

BUDGETING | Exhibition Guru

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There is no mystique about budgeting for an exhibition. It is really no different from any other form of business budgeting. You need to: estimate your likely revenue or set revenue targets, identify all your costs, allow for contingencies and make sensible savings wherever you can.

What may be daunting is not knowing exactly what costs will be incurred, how to get the best prices or what you should and shouldn't be paying for. Estimating likely income or setting revenue targets may also present challenges which will need consideration.

In fact, no firm decisions are possible until you know how much you can, and should, spend. You may already have some figure in mind based on your overall marketing budget, the business you expect to generate, advice from other exhibitors, a guesstimate of what you think your exhibit will cost, and/or the amount you are prepared to risk. This figure may or may not be realistic. Only by preparing a detailed budget will you find out.

The Income Side

Generating income through sales is the primary reason for taking part in an exhibition.

The Expenditure Side

Essentially, exhibition expenditure falls into three broad categories:

1. Money you must spend (unavoidable costs)

These unavoidable costs may be divided into:

- Unavoidable fixed costs – because they are generally pre-set, these are non-negotiable and generally relate to services available from only one supplier, usually the exhibition organisers or venue, for example telephone connection.
- Unavoidable flexible costs – these relate to services that are generally available from more than one supplier, thus allowing you to shop around. In some cases you may be able to use your own resources, for example transport and freight.

2. Money you can largely choose to spend (discretionary costs)

These costs relate to and determine the way you decide to participate in an exhibition.

This is the expenditure you can most easily control.

3. Money you end up spending, but didn't specifically plan to (contingencies).

For example, an inspection of your competitors' stands may prompt you to give your stand something extra to attract visitors. You may need to offer hospitality to an important client who turns up unexpectedly. A courier may have to collect those all-important brochures you forgot to pack. Your budget must enable you to deal with such contingencies if they arise.

As a rule of thumb, the amount set aside for contingencies should make up between five and ten percent of your total budget.

An excerpt from: Exhibitions: A Complete Guide

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