



Starting and Running the Event Management Business

Learning Outcomes

By the end of this unit, the learner will be able to:

- ✓ Understand the need for a good business plan for a business.
- ✓ Understand the activities involved in running an event management business successfully.

Starting and Running the Business

Event management can be a lucrative business provided you go about it the right way. So, how can you make your dream become a reality? Well, research is the key to having the smooth start that you desire. You need to research on important aspects of running an Event Management business (i.e., researching taxation, rules and regulations, funding, advertising, day-to-day running of the business, and so on) to stand a chance of grabbing opportunities existing in a niche market and to become successful.

But if you are new to this business, then it is best to start your career with an entry-level role in a reputable Event Management firm and learn the fundamentals of the trade from more experienced colleagues. The other advantage of such a move into an entry-level job is that you are able to gather useful contacts and to build networks to put you in a good position before starting your own business. Excellent organisation is required to ensure your start-up does not become shaky to the extent that your business faces risks of folding up. If done right, you may end up with a healthy profit since Event Management does not require substantial start-up capital.

Starting a Small Business

As already mentioned above, one of the wonderful things about Event Management is that you do not need huge capital to start it. This is because the client and other supporting stakeholders bear the cost of planning events leaving you with relatively little capital injection from your own resources. On top of that, you get assistance from other supporting businesses who take part in event activities using their own resources/equipment freeing of the burden and cost that comes with having to buy and store your personal equipment. This means that you will be required to travel from one supporting business to the next, usually off-site to have regular discussions about what is expected of them.

Supporting businesses may include catering services, sound system providers, security services, and ticketing agencies, etc. Given that you only need a limited amount of space to run your Event Management business, you may find it economical to start off from home and save up on rent money. It is also often the case that your initial earnings may not be all that steady and sufficient, so running your business from home could save you some cash to invest in advertising to promote your company's image and reputation rather than using the money to rent office space at an exorbitant price.

Ask your Landlord

If you do not have a large enough room at home to accommodate all of your office items, you may look outside and ask your vendors, landlord or friends and family to assist you. As long as your business does not conflict with the vendor's business they would be happy to have you around. You may speak to the caterer, florist etc., to show you their facilities. Landlords with extra space available may be happy to help you rent this space. Also consider contacting family and friends who run their own businesses with the view to sharing the space and rent with them to reduce their rent expenses.

Starting a Large-scale Event Planning Business

This option exists for those who want to buy their own equipment and other resources instead of renting them. Large-scale Event Management often requires partnering with one or more investors. It also requires that a business plan is developed to guide the management process. During the development of your Event Management plan, you may have to establish how many events you need to do every month or every year to get a nice profit for your efforts.

Both small and large scale Event Management businesses require a good business plan for success.

Writing a Business Plan

The main reasons for having a business plan include using it to secure capital investment, for evaluating progress, for monitoring expenses, and for creating strategies.

Steps Required to Create Business Plan

Step 1

You need to create a cover page showing the name of the business, the address of the business premises, the telephone number, email address, and the website address, etc.

Step 2

The next step is to provide a brief description of your business in at most 30 words. Also include the company's mission statement, the objectives and goals, a short description of what the Event Management industry is all about, and something about the trends for previous years and the forecast for the future.

Step 3

State the type of business you will be running. Provide the legal business description for the type of business you are running whether sole proprietorship, partnership or corporation.

Step 4

What products and services would your business provide? Give brief descriptions of these.

Step 5

Here you need to do some research and analyses of the Event Management business, and everything about the target market; the demand, competitors, etc.

Step 6

Create a marketing plan by providing in-depth information on the demographics of the target market and supporting your research findings with statistics and sources. Also back up your strategies with evidence from publications. Go further and elaborate on the characteristics and benefits of your products to your market.

Step 7

Perform a SWOT analyses to determine the soundness of your business proposition. You need to find out about your competitors and the type of products and services they offer. Also provide evidence to show 'why' and 'how' the features and benefits of your business will be patronised.

Step 8

Advertisement is important to capturing your target market, retaining them and getting new customers. Stage the type(s) of adverts you intend to use and also the strategies you will adopt to retain customers and provide estimates for the costs of advertisement and other promotional strategies.

