

# **Start & Run an Event Planning Business**

**Cindy Lemaire and Mardi Foster-Walker**

Self-Counsel Press  
*(a division of)*  
International Self-Counsel Press Ltd.  
USA    Canada

# Contents

<b>Introduction</b>	1
<b>1 Getting Started</b>	5
Self-Assessment	5
Determining Your Market	6
Market Research	8
Set a realistic time limit	9
Define your information needs	9
Allocate resources	10
Gather the data	10
The internet	11
Your local library	11
The Yellow Pages	11
Chamber of commerce	11
College or university business departments	11
Government departments	12
The face-to-face meeting	12
Analyze the information	14

<b>2</b>	<b>Establishing Your Business Site</b>	17
	Location Considerations	17
	Leasing Office or Studio Space	17
	Proximity and accessibility to potential clients	18
	Parking facilities	18
	Accessibility to a loading dock or freight elevator	18
	Work space and storage	18
	Type of lease agreement	19
	Home-Based Operation	19
	The business and your home	20
	The business and your family	22
<b>3</b>	<b>Business Resources and Equipment</b>	23
	Business Resources	23
	Mailbox and copy services	23
	Business telephone line and fax line	24
	Telephone and wireless communication options	25
	Hands-free/speakerphone	25
	Cellular or mobile phone	25
	Hand-held wireless device or PDA	26
	Voice over internet protocol	26
	Courier company	26
	Company vehicle	27
	Office Equipment and Setup	27
	Electronic Equipment	28
	Computer and printer	28
	Software for the events business	29
	Facsimile machine	30
	Digital camera and scanner	31
	Other equipment	31
	Office Supplies	31
	Custom printing	31
	General office supplies	32

<b>4</b>	<b>Financial Planning and Management</b>	35
	Financing Your Venture	35
	Personal savings	36
	Family and friends	36
	Financial institutions	36
	Private investors	37
	Government	38
	Your Business Plan	39
	Executive summary	39
	Personal experience and background	40
	Description of service	40
	Sales and marketing strategy	40
	Forecasts and projections	40
	Financial Management	41
	Forecasting cash flow	42
	Fixed expenses and overhead	42
	Marketing costs	42
	Start-up costs	46
	Forecasting revenues	46
<b>5</b>	<b>Pricing Your Services</b>	51
	Competitive Pricing	51
	Hourly Fee and Daily Rates	52
	Cost-Plus Pricing	52
	Flat Fee	53
	Commission	53
	Discounting	54
	Fund-raiser events	54
	Suppliers	54
<b>6</b>	<b>Client and Supplier Contracts: Protecting Your Business</b>	55
	Supplier Contracts	56
	Client Contracts	56
	Contract Finalization	57

<b>7</b>	<b>Keeping Your Operations in Order</b>	59
	Striking a Balance	59
	Maintaining Financial Records	59
	Set up a calendar and reminder system	60
	Establish an efficient filing system	60
	Keep track of deposits	61
	Keep track of retainers	61
	Keep invoicing on track	61
	Establish regular billing, credit, and collection	62
	Keep good tax records	62
	Hire a professional bookkeeper and accountant	62
	Keeping Your Non-Financial Records in Order	64
	Personnel records	64
	Research files	64
	Managing Your Time	64
	Long-term agenda	65
	Intermediate agenda	65
	Immediate agenda	65
	Time-management systems	66
	Social Functions, Associations, and Community Events	66
	Staying Organized As You Grow	67
<b>8</b>	<b>Marketing, Advertising, and Promotion</b>	69
	The Changing Face of Advertising	69
	How to Brand Your Event Planning Business	70
	Developing your image	71
	Developing your brand promise	71
	Naming your new business	72
	Designing your logo	73
	Professional Design and Production Services	73
	Graphic design	74
	Copywriting	75
	Photography	75

