

LONE STAR PRODUCTIONS

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Case Objectives and Use

This case examines the various strategic issues that must be addressed in order to grow the business of a company that primarily specializes in providing services and products for the concert tour business. One important decision is whether to grow by buying another firm or to grow by internal expansion. In addition, the need for planning, staffing, control, accounting, and marketing as well as better communication is described. This is a field researched case, which is most appropriate for use in an undergraduate strategic management or entrepreneurship class.

Case Synopsis

Lone Star Productions (LSP) is a concert promotions business that was started in 1981 by Bill Oldman. Since 1986, this company has been the exclusive provider of concert promotion materials for 75% of the top grossing national tours. In 1997, Bill Oldman sold the company to a group of investors headed by Mike Sims. With a background in banking and investments, Sims took over as LSP's president. Bill Oldman remained as the Chief Executive Officer of the company.

Lone Star Productions' business encompasses several segments, including concert promotions, audio and video production, production staffing, video editing, web site development, and equipment and suite rental. Currently, concert promotions account for 90% of the company's revenue. Efforts to build business in the areas other than concert promotion have been mildly successful, but LSP considers the further development of these business areas to be critical to the long-term profitability and financial stability of the company, LSP is currently considering buying the largest video production company in the Dallas, Texas area.

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