Step 9

You need to describe the operations you will be carrying out and the equipment you will be using. Also list the cost of each operation in relation to utility payments, lease payment, mortgage payment, rent payment etc. Give a brief description of the location of the business and also provide details of legal requirements such as permits, authorisations, environmental regulations etc.

Step 10

Step 10 requires the creation of a list of all departments and the number of personnel and the roles and responsibilities of top management staff. Here, it is good practice to have a chart showing the personnel organisational structure for easy reference. The wages and benefit of each employee should be clearly staged as well as any training requirements. Along with this information, add details about all vacancies and the salaries for these.

Step 11

The next set of information to include in the business plan is your business finance accounting details. Identify the accounting method to use, whether cash accrual and provide information on credit terms and fee and payment methods (if using accrual).

Step 12

Provide financial statements for your business including Balance Sheet, income statement and cash flow statements. Also provide analyses on profit and loss and a 12-month forecast for profit and loss. There is the option to do a long term forecast if you think it is important.

Step 13

Finally, you need to produce a table of content and an appendix; the content should reflect accurately the page numbering of each of the sections outlined above.

Partnering Up

When it is time to choose a business partner, a move which is highly recommended, the first move to make is to assess your capabilities to determine which areas are lacking. If you have the capital and the experience of Event Planning, then you may choose a partner with the links to a lot of business contacts. But if you have only the requisite Event Planning skills and not enough capital, then consider looking for a suitable partner who has the capital to get the business underway.

It is important you choose the right person to work with. Think about people who share your passion or someone you have worked with in the past or someone with extensive experience in the Event Management business. You may also look forward to securing the services of people you trust and know to have what it takes to succeed.

The Niche Market

You may start looking for your niche market immediately after finding an office space and registering your firm. For social events, you may consider looking for clients in your city or surrounding areas. Large corporate events would require you to consider the nationwide market place.

The Portfolio

A portfolio is a snapshot of previous events you have planned and executed and a demonstration of your organisational ability to perform in your specialised fields to prospective clients. It comes in binder form and contains such information as:

- Pictures from previous events
- Positive letters of reference from previous clients
- Biography
- Thank you notes or letters from clients, colleagues, and vendors
- List of recommended vendors and their collateral items

Website

Your website should contain most of the information presented in the portfolio and your contact details on which you could be reached to discuss further details such as the fees to charge etc. Do not put information about fees on your website! The website may also double as a platform for advertising your services.

Importance of Networking for an Event Planner

What is Networking?

It involves establishing a diverse range of contacts with people such as caterers, decorators, clients, an all other personnel who are involved in different aspects of organising the event, running it and clearing up when is it completed. The more contacts you have the higher your chances of winning more businesses because of your enlarged referral base. And the more popular your business is with your contacts, the higher your revenue potential. Having a large contact base for business opportunities gives you several options and wins you more business.

If you are into the corporate market niche, then create more contacts by attending industry and chamber of commerce meetings whenever the opportunity presents itself. Also make time to attend community events in order to make new contacts that may need your services in managing events for them. You need to work on building your reputation in your niche market because it is of utmost importance as clients are more inclined to work with a reputable firm known for its high standards, integrity and trustworthiness.

Some Great Ways for Networking

Joining Local Business Associations

The main purpose for attending these networking meetings as an event planner is to win new clients, find new employees, connect with vendors and advertise your business for you to expand. To succeed, you need to do a follow up after the first contact has been made.

Volunteering your Time for Fundraisers

Make your presence felt at charitable events by volunteering your services and take the opportunity to hone your networking skills. This is the stage where you also announce your business presence by passing your business card to participants at the events, but only if they request for it. It is best to work at areas where of the venue where you are likely to meet a lot of people. Working at the registration table is a good place to begin. To get a chance to promote your business, you may also pass cocktails around while you introduce yourself to other guests or pass hors d'oeuvres, which require more conversations with the guests or decide to have a chat with guests close to the end of the event where you get ask them what they think of the event and take the opportunity to distribute favours such as saying 'good-bye' or 'goodnight' to them as they leave. This will leave a lasting good impression of you.