Why You Should Advertise	76
The Elements of Advertising	76
Choosing Your Advertising Medium	77
Print	77
Direct mail	78
Directories	79
Sales brochure and marketing kit	80
Internet marketing	82
A company website	82
E-mail marketing	84
Using PR to Your Business Advantage	84
Special promotions	84
Open house or grand opening	85
Small giveaways	85
Fairs and trade shows	85
Getting your name in the news	85
Socializing for success	86
Networking, networking, networking	89
Association memberships	89
Tourism, convention, or visitors' bureau	90
Board of trade or chamber of commerce	90
Meeting professionals international	90
Special events societies	91
Measuring Advertising Effectiveness	91
<b>9 Employees and Personnel</b>	<b>93</b>
Being a Sole Owner/Operator	93
Casual Labor and Seasonal Helpers	95
Where to look for extra hands	95
Know your legal responsibilities	96
Put details in writing	96
Hiring an Assistant	98
Hiring an Office Manager/Bookkeeper	99

Hiring and Keeping Good Employees	100
Commonsense guidelines to hiring employees	101
Do not hire friends or relatives	102
Ask for recommendations	102
Contact job placement departments	102
Advertise for help	102
Use job application forms	102
Check references	103
Commonsense guidelines to keeping good employees	103
Communication	103
Consistency	103
Recognition	103
Compensation	104
Evaluation	104
Commissions and share options	104
<b>10 Making the Business Legal</b>	107
Your Legal Structure	107
Sole proprietorship	107
Partnership	108
Limited partnerships	108
Incorporation	108
Leave It to the Professionals	110
Choosing Your Name — Legally	111
Insurance Requirements	112
Leases and Rental Agreements	113
Zoning Laws and Business Licenses	115
Zoning laws	115
Licenses	115
Sales Taxes	116
Employee-Related Regulations	116
Miscellaneous Permits	117
A Final Word	117

<b>11 Accounting, Record Keeping, and Taxes</b>	119
Accounting Software	120
Bookkeeping	121
Accounts Receivable	122
Accounts Payable	124
Petty cash	124
COD and cash purchases	124
Payable invoices	125
Company credit cards	125
Personally paid company expenses	126
Payroll	126
Inventory	127
Maximizing Deductible Expenses	127
Accountants	128
<b>12 Developing Your Portfolio</b>	131
Building Your First Portfolio	131
Maintaining a Professional Portfolio	132
Types of Portfolios	133
Presenting Your Portfolio	133
<b>13 The Event Planning Process</b>	135
The Event Plan	135
Background Information	136
Goals and Objectives	137
Agenda	139
Venue	139
Budget	141
Critical Path	145
Audience	147
Invitations	147
Registration	148
Transportation and accommodation	148
Partners/Kids	148

Speakers	148
Takeaways	149
Partners and Sponsors	149
Volunteers	150
Media	150
Sponsors	151
Marketing	151
Suppliers	152
Insurance and Permits	153
Contingency Planning	153
Follow-up	155
<b>14 Working with Suppliers</b>	157
Finding Suppliers and Vendors	157
Negotiating with Suppliers	159
Tips for Dealing with Regular Suppliers	160
The venue	161
Hotel accommodations	161
Food and beverage	162
Printing and signage	162
Audiovisual	163
Photography	163
Entertainment	165
Children’s parties	165
Live and canned music	165
Official guests, speakers, and celebrities	166
Official guests	166
Speakers	166
Celebrities	167
Keeping Suppliers and Vendors Happy	167
<b>15 The RFP: Getting the Business</b>	169
Defining the Bidding Process	169
Invitation to quote (ITQ)	170

Request for proposals (RFP)	170
Request for qualifications (RFQ)	170
Competing for an RFP	171
The Basics of an RFP	171
Preparing Your Response	172
Developing Your Sample Event	173
Meeting the Budget	174
Looks Count: Presentation of Your Response	174
Presenting with Polish	175
Following Up	176
<b>16 Award-Winning Events</b>	177
Fashion Cares 2003 — Viva Glam Casino	178
Theme	180
Sponsorship	180
Cocktail reception	180
Dining room	180
Boutique, silent auction, casino	181
Talent	181
Fashion show	181
VIP Lounge	181
After-party	182
Media	182
Budget	182
Co-ordination	182
<i>John “Q”</i> Movie Premiere	182
Cirque Pacifique	185
Malavalli/Patel Wedding	187
Christmas through the Eyes of a Child	189
Last Tango in Paris	191
More Award-Winning Events	192
<b>17 A Final Word: Growing and Enjoying Your Business</b>	193

