



How much will your conference cost?

Creating a preliminary budget

is an important part of the early planning stages for a conference. The more information and expertise that goes into early budget planning, the greater the likelihood that decisions are based on reliable cost-income analysis.

Many of the costs and income for conferences will vary according to the traditions of the specific conferences; however, there are standard costs and income guidelines and these serve as the starting point for building your budget.

Costs

This provides a comprehensive list of where most of your expenditure will go:

- **Venue** - venues will quote costs for specific space and services, or a per person rate. The quote is usually for the current year and an annual rate of increase needs to be considered for the final budget. The specific services included in the charges vary widely from venue to venue. If university or conference centres were used in the past and the future Edinburgh event will alter this pattern, the costs will naturally reflect this change. In the US, venue costs are usually hidden within the hotel accommodation costs or are not charged at all.
- **IT** - the IT specifications for conferences can vary widely: are data projectors required in each presentation? Will an internet café be provided? Can any of these be sponsored? Check the venue proposal to see what is included and what are additional costs.
- **Catering *** - tea + coffee availability is required and must be included in the budget if not already included in the venue hire. Provision of lunches depends on the specific conference practice and costs can vary widely.
- **Marketing** - the previous conference is the best gauge for the costs of design print and distribution, call for papers, promotion of the event, communications at the preliminary budget stage. Later, specific quotes will provide details for the working budget.
- **Simultaneous Interpretation *** - this will add to conference costs.
- **Speakers and committee expenses** - the financial support for speakers varies widely from one event to another so this is very hard to generalise. You may need to include costs for airfares, accommodation and speakers' dinner.
- **Social Programme** - welcome reception, gala dinner should be added to your budget if the costs are included in delegate fees. If the conference venue is used for the welcome reception, there is usually a savings to be gained. If another venue is used, the venue charge is added to the budget in addition to catering costs for the reception. Will transportation to the gala dinner be necessary?
- **Exhibition** - costs include renting the area, supply of standard stands, and build-up time. PCOs may charge to identify and organise the exhibition. The costs of the exhibition are charged to exhibitors. Will revenue balance the costs?
- **PCO *** - fees Professional Conference Organisers may charge a signing on fee, a per delegate cost and cost of mailings and telephone use, or a fixed fee. Later other suppliers' costs will be included in the conference costs but will not be firm at the preliminary stage. PCOs will provide full accounting of suppliers' costs.
- **Conference Proceedings Publications** - the costs are very dependent on the specific practice of your association. Are the proceedings included in the association journal free of charge? Check to see how much has this cost the previous conference organisers?
- **VAT *** will be charged by the suppliers so this figure needs to be included in the budget.

- **Contingency Fund** Expect the unexpected! Build a contingency fund into the budget which may cover the need for additional security for the exhibition (which will be passed on to exhibitors), additional stage set, decoration, and signposting in the meeting venue, legal and audit costs. Other additional costs might include set up and maintenance of a conference web site, including on line registration.

* Topics marked with a star – please see separate information sheet

Flexibility

Look at areas where you can be flexible with costs. For example, if lunches are included in the delegate fee, be prepared to alter the cost closer to the conference date when other costs will be clearer. Exchange rate fluctuations can alter the cost-revenue balance. Registration fees can be set relatively close to the event, allowing them to reflect realistic costs or include enhancements to the event such as the gala dinner.

Income

Delegate fees usually provide the main source of income and probably will not be coming in as soon as expenditure. Both the local organising committee and the PCO will need a cautious approach to spending, frequently reviewing conference finances.

- **Delegate fees** The fee structure needs to include the fees for association members, non-members, students and the number of non-paying delegates.
- **Exhibition** The revenue from previous exhibitions is an excellent indication of what to include in the preliminary budget. If there are major European and/or UK exhibitors or US exhibitors looking to expand in Europe, your budget can be affected.
- **Sponsorship** The line between sponsors and advertisers may be blurred, and hard to determine at the preliminary stage. What is the realistic amount that either can generate? Delegate bags are one key time of in-kind sponsorship.
- **Advertising** As a user or producer in the field you are best place to know who the key advertisers and sponsors will be and what they are likely to contribute to advertising. PCOs may help contact them, but often rely on members of the association to direct them to the key industry suppliers.
- **Association Headquarters** The association may routinely contribute an amount to the conference; do they expect a part of the conference profit? Some associations undertake part of the organising of the conference, thus reducing PCO costs.
- **Insurance*** For a relatively small fee, the costs of disasters and damages may be covered. Bad weather and transportation strikes are a few of the causes for reduced delegate numbers and annoy exhibitors who feel they received less coverage for the exhibition costs.

Where to go for information:

A number of potential sources of information on conference budgets are available to the conference organisers.

- **Previous Event Organiser** The budget from the previous meeting is an excellent source of information; the Edinburgh Ambassador and the national association are in the best position to obtain this.
- **Edinburgh Convention Bureau** conducts industry research to examine the history of the event: the pattern of delegate numbers, and types of venues used. We will gather preliminary costs from venues and PCOs for an event in Edinburgh.

- **The Association Headquarters** is a key source of information. Organisers should be able to provide information on the historical costs and income of an event including the type of venue used, the range of delegate fees, size and income of the exhibition, potential sponsors' support, and the number of sponsored speakers. The range of hotel costs and uptake from delegates is also very helpful in allowing the city to meet your conference accommodation requirements, though this is not usually part of your conference budget.
- **Professional Conference Organisers - PCOs** have a wealth of expertise; PCOs in ECB membership have contributed to this article. Your PCO will hone a preliminary budget into a specific working document as more detail is assembled through consultation with the association representatives, the local committee, and suppliers. They are best placed to give advice on VAT, the financial accounting for the event, and should keep you up-to-date on expenditure and delegate bookings.

Matrix examples

An event budget is divided into fixed and variable costs. Venue hire may be a fixed cost, unless the venue charges a per person rate while variable costs are based on supplies consumed per capita, eg catering. PCO costs may include a fixed fee plus a per delegate cost, or a profit sharing arrangement. Estimated marketing costs may be included in the preliminary budget.

Figures for a fictitious preliminary budget were fed into the matrix example below showing 3 scenarios for delegate number and fees. In this example, PCO costs were estimated at £45 per delegate; VAT is not included. This conference will break even at 550 delegates with a fee of £300. A preliminary budget is only a guideline at the early stages of conference planning and needs refining and updating once the professional organiser is on board.

Any questions?

If you have questions about budgeting, or any other aspect of holding a conference in Edinburgh, please contact the Edinburgh Convention Bureau on 0131-473 3666 or email us at info@conventionedinburgh.com