Meeting with other Event Planners

You may also arrange to meet with other planners to network with them at an opportune time when they are not too busy, perhaps meeting to have lunch together. When meeting your fellow planner privately, you need to reassure them of your intention of only networking and sharing resources with them to put them at ease. You may ask the following questions during meetings with other events planners:

- How long they have been in business
- The kind of people they network with
- How they go about organising their venues
- Their suggestions for the best resources for event planning career

The meeting should end on a good note and make an offer to direct any overflow business to them if they are interested.

Meeting with the Client

Consider re-establishing links with former clients and offer them promotional packages such as:

- Special offers of discount for referring a friend to you
- Include promotional offers of discount on different aspects of the event e.g. reduction in the cost of decorations etc.

Staying in Touch

Include all new contacts on your company's mailing list so they can receive information about events and promotions. The holiday period is an ideal time to send greeting cards and promotional offers. You may even attend the same event together with your contacts.

Trade Shows

Trade shows are events which have products and services on display. They are unique opportunities to meet Event Planners and vendors to share their expertise and ideas. Here is a chance to announce your business to the community and to become a familiar member of the Event Management community through interactions with vendors and planners. At these events you get the opportunity to meet clients who may offer you a job or refer businesses to you, as well as, introduce you to other vendors whose services you may want to patronise.

Finding Work Outside of Your Business

Some event planners, such as wedding planners and restaurant service planners etc. may have larger workloads during the holiday season and hence would, require some assistance. This is a unique moment to offer your services and gain more experience. You also get to make some extra cash and discreetly offer your services when it is appropriate to do so. You may want to introduce your own business to potential clients while assisting planners at other events.

Marketing

Marketing involves telling people about your services and persuading them to purchase what you have to offer. It involves securing new business and maintaining existing clients. Event planner requires little knowledge of marketing but they need to be creative and innovative in their approach to getting noticed by the markets. Corporate event management planners may not require marketing skills as they are able to employ specialised marketing experts. But other event management companies may require event planners with marketing skills.

Letters of Reference

Letters of reference serve as evidence of your reputation as a quality event planner and highlight your previous positive experiences from the perspective of your clients. You may ask previous employers to include all positive attributes and skills you exhibited while working on an event planning project. Alternatively, if your name was specifically mentioned in a 'thank you' letter when you worked as part of a team, you may present this to a potential client as a referral letter. Another option will be to ask clients you have worked for to write a referral letter for you.

You can make reference to the availability of your letters of praise in brochures, on your website, or just have one framed and placed in your office.

Business Card and Collateral Materials

These include pamphlets, brochures, and business cards and are offered free of charge to all customers. Other items such as pens, notebooks, and calendars, etc., may also be given out freely as collateral materials. These items usually display the company's logo, the website address, or the telephone number. The packaging design for your collateral items should look attractive for onward distribution to the markets.

One effective way to market your company is to arrange with your network vendors to distribute the collateral items on your behalf with the assurance that you will also return the favour. They may need to keep your materials on hand to take advantage of any opportunity to distribute them. Potential networks include the following:

- Vendors and labour agencies
- Restaurants
- Hotels
- Other event planners

Wherever you go, make it your goal to talk about your business and have your card with you to offer a prospective client.

Advertising

If you are new to the event management business, then your budget may be limited when considering advertising your services because some types of advertising can be very expensive. You need to decide how much of your available finance can be allocated to advertising. Research the price structure for different advertising options and devise an effective advertising strategy to adopt to match your choice of media.

Radio

Consult with the radio sales representative to choose the ideal time to air your advert, depending on which market you wish to target. Ensure you get value for your money with your chosen slot.

Magazines

Depending on the type of planning you undertake, it will be more appropriate to advertise in the right kind of magazine specifically designed for your particular business niche. So you may advertise in wedding, health, trade show or bridal magazines if you are a wedding planner, a health event planner or a bridal show planner respectively. By this approach, you get to target a very specific readership for maximum exposure and impact.

Free Advertising Options

Receiving an award in recognition of an achievement may present a unique opportunity to advertise freely in media platforms like TV, radio, magazines or the newsprints. Some media companies may even dedicate a whole webpage to the winner. Such exposure and write up on you winning the award can be a source of marketing drive to use as collateral material or featured on your webpage.

