

## Going Onsite in 2021 - Budget and Contract Implications

### Session Takeaways

IAEE DC Chapter Webinar

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#### Panel:

**BJ Enright**  
President & CEO  
Tradeshow Logic  
*Speaker*

**Mary Becton, CMP**  
VP of Client Development  
IMN Solutions  
*Speaker*

**Kelly Kilga, CEM**  
President  
Kilga Event Management Solutions  
*Moderator*

Mary Becton of IMN Solutions and BJ Enright of Tradeshow Logic shared their experiences working with event organizers and vendors to plan, budget, contract, and execute live and hybrid events in 2021 and beyond. Kelly Kilga of Kilga Event Management Solutions facilitated the engaging and interactive conversation. Below are the session takeaways and answers to the audience's questions:

#### Timeline Considerations:

- **What are the event goals?** Start with your goals and then create your timeline, providing enough time to budget, plan, and more importantly, promote and sell your in-person or hybrid event.
- **Build your timeline.** Base the timeline on **when** your event begins incurring **non-refundable hard costs** from facility and vendors. Re-evaluate the timeline often.
- **When to cancel / alter an event.** Exhibitors and sponsors need as much time as possible in order to adjust their marketing and event plans. **Be aware of deadlines that have significant financial or operational impact on your customers, as well as the organization.** If possible, establish a **go/no go date**.
- **Communicate and be transparent.** Send clear and concise communications to your event audiences as early as possible, especially if an event date has moved or your organization is contemplating cancelling the event. Even if you do not have all the details, it is better to keep your audience informed of your plans and when your organization will provide more details instead of keeping them in the dark.

#### Renegotiating Contracts with Facilities, Hotels, and Vendors:

- **Force majeure vs. event cancellation.** Understand the difference and cost implications. Ensure that agreements clearly define what costs the show organizer will be responsible for if the event is cancelled. Be sure to include maximum / capped liability amounts. Address

money paid for exhibit space / sponsorship contracts in both situations. Facilities / hotels typically do not want to discuss cancellations prior to 90 days out.

- **Dig deep.** Ask hotel(s) for data needed to create scenarios and make decisions (room diagrams, access points, etc.). Do not be afraid to have information-gathering conversations -- it shows the hotel that you are working to make the event happen.
- **Protect the financial health of your event.** Revise contracts to include “above & beyond” costs.
- **Use vendor data.** Understand where / how your exhibitors are spending. Exclusives are negotiable. Go armed with data, clearly identified challenges, and desired outcomes to be in a better negotiating position.
- **Exhibitor ROI.** Evaluate pricing models for exhibitors and sponsors that make sense based on what value you are offering. Getting back a lost exhibitor is much harder and more expensive than retaining exhibitors. Play the long game and price fairly.
- **There are no event organizer “freebies” in 2021.** Everything show organizers offer at ‘no cost’ may have to be paid for by the exhibitors in the long run to generate the same net revenue for an event. Be careful what you give away for ‘free.’
- **Catering & Hotel.** Work closely with the caterer and hotels on new budgets. Look at your contracts and note all potential liabilities – room blocks, attrition, F&B minimums. Plan for possible additional catering labor and/or costs related to individual servings / pre-packaging or discuss alternatives such as using concessions.

### **Budget Impacts on the Onsite Experience in a COVID-World:**

- **Prioritize.** Develop the strategy and goals first. Determine the minimum number of attendees and exhibitors / sponsors needed to break-even for the in-person event and the virtual event as your benchmark. Prepare a variety of financial scenarios; Best-case; Mid-case; Worst-case.
- **Reinvent the future.** Digital and in-person components do not have to occur simultaneously, especially if it strains staff and financial resources. Build the event from the ground up. Consider using the facility as the “hosting site” or “hub” for your virtual event. Make it a value-add to your physical event and to the facility.
- **Remember your audience – attendees & exhibitors.** Build the event that your audience wants to consume. Digital events last year set a high bar for attendees and expectations will continue to increase for more capabilities and programming online. Focus on quality as much as possible.
- **Communicate.** Discuss with your facility, hotel, and suppliers what requirements there will be and who absorbs the cost. Ask the facility to waive fees in relationship to making last minute adjustments to space (up or down). Or at least know what those fees are up front to make decisions as early as possible to minimize extra costs.
- **Offer enticing perks for exhibiting and sponsoring and deliver!** Exhibitors and sponsors pay to access and engage with your audience. Consider expanding the contact information from participating attendees but be mindful that you get permissions from your attendees to share their data. Be extremely conservative in your exhibitor / sponsor revenue forecasts and start sales early to beat the targets.
- **Spread out!** Consider asking facilities to provide more space (especially if the venue is not full) to allow for more social distancing, bigger aisles, and additional access points to keep all participants safe.

### **Budget Implications in 2022 and Beyond:**

- **The event business has forever changed.** We need to think about our event formats and how they have changed. Build the event to meet attendee AND exhibitors’ needs and the budget will be easier to put together.
- **Build 2021 with 2022 in mind.** Consider how the decisions you make today will impact future events. Define your event’s purpose first and then set goals and budgets to align.

- **Plan ahead.** Many vendors are willing to negotiate. Investigate, research, vet, and ultimately contractually lock in exhibitor services and rates now for events in 2021 and beyond – this can reduce costs of exhibiting and improve your event's bottom line.

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