Appendix

# Chapter 7: Event finance, online payment solutions and budgeting

*Table 7.1: Sample Event Business Plan Template*

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| It is recommended that all business plans being submitted in conjunction with National Programme Applications contain the following:   * An Event Overview including: * Vision and Mission Statement * Key Outcomes/deliverables * The Event * Target Market * Stakeholder involvement and benefits * Delivery mechanism * Development Plan including * Strategic Development * SWOT Analysis * Financial Plan and Considerations * Income and Expenditure projections * Economic Impact Estimation   Key areas to be addressed in an event business plan include:   * The vision and mission – *i.e.* what it ultimately aims to achieve * Who the key stakeholders are, what benefits they will accrue and how the event fits with their strategies * The relevant experience and track record of the organisers * The event’s background and an overview of plans for the current year * The SWOT analysis (identify strengths, weaknesses, opportunities and threats) * Key objectives and achievement strategy for the current year * A development plan – how key aims and objectives will be realised going forward (beyond the current year) * Marketing and communications planning * Requirements – staffing structure, facilities, services, venues, etc. * How much the event will cost – budget projections over 3–5 year period? * How will it be paid for – identifying income streams? * Management and business controls * Risk management and contingency plans * Future considerations   For further information on creating your own event business plan please refer to *Event Management: A Practical Guide* which can be found on the Funding and resources pages of the Event Business Plan Template, Adapted from EventScotland website: <http://www.eventscotland.org/funding-and-resources> |

*Table 7.2: Various agency charge-out structures*

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| ***Flat project fee*** | * Flat project fees are typically used for packaged events and may be calculated on a per person basis with various stipulations. * It is the responsibility of the event planner to negotiate rates, calculate the cost of all services and quote a combined total amount, including the time it will take to manage the project from start to completion. * The planner’s role extends to responsibility for all service agreements, identifying all required deposits and the payment of all services to third-party suppliers and vendors. * The fee is usually presented at the end of the budget and might be expressed as:   ***Total cost for event management based on the programme , numbers detailed: £7,000*** |
| ***Percentage of expenses*** | * Most qualified planners levy a charge of between 15-20% of the total cost of an event as part of their fee. * This can vary depending on the complexity of the programme and amount of time it takes to plan and execute. * The fee should be sufficient to cover the costs of the organiser and allow them to make a profit for the work undertaken. * If the planner’s normal daily charge our rate based on 8 hours’ work was £250.00, they might be making a small loss, so may look to increase the percentage rate to 20% to cover their time. * For example:- to organise a small meeting at a hotel for 50 guests, at a per head delegate cost of £80.00 per person the estimated time to meet with the client, plan a organise all arrangements, attend the event and complete the evaluation and financial reconciliation afterwards might be estimated to take 25 hours, so at a percentage rate of 18% the calculation would be:   ***Total fee cost calculated as: £80.00 x 50 delegates = £4,000 x 18% = £720.00*** |
| ***Hourly rate*** | * Similar to a flat project rate, but an hourly rate allows for more flexibility on the part of both parties to adjust to changes that may be needed along the way. * Many business planners will bill hourly for their management services, like any other consultancy, but will need to also pay for all additional items of expenditure, either through the agency or direct. * The hourly charge our rates of event planners may vary substantially according the complexity of the tasks required, their specific skills, expertise or creativity. * This fee structure is the one most often preferred by corporate procurement divisions.   ***Event Manager hourly charge our rate @ £50.00 based on estimated 25 hours’ work = £ 1250.00*** |
| ***Commissionable rates*** | * Event planners sometimes collect fees for services by payment of a commissionable rate by the venue by securing space on pre-booked items on behalf of the client. * These fees are often provided to travel agents or agencies for booking tickets, hotel rooms and other forms of transportation. * For example, many hotels may extend a commissionable rate up to as much as 10% for guestrooms and other expenses.   ***25 twin rooms @ £250 per room per night = £6250 @ 10% commission = £625.00*** |

*Table 7.3: Sample of specific financial clauses*

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| ***Cancellation policy*** | Percentage amount paid back to the other party i.e. Full payment if less than 14 days remain until commencement of the event, but a change of penalties may apply dependent on the financial clauses included in the Terms & Conditions. |
| ***Termination policy*** | Amounts payable if notified 30 days in advance in writing. |
| ***Force majeure*** | Unavoidable situations such as an Act of God: snowstorm, strikes, natural disaster, failure of third party. |
| ***Indemnity and limitation of liability*** | A promise by one party to save the other party from loss or damage. On the other hand, limitation of liability provision limits a party's liability for any loss or damages that arise. |
| ***Legal jurisdiction*** | The authority given by law to a court to try cases and rule on legal matters within a particular geographic area over certain types of legal cases.  It is vital to determine before a lawsuit is filed which court has jurisdiction. |
| ***Arbitration*** | The process of bringing a business case before an impartial third party in order to resolve a dispute.  The third party, an arbitrator, hears the evidence brought by both sides and makes a decision.  Sometimes that decision may be binding both parties. |
| ***Intellectual property*** | This refers to the ownership of an idea or design or event concept, by the person who came up with it. It gives a person certain exclusive rights to a distinct type of creative design, meaning that nobody else can copy or reuse that creation without the owner's permission. |
| ***Performing organisations and unions*** | Organisations governing the industry who seek to coordinate the behaviour of their member companies in matters of mutual interest, such as during negotiations with trade unions or government.  Both employer organisations and trade unions and promote the economic and social interests of its members. |
| ***Rights of assignment*** | The transfer of a right from one party to another, for example, the rights of a contract may be assigned to a third party (the assignee) without the consent of the party against whom those rights are held. |
| ***Independent contractor status*** | An individual or business that provides services to another individual or business.  The independent contractor is a separate business entity and is not considered an employee, i.e. freelancers, consultants, agents or brokers. |