Hosting an Event for Event Planners

This involves inviting planners to your office to socialise with them and for them to take a tour of your facility and to share your services with them.

Collaborate with Vendors

Your best vendors may also be invited to socialise at an event that you have organised. This may also include your favourite team of workers who ranging from the florist to the photographer, etc.

Setting a Price Structure for Your Services

Several factors such as market segment, qualification, demand, exposure and your experience determine the fees you are most likely to charge your client. Places where demand for your services is exceptionally high may require you charging higher fees. The more experience you accumulate in the business, the higher your price becomes.

i. Pricing by Hour

A client may agree to pay hourly regardless of the type of service you offer. The price range is usually £25 - £125 per hour.

ii. Pricing by Percentage

Negotiations are made to determine what percentage of the total budget will be paid to you as the charge for your services. The going rate falls between 20-30% of the budget as fees but may differ from client to client.

iii. Pricing by Fee or Services

This involves charging a combination of fixed fees for substantial work and hourly fees for other activities depending on the nature of the activity. This arrangement is common for large projects involving lots of activities.

iv. Pricing by Commissionable Rates of 'Add-Ons'

This involves getting compensation for all services rendered by negotiating discounts with service providers.

How to Get Organised

Organising your workload is important to keep track of all activities happening in the course of executing the event. Good planners tend to be well-organised. When organising your business, you will need the following:

i. Filing Systems

You need to decide on a method of organising your work based on your personal experience or you can adopt and adapt ideas from other event planners. Whichever method you end up with will set the stage for your event management career.

ii. File Cabinet

This is required for storing folders of all paperwork. The folders must contain a name and a date for each event.

iii. Shadow Boxes or Cubicles

These are suitable for tracking all activities in progress. Activities occurring on a particular day could be placed in that day's cubicle. So activities to undertake on Monday should be placed inside the Monday box and so on. This can be done on a monthly basis for large offices whereby activities due to occur are classified and placed in cubicles labelled with the name of the month. Folders for each cubicle may be labelled with the client's last name.

iv. Notes

There is the need to take notes of important information during planning meetings or when having a phone conversation with a client. Details such as date, time, budget, expenditure, etc. need to be written down for later reference. After the meeting or phone conversation, you have to type or rewrite those notes clearly and fill in the gaps with any missing information.

v. Calendars

You have to have at least two calendars which must be updated weekly if you want to be an effective event planner. One is required to be kept in the office and the other taken along with you wherever you go.

vi. Multiple Calendars

Having an office calendar is critical for all organisations. It contains details of clients' appointments, event schedules, site visits, etc. Using colour code for differentiating an event, appointment and vendor visits will make it easy to retrieve these details.

vii. Confirming dates with clients

Reconfirmation of client appointment date can be done with the help of a calendar. You can ask the client about the day of appointment and the actual date to confirm the information you have on your calendar.

Double-Checking Invoices

You are responsible for ensuring all paperwork relating to expenditure i.e. invoices, original quotes and actual total cost are accurate. All mistakes should be addressed to the vendor for prompt action to correct them. These mistakes are usually due to miscalculation or oversights. It is important to remember that you are the intermediary between clients and vendors. Ensure that vendors perform according to expectation and clients also pay them on time when the work specifications have been complied with. The client and his guests must also respect the vendor.

Dealing with the Client

Gaining Your Client's Trust

The client places enormous responsibility on whoever he chooses to plan his event. He expects the planner to be up to the task of organising and executing the event according to the terms and conditions and within budget, so he needs certain assurances from you, the planner that you can deliver. To win the client's trust, you may need to have to take some steps during the planning of the event. These steps are briefly described below:

i. Sign a Contract

When you sign a contract with a client, you are in effect telling him of your commitment to accomplish the work according to the terms and conditions stated in the contract. The contract becomes a legal document shoeing service to render and the fees to be paid for the services as well as a serving as a guarantee for you to be paid. Usually, a percentage of the total fee may be paid to you in advance.

ii. Refer to Past Experience

Providing evidence of organising similar events may reassure your client of your ability to provide what he need from you. You may highlight past experience to the client to win his confidence.

iii. Use Positive Language

Make every effort to ensure you use positive words to create a positive impression to show that you can do the job to a high quality standard. Key words to use include the following:

