



Meeting/Event Budgeting Tips

1. Start with fixed costs and then move on to variable costs/revenues

Fixed costs are expenses that don't change based on the number of people you expect to attend – they are fixed at a set price. These items should be considered first because they can often make or break your budget from the very start if not carefully accounted for. These are items such as venue rental, audio-visual charges, shipping charges, printing charges, staff travel expenses and any contractually obligated minimums.

Once fixed costs are set, your variable costs and revenues can be filled in. These numbers are based on the number of people you expect to attend and the amount of money you'll generate in revenue through registration fees, sponsorships and exhibitor fees.

It's also beneficial to sometimes make two or three versions of a budget using different attendee counts that are applied to your variable costs. The first version might be very conservative, the second version might be very liberal and the last version is probably the most realistic. I've found that creating these versions of a meeting budget and showing my clients how the NET totals change with the variable costs can often make them realize how much money they have to either gain or lose when hosting a business event.

2. Don't forget to add the ++

Virtually every meeting or event venue has add-on charges that need to be accounted for when budgeting. Taxes and service charges are non-negotiable, so be sure your budget has all the required add-on fees as these can amount to a large total. While the amounts and percentages will vary by venue and by state and city tax laws, you'll want to ensure you have all the appropriate fees added to each item in your budget.

The most common add-on fees are sales tax, city or county tax and service charges. When planning large meetings at a major convention hotel, your taxes and service charges may be different depending on the charge. Tax fees can vary for guest rooms, food & beverage, saleable items such as flipcharts and additional tax may be added for liquor sales. It's important to have a clear understanding of all taxes and service charges before you begin budgeting and understand that taxes are always subject to change so checking with the venue several times for the latest information is a good practice.



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3. Don't cheat your "attendee experience"

When you're calculating expenses and you realize that costs are getting a little high, it might be tempting to cut or reduce items such as audio-visual, the conference bag or a program booklet. Eliminating coffee service from a meeting to save \$1,500 might sound tempting, but the results can be disastrous.

I always caution my clients against cutting back on or eliminating items that contribute to the overall attendee experience. You have to think about it from the perspective of an attendee when budgeting, but if cutting or reducing that item means that your attendee is going to walk away with a feeling of "this looks cheap" or "I feel like I didn't get a good value", then cheating that item in your budget isn't really worth it in the long run.

4. Think about saving costs in your budget before you sign the contract

A smarter way to get hard costs in your budget reduced is by negotiating them into your hotel or venue contract from the beginning. If you know you are going to ship materials to the hotel and the venue is going to charge you a \$2,000 handling fee to move it from the loading dock to your storage room or exhibit hall, ask them to waive those charges instead. Many will agree to reduce or comp those fees.

Most hotels and venues will waive the fees to use certain items such as easels for signs, power for a/v in the main session room and parking for speakers or staff – but you have to ask them for it first! Then, ensure all these freebies or 'concessions' are written into your contract before you sign it. These items can add up to thousands of dollars in costs and are often not considered during the budget process.

5. Best Practice – Use Excel

Microsoft Excel is a powerful tool that can do all the math for you if you set up your budget worksheet with the right formulas. Draft your budget in Excel so that you can easily change expected attendee totals and the worksheet will change all the numbers in your budget that are affected by that change. Need to change your lunch menu price by \$3? Excel can calculate what the totals will be if you do. Learning the basics of creating formulas in Excel has saved me hundreds of hours while working on client budgets.

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