**Appendix** 195

**Glossary** 201

**Samples**

1	Business start-up costs	33
2	Overhead and fixed expenses	43
3	Contract checklist: Safeguarding your business	58
4	Invoice	63
5	Press release	87
6	Media advisory	88
7	Advertising and promotions expense breakdown	92
8	Job description	97
9	Balance sheet	123

**Worksheets**

1	Self-assessment test	7
2	Business expenses	44
3	Marketing expenses	45
4	Start-up expenses	47
5	Monthly revenue forecast	48
6	Event budget	142

# 1

## Getting Started

### Self-Assessment

What is it that makes one person succeed in the events industry while another fails? There is no one stereotype of a successful special events entrepreneur, but certain common characteristics can be found in those who succeed. For example, they are invariably hard-working, determined, resourceful, and capable of honest self-appraisal.

Starting your own special events business is risky, and you need to be clear on whether it is the best choice for you. You may already be working in the special events industry, but turning your skill into a business is a very different venture. Examining both your strengths and your weaknesses gives you the chance to remedy the factors that may impede your success. If you don't manage time well, don't like to work alone, and dislike making decisions, starting your own events business may not be appropriate — unless you are willing to work on your shortcomings. You don't have to be perfect, but you do need to recognize and acknowledge your strengths and weaknesses before investing time and money in a business.

To aid you in your self-analysis, a self-assessment test is provided here for your use (see Worksheet 1). It outlines some characteristics for success in this field and asks you to evaluate yourself against them. Answer the questions honestly to determine how many success characteristics you already have. This test will not definitively tell you what you should do, but it can help you engage in honest self-appraisal. A passion to succeed, an eagerness to learn, and an acceptance of responsibility can overcome any weaknesses.

The value of any quiz, test, or questionnaire lies in that it can help you identify your strengths and admit your weaknesses. Look on this self-appraisal as an important first step in your journey to starting and running a successful special events business. You are capable of capitalizing on your strengths and compensating for your weaknesses as long as you know what they are and if your desire to do so is powerful enough.

Once you have determined that starting a special events business is the right venture for you, take some time to test your ability to create special events. If you have not created events before, we recommend that you create on paper two or three theme events. Organize them in a portfolio with sketches, photos, fabric swatches, menus, rental details, production schedules, and budgets. Use this portfolio of event ideas when doing your market research by showing them to family and friends.

## **Determining Your Market**

Once you have decided on whether or not this field is right for you, your next step is to determine your market or area of specialty. Is there a big enough market waiting to hire you to produce their special events? Make certain you discover this before you risk time and money on starting a business.

Many start-up operations are established solely on instinct and optimism. The enthusiastic new business owner may have only a vague idea about who his or her clients are or, indeed, whether or not there will be any clients at all. Operating on blind faith, such people are relying on plain old luck to see them through, and sometimes, it takes just that. However, while every business needs a little luck now and then, banking on it is hazardous to the long-term health of your enterprise.

The special events industry is so vast that the event organizer is not limited to just one market segment. Even those who are experts

## WORKSHEET 1 SELF-ASSESSMENT TEST

Check the appropriate column for each of the following statements.  
(N = never; M = most of the time; A = always)