- “Certainly”
- “Of course”
- “On the same line of thinking”
- “I'd be happy to”
- “My pleasure”

iv. The Client Relationship

The client's personality determines how to develop the right relationship with him. Some clients may require you to present yourself in formal attire while others are alright with casual dressing. How you relate to the client in terms of communication, attitude, telephone etiquette, etc., will go a long way to determine how your relationship will flourish. Some of these skills take time to develop but you must make the effort to adapt and improve on them.

v. Professionalism

It is important for event planners to demonstrate professional attitude throughout their engagement with their clients. Here are some tips that could enhance your professional approach to doing business:

- Welcome your clients and ask them if you could offer them something to eat or drink
- Spend less time on personal conversation
- Make good eye contact with your clients
- Be eager to receive your clients
- Be calm during stressful situations
- Give your clients the best treatment that would really impress them

vi. Phone etiquette

Maintaining good phone etiquette is essential to enhancing good communication with your client over the phone. You may call on any of the following phone etiquette as you work with your clients:

- Smile while your answer and keep a cheerful voice always
- Do not leave the phone to ring more than two times

- You should only hold a second caller on the line for 30 seconds, otherwise arrange to call them back or you may ask them permission before putting them on hold
- All voice mail messages should be returned promptly. Send automated outgoing messages if you are going to be unavailable for a long period
- It is recommended that you use the office phone and not the mobile phone to make calls. Do not receive calls while driving; you will not be able to take important notes, besides it is illegal

vii. Manners

Your manners can have an immense influence on your relationship with the clients as you interact with them. You may sue the following rules to enhance your manners:

- Use 'please' or 'thank you' when speaking to your clients
- Only contact your clients between the hours of 9 am to 5 pm unless they direct you to do otherwise
- Maintain punctuality always when you need to meet your clients

viii. Dealing with Difficult Clients

Dealing with difficult clients can put you under a lot of stress. Here is how to cope when dealing with difficult clients:

- Pay attention to what the clients have to say concerning any particular issues they may be having.
- Sympathise with the clients and initiate actions to resolve the issues and inform them of you intentions
- Discuss with the clients their views on potential solutions to the problems. Taking this course of action will improve any strained relationship between you the clients.
- Using creative problem-solving skills to win over a difficult client can endear you to him/her and help develop a long lasting relationship between you the client
- Aim to go beyond the expectations of the client
- Use negative feedback given by the client on a past event to find ways of improving on your services during future events to avoid such negative experience.

ix. Staying in Contact with Clients

Use newsletters or emails to keep your former clients informed about the latest information on upcoming events. Newsletters sent in advance may double as a marketing tool.

x. Initial Meeting with Client and Proposal

Your initial meeting with a client is your best opportunity for you to ask and discuss with him about different aspects of events he wants to organise.

xi. Preparation

Preparation is the key to making a good first impression during your first meeting with your client. You should have a good insight into the needs of your client. Go into the meeting with a professional look; sharp looking, well-dressed and highly organised. This gives the client confidence that you can be trusted with the responsibility of organising the event. If your home office looks highly professional, then use it as the venue for your first meeting. Otherwise, you may arrange to have the meeting at the client's home which should be a more relaxed atmosphere for the client. The goal of this meeting is to discuss more details of the event with the client to get full understanding of his needs. You need to also take with you items such as a pen, notepad, work portfolio, leaflet and brochure from potential suppliers, calculator, list of likely locations and venues, and any other relevant item that may be useful to you. Remember to switch off your mobile phone to avoid any interruption before beginning your meeting.

xii. Meeting with the Client

Prior to meeting your client for the first meeting, ensure you prepare all questions you require answers to. You will need sufficient and relevant details to assist you plan the event. You may ask the client why he wishes to host the vent, who will attend, the ideal date for the event, the location for the event and how he/she would like the event to proceed. There are 5W questions you would like to find answers to:

- Why?
- Who?
- When?
- Where?
- What?

