sight lines, we're able to capitalize on their curiosity get them in during their volleyball visit and get them to come back for another experience.

What would you say to other proprietors contemplating adding volleyball to their mix?

To me, it's a must. I can get 1,000 people to the property on a summer weeknight. The summer [volleyball] league night is now just as important as bowling league night. Before we added outdoor leagues, we used to do great in the winter [with bowling], and then bled off earnings to stay afloat during the summer. Volleyball was where we started to figure out that solution. In Minnesota, our cold winters drove extremely strong bowling income. Our summers are short, and we're in the land of 10,000 lakes. We needed something with enough scale to draw them in.

Has the outdoor component grown over time?

Oh, yes. We got started in 2008 with 24 volleyball teams on two courts. In 2019, we had 525 teams on nine courts. We also added five bocce courts and four bean bag courts, as well as spike ball in 2018. So over the past 12 years, it has grown exponentially. Our summer business competes with our winter business, and COVID has [made that clear]. Knowing we have those five months of great summer business is very comforting.

I've got to ask you about your approach to the food-and-beverage component.

Spot on — F&B plays a huge part in the business and the modernization. Just like the environment [we created], we wanted our guests to have food and drinks that they wanted to indulge in. We went from eight tap lines to 36 craft-beer taps at the bar. With our liquor selection, we have gone for exotic, blended drinks, which is what the customer wants. Same with the food. We hired a professional chef to create the menu and design the delivery system. Instead of just a burger, they can have flatbread or another upscale selection. That helps us deliver perceived value and maximizes spending. Today's generation wants to spend their money on an experience. To have the drinks and food come up and have a wow moment, that's important to them and they're

willing to spend to get it. That goes for the main bar and the outdoor bars and patio. We have two bars outside with outdoor seating for 400 people, leagues run Sunday through Thursday nights, and we average over 1,000 per night. We gave them a spot to [eat and drink] in a top-of-the-line environment with top-of-the-line furniture, outdoor video area, and fire pits. And we continue to invest in one new major outdoor improvement per year for our players.

How do you see the recovery from COVID? Has it changed anything permanently? What do operators need to plan as we return to normal conditions?

I'm hoping it doesn't change anything permanently. Eventually, people will get back to normal. In the meantime, we will err on the side of caution and invest our time and energy into making people feel

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safe. It benefits your business and your community. We all want this virus to go away. From what I've seen as we reopen, it seems like the customer wants to come back and I think they will.

Any other wisdom you'd care to share with our readers?

The biggest thing we learned is that it's a three-step process: a vision as to where the organization's leaders want to take the business, combined with a strong management team to lead, and a great culture of customer service to deliver [the vision]. Anyone can build a great facility, but to execute and succeed you need a talented team.

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