

Exhibiting Dollars & $ense: Budgeting and Controlling Costs
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Tradeshows can be a big *expense* or an *investment* offering a solid return. It all depends on how you view shows and how you manage the exhibiting dollar.

A wise and prudent perspective is to view exhibiting as a sales, marketing and customer relationship management investment. As with any investment, you should expect a return on your investment. How much? My ROI target is at least three to five dollars back for every one dollar 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 recent CEIR study found the average company spends 41.3% of their marketing budget on exhibit/event marketing. How do you compare?

The second budget area to look at is how much to invest in a specific show. To establish a show budget, start by multiplying floor space cost times three if you have a small exhibit without a lot of set-up labor 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 labor, 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. According to the Center for Exhibition Industry Research's "How the Exhibit Dollar is Spent" report for 2017, the major exhibit spend areas along with the percentage of the dollar spent on each area are:

1. **Exhibit Space 37.9%:** The cost of the floor space.
2. **Travel and Entertainment 14%:** Staff airfare, lodging, meals, ground transportation, temp staff fees, training, staff attire, hospitality events, client and prospect entertainment and so on.
3. **Advertising & Promotion 14%:** Print advertising, sponsorships, public relations, direct mail, list rental, literature, promotional products and so on.
4. **Exhibit Design & Graphics 11.4%:** The design and construction cost, refurbishing, display materials, furnishings, graphics, storage, installation and dismantle costs, insurance and so on.
5. **Show services 12.8%:** Electrical, plumbing, janitorial, security, telephone, carpet, equipment and furniture rental and so on.
6. **Transportation 8.9%:** Freight, drayage, customs, brokerage and so on.
7. **Lead Management 2.7%:** Lead management retrieval system rental and follow up costs.
8. **Exhibit Staff Training .07%:** Outsourced or in-house staff training program.
9. **Other 1%:** Anything that doesn't clearly fall under the above eight categories.

To manage your budget you need to have a tool with the eight major categories and specific line items listed under each category. This is your financial control center. It should have a budget and actual line along with a variance line.

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

1. Read the exhibitor service kit and pay careful attention to meet all deadlines.
2. Order booth accessories and services in advance.
3. Request show labor be done on straight time, if possible.
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 include detailed instructions on how to construct the exhibit, along with electrical requirements and repacking instructions.
6. If you do several shows use the same fright carrier and negotiate volume discounts.
7. Take advantage of show advertising packages when available.

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

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