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Cobo rising: Reconstruction, end to corruption, new leaders form focus of ad campaign

By [Daniel Duggan](#) and [Constance Crump](#)



The people marketing **Cobo Center** want the nation to see their "to-do" list.

And at the top of it -- crossed out -- is the task: "Root out corruption."

That image is part of a new advertising campaign to send the message that Cobo has been reformed, said Chris Baum, senior vice president of sales and marketing for the **Detroit Metro Convention & Visitors Bureau**, which designed the ads.

"This is what everyone out there across the country is saying about us anyway, so we need to get in their face and address it," Baum said. "We are willing to acknowledge that we had a problem, but we've addressed it, and it's not something you're going to find at Cobo Center in the future."

The ads, to run in national meeting and convention magazines, show a Cobo checklist and the corruption item crossed out, along with other items checked off such as "Negotiate flexible work rules" and "Shift ownership to a regional authority."

"Attract new customers" isn't crossed off, and the ad asks for "a little help" with that one.

The bureau created the ads for Cobo as part of a closer relationship it now has with the **Detroit Regional Convention Authority**, the regional body that now owns and operates Cobo.

While Larry Alexander is both president and CEO of the bureau and chairman of the convention authority board, the overall changes are part of the overhaul given to Cobo over the past three years and ongoing work to improve service and clean up operating procedures.

Rebuilding and rebranding



Thom Connors, Cobo's general manager since November, is overseeing changes to the convention center and the way it does business.
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Changes in the way Cobo is run have come fast and furious since the creation of the authority in September 2009.

West Conshohocken, Pa.-based **SMG** was appointed at the end of 2010 to handle day-to-day management of the facility, and new ways of doing business have been put into motion.

Thom Connors, a regional vice president with SMG, became general manager of Cobo in November.

A new labor agreement is expected to roll out in coming weeks that could reduce the costs for customers. The changes come after many of the past vendor contracts have been renegotiated, including the entire food service operation.

Cobo's 2010 revenue was \$4 million, with total expenses of \$20 million. The city of Detroit covered Cobo's budget shortfalls before 2009; state funds have filled the gap since then due to legislation on Cobo's new operating authority. For 2010, the authority reduced expenses by \$6 million and increased revenue by \$1.5 million, according to Alexander.

The center is in the middle of a major renovation, as well, with a \$200 million upgrade in the works.

The changes are meant to spark new life for the convention center, which has an abysmal reputation. In recent years, the rumor mill worked overtime on the possibility that the **North American International Auto Show** would bolt.

It's all part of rebuilding and rebranding a convention center marked with a history of mismanagement, corruption and waste.

In particular, several well-publicized indictments in the past few years exposed past business practices of kickbacks for contractors doing work at Cobo.

Glenn Blanton, who ran Cobo Center from 2004 to 2007 under then-Mayor Kwame Kilpatrick, received a one-year jail sentence in 2009 after admitting he took a \$15,000 bribe from Cobo contractor Karl Kado, who also pleaded guilty.

News continues to come out.

During a Sept. 12 plea agreement, former Kilpatrick aide Derrick Miller admitted to receiving a bribe meant to help Kado keep his Cobo contract.

But Connors said with cleaned-up operating procedures -- and a renewed emphasis on customer service, Cobo's outlook is brighter.

Cobo hosted 19 conventions or trade shows in 2010, with \$101 million in estimated spending in metro Detroit by exhibitors and attendees.

Labor negotiations coming

Labor rules changes are expected to boost business further.

Work rules that limit how much exhibitors can do, versus work that must be contracted to expensive union workers, are expected to be modified in the next few weeks. The issue affects all trade show venues, not just Cobo.

"We're working on finalizing our updated efficiency agreements. We've made significant progress," Connors said.

"The labor unions are our business partners; they're at the table with us along with the contractors they work for. Concepts have been broadly discussed: new rules, new approach, new attitude."

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The next couple years are going to be challenging to get through the reconstruction phases, but knowing there's light at the end of the tunnel is encouraging," said Heidi Borter, senior event planner for the Pittsburgh-based **Society of Automotive Engineers**. She oversees the annual SAE World Congress held in April at Cobo.

"It's just not a depressing place anymore. It's more energetic and upbeat -- even the staff that has been there a long time. They have become refreshed, and they're proud of the changes."

A value proposition

Detroit is being considered a value alternative to Chicago right now, said Carla Connor-Penzabene, director of sales for the Detroit Metro Convention & Visitors Bureau.

When trade show managers compare hotel rates and the cost of exhibiting at Chicago's McCormick Place versus Cobo, Detroit wins, she said. Also appealing is **Delta Airlines'** schedule of one-hour nonstop flights from New York, Washington and Chicago, she said.

The new and improving Cobo Center is also part of the sell now, said Bob Baumgart, general manager of the Detroit office of Dallas-based **Freeman**, a global exhibit services company.

"Honestly, the facility improvements are helping the whole city, plus the PR going out (saying) things are improving," Baumgart said. "It's been a 100 percent turnaround as far as (Cobo) people working with Freeman."

Detroit is never going to compete with the largest venues -- Las Vegas, Orlando, New York, Baumgart said. Still, he expects that within the next few years and under Connors' leadership, Cobo will rank right behind those facilities.

"People didn't want to come here -- exhibitors, show managers. Now we're finding that associations will give us a chance. Everybody's accountable now."

Costs are expected to come down with the new labor contracts, but show managers say they haven't budged yet.

Still, John Ropp, president and CEO of the **Michigan Boating Industries Association** in Livonia, said he's happier with the service.

"In the past, exhibiting at Cobo was difficult and costly. Our experience this year was completely the opposite," said Ropp. "Since SMG and Thom took over, customer service stepped up substantially. The (2011 boat) show cost about the same as the previous year. Wages aren't going down. But they are willing to work with us and we received additional services at no cost."

Stamford Conn.-based **Centerplate Inc.**, the new catering supplier, combed food for a party hosted by the boat show, Ropp said. Centerplate is also scoring points for quality and selection from meeting planners.

Selling the changes

Putting Detroit's best face forward in the new marketing and advertising are the first step in selling these kinds of changes. The convention bureau ad campaigns are set to launch across the country next month, touting Cobo Center and the metro Detroit region.

Addressing Cobo's past image of corruption and waste head-on is a smart move that will get attention, said Tim Smith, president, CEO and owner of the **Skidmore Studio** advertising firm.

"It's a brilliant way to get people's attention, to make them stop, even giggle a little, but remember it," he said. "And from there, you can start to change the perception."

Along with the Cobo ads, Baum is continuing a series of "Detroit 3.0" advertisements.

The recent round of ads has a large picture of James Ellison, executive director of the Great Lakes



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The recent round of ads has a large picture of James Ellison, executive director of the Great Lakes Stem Cell Innovation Center in Detroit's TechTown, touting Michigan as having more clinical trials under way than any other state, making it the ideal location for the World Stem Cell Summit.

It's paired with the tagline "Detroit: Manufacturing genius since 1913" -- the year Henry Ford adopted the assembly line.

Baum said the goal is to show off not just the expertise that can be found in Detroit, but to show that there is a strong research and engineering base in the region.

"It's an idea that we have a lot of brainpower here, not just cars," he said.

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