	N	M	A
1. I am a self-starter.	_____	_____	_____
2. I am normally positive and optimistic.	_____	_____	_____
3. I easily accept personal responsibility.	_____	_____	_____
4. I have no problem working alone.	_____	_____	_____
5. I am competitive.	_____	_____	_____
6. I commit strongly.	_____	_____	_____
7. I am flexible.	_____	_____	_____
8. I am self-confident.	_____	_____	_____
9. I relate well to other people.	_____	_____	_____
10. I am a goal setter.	_____	_____	_____
11. I am a creative problem solver.	_____	_____	_____
12. I like to plan.	_____	_____	_____
13. I am a decision maker.	_____	_____	_____
14. I enjoy working hard.	_____	_____	_____
15. I can tolerate risk.	_____	_____	_____
16. I seldom procrastinate.	_____	_____	_____
17. I am innovative.	_____	_____	_____
18. I handle stress well.	_____	_____	_____
19. I am independent by nature.	_____	_____	_____
20. I am a logical thinker.	_____	_____	_____
21. I am persistent.	_____	_____	_____
22. I communicate well with others.	_____	_____	_____
23. I manage my time well.	_____	_____	_____
24. I have plenty of common sense.	_____	_____	_____
25. I have the ability to think objectively.	_____	_____	_____
26. I am in good health.	_____	_____	_____
27. I like to learn new things.	_____	_____	_____
28. I am realistic.	_____	_____	_____
29. I can take criticism.	_____	_____	_____
30. I am ambitious.	_____	_____	_____

Now determine your score. Should you start your own business? Count your **Always** and **Most of the time** answers as positive. If you scored

30 out of 30

You should be running General Motors.

26 – 29

You've got what it takes.

21 – 25

You'll do just fine.

16 – 20

Be sure you answered yes to number 14 and 27.

15

Questionable.

Under 15

Unlikely, but nothing is impossible.

in the events business will have a difficult time trying to define all the potential markets. But to be successful in a field that is so broad, you need to find your niche — a specialty that combines your best capabilities with a service that is necessary and, preferably, underserved in your area. As outlined in the introduction, the choices are plentiful: conferences, conventions, incentives, corporate meetings, expositions, trade shows, fund-raisers, weddings, sporting events, concerts, festivals, parades, children's events, golf tournaments, and the list goes on. When you concentrate on one market, referrals and word-of-mouth businesses come your way much more quickly. On the flip side, when you work in different fields and functions, you reduce your chances to become known as the best in the business.

Where do you see yourself? What makes sense to you and the community you plan to serve? You may need some experience to gain this insight, but what's important is to keep your options open and remember that you cannot succeed if you spread your special events business too thin. The key to your success is to identify your potential customers, to know what they want, and to determine how to fill that need.

## **Market Research**

Your market is that segment of the population that could potentially use your service. Finding out who they are and what they want is called market research. This research will provide you with the data you need to help identify your potential clients and determine how to reach them. Conducting thorough market research is the foundation of any successful business.

First, you must research your competition. Any special events company that is doing serious business will be advertised in the Yellow Pages and will likely have a website. Spend time looking at your competitors' websites and studying their printed materials. This should give you a good idea of who the major players in the marketplace are and the type of competition you are up against. Remember that these people may be your competitors now, but there is a good possibility that they will become your future colleagues — people who will refer clients to you and people with whom you may associate professionally to share information on growing your businesses. It is not in your best interest to pretend to

be a customer and waste another event professional's time asking for quotes or ideas. This type of behavior can return to haunt you.

Competition is not a deterrent to going into business. However, it is important to know who your competitors are and where they are located so that you are on an equal footing. Knowing your competition allows you to learn from them. What do they do right? What do they do wrong? How will you be better?

Market research helps confirm market size, minimize financial risk, save time, and pinpoint where you should concentrate your service. Researching your market can also uncover market segments that you may not have originally considered. It establishes a foundation for decision-making and positioning your service. However, not taking the time to do some basic market research can cause you to fail when you might otherwise have succeeded.

The steps in basic market research are outlined here.

## **Set a realistic time limit**

Decide how much time you intend to devote to market research and stick to that time limit. Think in terms of normal working days and eliminate weekends. Do not become so caught up in doing research that it takes precedence over getting the business started.

## **Define your information needs**

What do you need to know? By properly defining your needs, you can save valuable time and avoid having to cope with too much information. To give your special events business a realistic chance of success, and to have the information necessary to write a comprehensive business plan, you must define what data is relevant for your proposed business.