Your expertise would be required to guide the client to prepare a budget for the vent. You may take along a draft of a contract and the event sheet proposal to this meeting.

xiii. The Proposal

The proposal lists the cost of each activity associated with the event. It includes the cost of services and products that would have to be purchased before the event proceed. In other works, it is the estimate invoice for the event. This invoice is prepared by contacting vendors to request for quotes and prices for specific items and also adding the cost of the services of some key personnel to the list. The file containing the pricelist has to be updated regularly to reflect all changes. Apart from price quotations, the proposal should provide details on the venue, the type of entertainment, the speakers to invite, catering and the theme for the event. Do not divulge a large proportion of your planning ideas until after you have signed a contract with the client, else your ideas may finding their way to your rival.

xiv. Dealing with Vendors

When dealing with vendors, you must make the effort to develop a sound relationship with them. One way to do that is to show appreciation to them for services rendered. Choosing a particular vendor should be dependent on getting a full report on the company to determine how reputable they are. Some vendors you may need when you embark on a career in Event Management include:

- Florist
- Caterer
- Pastry expert
- Purveyors
- Labour agencies dealing with contractors, carpenters, and painters, etc.
- Photographers
- Stage designers
- Graphic designers
- Printing establishments

Showing appreciation will go a long way to help build a strong relationship with vendors. Other ways to create goodwill between you and vendors include:

- Offering refreshment to delivery drivers when they come to deliver packages
- Inviting vendors to attend to undertake volunteering activities with your staff
- Enjoying meals together and socialising
- Invite vendors to your company's parties

Dealing with Staff

Having a dedicated group of professionals as your staff is a good asset to have to achieve success in your field of endeavour. You need to nurture your staff by providing them with the right working atmosphere and a good salary to motivate them. However, if your reputation is one of being an excellent employer, then you may get a good staff at relatively low salaries. Some tips to help you create a dedicated staff include:

- Avoiding negative speech about other stakeholders
- Providing adequate remuneration
- Providing staff meal
- Organising events to celebrate birthdays and other important milestones
- Taking trips to interesting places together with staff
- Organising charity events where your staff can volunteer their services and build relationships
- Organising conferences

Ethics

These are rules which guide the behaviour of people in society or an organisation. You should be prepared to deal with issues which test your ethics as you perform your role as an event planner. You need to also know what to do when confronted with the following issues:

i. Accepting Gifts

Sources of gifts include clients, your employer, and other event planners

ii. When is Appropriate

A client saying 'thank you,' an employee giving you a birthday gift, and being treated to dinner by another event planner are all acceptable gifts. Receiving a favour bag at the end of an event is also alright.

iii. When to Forgo Gifts

All gifts which breach contract agreements or erases the integrity of a company or gifts which are given for a return of favour by providing the giver with more business opportunities should be seen as being unethical or unacceptable.

Conflict Resolution

It will be in your interest to develop conflict resolution skills to resolve arguments. Being calm under pressure and during extreme provocation and dealing with the issues in a mature and fair manner will endear you to the conflicting person.

Conflict with Clients

Be ready to solve all issues you have with your client quickly to allow your good relationship to continue to flourish. Pay attention and listen to your client's complaints and do not hesitate to send a gift card to apologise for any misunderstanding and asking him/her to kindly accept your apology.

Conflicts between Clients and Vendors

Complaints from clients about vendors should be managed professionally and well and a solution found immediately, before commencing the event, provided time is available to resolve the problem. However, if the issue is a major one requiring substantial time and resources, such as when the client's property is damaged, you may negotiate with the client to hold on till after the event to find a solution. Even though you expect the vendor to be insured to cover the damages, you need to sympathise with the client all the same and encourage the vendor to send a note apologising for the mishap.

Conflict between Staff Members

When dealing with conflicts involving staff, try to remain neutral and quickly find a lasting solution to the problem. Bad language or violence from the staff should result in termination of employment. Serious cases must involve the intervention of the police.

Legal Matters

Understanding of legal matters will be required to deal with contracts and permits issues. This will also prepare you well in advance to deal with serious issues when the need arise.

Permits

A lot of events require applying for permits from authorised organisations such as local Councils and for a nominal fee.

Type of Permits

The types of permits you may be required to secure for an event include the following:

- A parking permit
- A permit for outdoor spaces

- A sound permit
- A permit for security
- A permit to hang a banner
- A sanitation permit (for portable restrooms)

Contracts

Contract refers to a signed agreement between two parties for a service to be provided for a fee. It is legally binding and specifies all the terms and conditions applicable to the persons who signed the agreement. Planners who have just started their own company may find useful information on the internet to create a contract. You may also find some standard contract templates which are free on the internet. All contracts, whichever form they may take, should have some basic information.

