



Exhibiting Money & Sense: Budgeting and Controlling Costs

By Jefferson Davis, Competitive Edge

Tradeshows can be a big *expense* (i.e., spend a lot of money and get little or nothing in return) or an *investment* offering a solid return. It all depends on how you view shows and how you manage the exhibiting money.

A wise and prudent perspective is to view exhibiting as a sales and marketing investment. As with any investment, you should expect a return on your investment. How much? My ROI target is three to five euro back for every euro invested in a measurable manner over time. Let's look at budgeting and cost control.

The first budgeting area to look at is the percentage of your company's total sales and marketing budget allocated to exhibitions. A Tradeshow Week study found that the average company spends 31.6% of their marketing budget on exhibitions. How do you compare?

The second budget area to look at is how much to spend on a specific show. To establish a specific show budget, multiply floor space cost times three if you have a small exhibit without a lot of set-up labour costs, drayage and show services. For example, if the floor space costs 3,000 € you should be investing at least 9,000 € in the show. However, if you have a larger exhibit with a lot of installation and dismantle labour, drayage and utility services, then budget floor space times five.

The third budget area to look at and manage very carefully is the areas where money is being spent. Here is a listing of the major exhibit spends areas along with the percentage of the euro spent on each area:

1. Space rental 32%: The cost of the floor space.
2. Exhibit design 20%: The design and construction cost, refurbishing, display materials, furnishings, graphics, storage, installation and dismantle costs, insurance and so on.
3. Show services 14%: Electrical, plumbing, janitorial, security, telephone, carpet, equipment and furniture rental and so on.
4. Transportation 9%: Freight, drayage, customs, brokerage and so on.





5. Travel and Entertainment 18%: Staff airfare, lodging, meals, ground transportation, temp staff fees, training, staff attire, hospitality events, client and prospect entertainment and so on.
6. Advertising & Promotion 6%: Print advertising, sponsorships, public relations, direct mail, list rental, literature, promotional products and so on.
7. Other 1%: Anything that doesn't clearly fall under the above six categories like lead retrieval system rental, lead follow-up costs and so on.

To manage your budget you should have a spreadsheet with the seven major categories and specific line items listed under each category. This is your financial control centre. It should have a budget and actual line along with a variance line.

Controlling exhibiting costs is critical to fiscal responsibility. Here are some specific tips to help you save money:

1. Read the exhibitor manual and pay careful attention to meeting deadlines.
2. Order all booth accessories and services in advance.
3. Request that show labour be done on straight time.
4. Have as much work as possible done on your exhibit before it is packed and shipped.
5. To minimize I&D costs, number your crates according to content, attach a diagram and instructions on how to construct the exhibit, along with electrical requirements and repacking instructions.
6. If you do several shows use the same freight carrier and negotiate volume discounts.
7. Take advantage of show advertising packages when available.

Take control of your exhibiting money now by following the suggestions in this article.

Jefferson Davis, president of Competitive Edge is known as the "Tradeshow Turnaround Artist". Since 1991, his consulting and training services have helped clients improve their tradeshow performance and results to the tune of over \$500M. Mr. Davis is co-creator of the EWEA Online Exhibitor Solution Centre program. He can be reached at 704-814-7355 or jdavis@tradeshowturnaround.com.