When you are starting out, you should collect information about the following aspects of the industry:

- (a) Number of potential markets
- (b) Size of each market
- (c) Market trends
- (d) Demographics of the clients served within markets
- (e) Competitive companies
- (f) Market share

Within the market as a whole, you will also want to identify demographics, industry outlook, growth potential, economic trends, population shifts, consumer trends, and relevant economic indicators.

For example, if your proposed business is located in an area with a convention center, you could consider convention management, trade shows, event or conference registration, and spousal programs as potential markets and gather all relevant data. The size of the market is the number of meetings and conventions booked each year. Market trends would be the size of the conventions, conferences, and trade shows booked and the types of associations, industries, and corporations booking the facility. Your target customers would be the decision-makers at the companies who organize the meetings and events. Competitive companies are the number of other companies in your area that offer their special events services to the convention center. Market share is the percentage of the convention center special events you realistically think you could attain.

## **Allocate resources**

Your resources for market research are personnel and funds. If you are starting a business with a partner or if a family member is available, delegate tasks and responsibilities and try not to step on each other's toes. One person could make phone calls while the other goes to the library. If you are not already set up at home with a computer and an internet connection, this is the time to install this equipment. See chapter 3 for more information on getting set up.

Much of the information-gathering will require time, but the cash required should be minimal. However, be prepared to spend some money, for government reports and publications on industry trends and statistics may be of interest, and many of them cost money.

## **Gather the data**

Identify and contact the most appropriate sources for the information you need. Organize and file your research results as they accumulate. Don't keep unnecessary data, and do keep an eye on your projected completion date. The following are some good sources of information, from the general to the more targeted:

## **The internet**

The internet provides a wealth of information at your fingertips. Start by using a good search engine. (Yahoo!, Google, and AOL are among the top picks.) Your local bookstore or library should be able to supply you with some great search tips, if you are not that familiar with search tools. Once you become acquainted with internet research, you will find this method will save you time on the phone and in your car, as much of the research legwork can be done on your computer. Be careful to check your sources — links from recognized organizations (chambers of commerce, government, Better Business Bureau, etc.) are your best bets for starting out, as not everything on the internet is credible information. Your local government or chamber of commerce will also provide you with community and business links to lead you to the information you need.

## **Your local library**

Libraries are invaluable resources. Look through business and trade publications for trends and sales information. Often you can find market studies on file that directly fit your needs. You can also locate census information and trade reports. Ask the librarian for help with your specific information needs.

## **The Yellow Pages**

Your local telephone book can be a major resource. Study the classifications that list your competitors under the headings Special Event Planners, Wedding Planners, Party Planners, and so on. How many competitors are there and do they use display advertising?

## **Chamber of commerce**

Your local chamber of commerce is an excellent source for all business information. Visit them online, call them, or visit them in person. If they cannot help you, they will direct you to someone who can.

## **College or university business departments**

Many college and university business departments offer extensive research help to the new businessperson. Occasionally, advanced students will take on the complete market research function for a company as a research project.

## **Government departments**

Government departments, particularly those devoted to small-business development, can be another helpful source of information. In the United States, the Small Business Administration (SBA) offers publications covering topics such as budgeting, market research, legal structures, marketing, and financing. Call your local office and ask a counselor what is available. In Canada, these departments are the responsibility of each province. The department that handles small-business development can provide information on start-up assistance and point you to federal programs that may be helpful.

Both federal and provincial or state governments are increasingly using “portal” technology to better guide their online users. Through these portal websites, governments direct you by your area of interest to the relevant resources and portfolios available, both online and in print. These sites offer reliable links to business sites within government. Go to <[www.state.gov](http://www.state.gov)> or <[www.whitehouse.gov](http://www.whitehouse.gov)> for the US government portals. The Government of Canada’s portal is at <[www.gc.ca](http://www.gc.ca)>.