Basic Contract Language

Basic information relating to the event must be provided in the contract. This includes:

- Event date
- Time of event
- Location of event
- The cost of services including room charges
- The cancellation policies
- Charges surrounding a cancellation or a no-show
- Guest count and final count due date
- Billing information
- Server charges, whether by the hour or in gratuities
- Valet arrangements
- Weather cancellations and acts of nature
- Other important details

Cancellations

Create terms and penalties for cancellations. This should include conditions and penalties that go with them. Early cancellation (a week or two) after signing the contract may not warrant any penalty. Generally, cancelling one month to the event may attract penalty of forfeiting all deposit and cancellation a week to the event may require losing the deposit plus payment of a certain percentage (about 25%) of the total cost of the event. Clients, who have been planning an event for a year or more, may have more stringent and higher cancellation penalties.

Breaking a Contract

You or the client may face certain circumstances which may cause you to break the contract. In the case of the client, this may be due to loss of income, relocation of business or non-payment of deposit. The event planner on the other hand may end up breaking the contract if he/she takes excess booking or is faced with an energy problem. The best way out is to arrange with another planner to take on the event on your behalf and trash out the financial arrangement with them at a later date. If you are unable to honour your contract due to unforeseen circumstances, you may return the deposit and refer the client to an equally capable firm to help him out.

Insurance

Insurance should usually be taken as protection cover in the event of an accident. It should cover life and properties.

Special Event Liability Insurance

Commercial licence plate is suitable for planners who intend to work at city centres, to enable them park at specially designated areas. Also, commercial insurance will cover a wider range of liabilities including events. Clients should be advised by planners to obtain event insurance to cover all eventualities.

Client Event Insurance

Client event insurance is relatively cheap but offers cover for a wide range of liabilities including cover for clients' deposits with vendors. Costs of cancellation or postponement are also covered in addition to damages to properties.

Certificate of Insurance

This is a document which shows the insurance coverage. Although venues have their own insurance cover, they may require clients to purchase supplementary coverage against injuries as well.

Proof of Liability

Clients are required by venue management to present proof of liability insurance for large events.

Getting Paid

Sometimes, retrieving fees you are legally entitled to from the client can be a challenge. In such cases you need to take the following steps outlined below to recover your money:

i. Enforcing a Contract

The process for retrieving unpaid fees may start with you sending the client an invoice. If you receive no response after a week, you may contact him by phone and then by email if you do not hear anything from him. The content of this email should include information on previous attempt to contact the client and the dates. If you still haven't received any reply, then send a second invoice and a letter identifying your concern and make sure the mail is certified. If you do not receive any response after this action, then consider taking legal action against the client. You may file a joint legal action if both you and your vendors have not been paid.

ii. Credit Card Deposits

The client may sometimes be required to sign an authorisation form which is linked to a cancellation policy for the cancellation fee to be charged to his credit card; the credit card number being provided by the client. A back and forth battle ensues whereby the client may request a refund of the charge while the bank investigates. The bank may contact you for more details during the investigation. At this stage, you need to send the bank a copy of the contract and the authorisation form for the charges to be paid back to you.

iii. Returned Cheques

Clients may have insufficient funds in his account and still go ahead to issue you a cheque. In this case, the cheque will be returned to you. But if this is due to an error, then a call to your client should resolve the issue and the cheque accepted for processing. However, if your client is unable to respond to the issues of the cheque, then follow the procedure outlined previously in getting your client to pay your invoice where you enforced a contract. You may contact the client's bank manager with a copy of the contract and the returned cheque. The same procedure for enforcing a contract may be used if client stops payment on your cheque but once more, first try contacting the client's bank manager before proceeding with legal action. Contacting the bank manager sometimes yields positive results.

Further Reading:

- ✓ *Start-up: A Practical Guide to Starting and Running a New Business*
By Tom Harris 2006
- ✓ *Starting and Running a Business All-in-One for Dummies*
Edited by Colin Barrow 2011