The Business Development Bank of Canada (BDC) <[www.bdc.ca](http://www.bdc.ca)> conducts seminars on business topics, which are very informative to anyone new to business. It also offers books and pamphlets. (Go to <<http://www.sba.gov/aboutsba/sbaprograms.html>> on the internet for a complete listing of the topics covered.) There is a charge for most of these publications. If you do not have a BDC office near you, write to the nearest regional office.

If you need demographics, the BDC’s online computer service has it all. Again, if you do not use a computer with an internet connection, you should get set up now. Otherwise, you can engage the services of a research firm to help you with your search, but keep in mind that these services can be expensive.

## **The face-to-face meeting**

Perhaps the most effective way to gather data is to arrange personal meetings with people who are potential sources of information. A representative from your local chamber of commerce, the head of a trade association, an executive from a hotel, the owner of a travel agency, and a corporate executive are a few examples of people who could provide you with valuable information. More than any other

information-gathering activity, face-to-face meetings often lead to other important sources for data and will often establish business contacts that could be important to you in the future.

Remember that in the events world, you may have to meet with several departments in larger organizations. For example, individual departments may be responsible for their own events (sales and marketing division versus research and design), and they may even have responsibility for different aspects of one event (planning versus operations). Again, the internet is a great place to start doing some background research on the companies you have targeted. Look for up-to-date information on events or meetings or media. Often, there is a contact name listed. Review the news releases and calendars if they are available. Do an online search to find out if the company has networking associations with other companies.

Telephone well in advance to schedule a face-to-face meeting. Know the name and proper title of the person you want to see and use it during your conversation. Introduce yourself and briefly indicate what you would like to talk about. People are busy, so don't waste time or talk about your plans in too much detail.

Try to gather as much information as possible before you meet face-to-face. Once you have conducted this initial research, you will be better equipped to pose questions that are relevant to the person you are interviewing. Refer to the information you have collected and ask for specifics. Here are some basic questions to ask during a personal interview with a potential client for your business:

- (a) Does their company currently hire special events professionals?
- (b) How often do they hire special events professionals?
- (c) What type of events do they put on?
- (d) Are they satisfied with the quality and cost of the events?
- (e) What are their event objectives that must be met?
- (f) Do they see their event needs changing in the near future (for example, special occasions coming up, such as a company anniversary, new associations or expansions, change of venue)?
- (g) Do they have associations with other organizations that do events or partner on events?

(h) What sources do they use to find event professionals?

The more questions you ask, the better understanding you will have of your potential clients and exactly what they are looking for. Bring a portfolio with several of the special event ideas that you have produced or created. Write down information as the meeting progresses. Refer to your notes and ask questions to be certain that you get the information you need. Ask for a referral to another source for information. If possible, hand the person a card with your name and number and ask for a call of introduction.

After the meeting, review what you have learned, rewrite your notes, and file them. Always follow up by contacting referrals, and always remember to send a thank-you note after a face-to-face meeting. One of the most important things to keep in mind when planning for and operating your business is the follow-up. Those you meet with today to collect market research may be the companies and individuals you do business with later on. Always take the opportunity to make a lasting impression on your future clients by sending them a formal thank-you note for their time and assistance, including your name and contact information.

## **Analyze the information**

Study the information you have collected as objectively as possible. Ask yourself the following questions:

- (a) Is there a market for your service?
- (b) Can you define who your potential clients are?
- (c) Do you know who your competitors are?
- (d) Can you see any advantage your service will have over your competitors?
- (e) Do you know your competitors' prices?
- (f) Do you know where your clients are?
- (g) Are there enough clients to sustain your business?
- (h) Do you know how to sell and market your service?
- (i) Can you afford to be on the same playing field with your competition (i.e., are you in the same league)?
- (j) Can you price your services competitively and still make a profit?

Weigh your findings against your original idea. Does the data suggest a slight deviation from that plan? Does it affirm or negate your business premise? Cull from the data what fits best with your experience, resources, creativity, and preference. Based on this information, you can define your service. Then date the material and file it for future reference. Save any remaining research information that backs up your business idea.

Once you feel you can comfortably answer yes to these ten questions, the next step is to research a location for your new business and an operation site within that location.