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Live Events Project Management and Budgeting
The Business of Event Planning

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Overview

This paper covers one area in a series of subject areas that have been defined by experts and identified as important to the continued success of the thriving live events industry. Other subject areas include viewing environments, operations, system controls, audio, video, and visual management.

InfoComm puts this white paper forth to audiovisual professionals for review, discussion, and comment. The responses received will help refine InfoComm's current educational offerings in these areas.

Proper project planning and management are key to the success of any business endeavor. In a service-driven industry, where the final product is most often a clearly defined event, the performance of the service provider is particularly vulnerable to poor planning and execution.

The ideas presented here are meant to provide a framework for successful project management; an event that is both profitable and meets or exceeds client expectation.

Event Planning

Understanding your part in the event planning process is very important to its success. People who plan events operate in a highly political world. These people can be clients or co-workers. To be successful, an event should give the impression that it was executed flawlessly. Making it a success falls on the shoulders of everyone involved, although the responsibility will be acutely felt by the event planner. This added pressure can make the days leading up to the event stressful for you, your co-workers, and your client.

"The successful event requires seamless integration of many technical elements; audio, visual, lighting, stage and set design, to produce a flawless and rewarding audience experience" (Chandler, 2006).

Remember, you have one advantage in this situation– you do this more often than any of your clients. The knowledge you gain from this course and your experience with events will help you successfully manage your resources during the events, allowing you to enjoy a sense of assurance in the early stages of a show that a planner may not have. Your experience will help you during the planning phases of the event, allowing you to calmly and attentively address all of your client's concerns. Problems or issues inevitably arise during an event, but your knowledge will help you prepare for most any eventuality. In the end, your client will feel that the event was a complete success and executed flawlessly, unaware of the potential disasters that were avoided, thanks to your careful planning.

The Process of Project Management

The following project life cycle was adapted from the *Project Management Body of Knowledge (PMBOK)*. The project's life cycle is applied to an event to demonstrate how the concepts from project management courses can be applied to the rental and staging industry. By introducing these concepts, you can see how using project management practices and applying them to managing events can help your event succeed. The information presented here only introduces a few practices and is not meant to be a replacement for a project management course. It simply suggests how such practices can streamline the planning processes and organize the tasks that need to be accomplished.

The project life cycle was identified to help a project manager organize the tasks of the event into phases. These phases will help the project manager complete each task in a timely manor and prepare for the next phase to keep the work running smoothly.

Initiating – Project managers and the sales staff typically begin initial phases of an event. The earliest an AV technician's job might begin is when the sales staff or project manager requests assistance estimating the equipment required for a job.

Planning – Planning the event is one of the most crucial parts of the management process. In this step, you will plan for everything you know will happen. In addition, you will try to identify issues that may arise unexpectedly and plan ways to resolve them. With time and care, these plans will allow your staff to know the sequence of events and also quickly react to chance situations.

Executing – During this phase, the plans you created are executed. This phase doesn't exclusively occur during the event; it begins as soon as the plan has been put into action.

Monitoring – Monitoring occurs during the entire event process. Everyone needs to be responsible for observing the progress and following the event plans, but the lead AV technician should be responsible for monitoring and making decisions that affect the course of the event.

Controlling – Controlling takes place during the entire event. Using the observations made during the monitoring process, a lead technician or project manager will make decisions and adjustments to event plans.

Closing – The closing of the event begins when the client signs the finalized plans for the event. It's the process of passing the finalized "product" to the client. In the AV industry, the "product" includes the plans for the event, the performance of the event, and any correspondence done after the event.

Each phase can be repeated throughout the event's life cycle. You may find yourself monitoring and controlling during the planning phase and the closing phase. The phase structure hasn't been created to force you to perform tasks sequentially; it simply helps you to organize the tasks to perform them more efficiently.

Initiating an Event

There are a number of tasks that go into initiating an event. Most of these tasks are completed by a sales representative, event manager, producer, or lead AV technician.

The initial contacts with a client may come in many forms. The type and length of the communication depends on the size of the event, level of experience the client has with event planning, and

the way the AV company is organized. The less experience the client has, the longer the pre-event meetings will be. Your participation in these meetings might be as little as taking notes and answering questions to as much as going on site visits and holding meetings with clients to explain the details.

Typical Timeline of Client Contacts:
1. Email
   (No other negotiations may be necessary with experienced clients)
2. Phone call
3. Conference call
4. Meeting Pre-conference meeting (Pre-con Meeting)
5. Site visit
6. Follow up meetings
7. Pre-Show meeting
8. Changes during the show approval
9. Closing communications

One of the first documents that is generated by the client is a request for proposal (RFP) document. This document contains the scope of services, outlines processes, the agreement, and contact information. When RFP's are well written and designed, they will help focus and communicate the client's goals, and record all the information necessary for completing and billing the event. The sales department usually generates the response to the RFP. If a client does not send out a request for proposal, your initial contact may come as a phone call.

An RFP or initial conversations typically record this information:
- What is the client's contact information?
- What are the client's goals for the event?
- What type of client is it?
- What is the event's profile?
- What are the client's goals?
- What does the client have to lose or gain with the success of the event?
- What level of experience does the client have with AV equipment?
- May I contact the client directly with questions or do I need to go through a point person?
- How will the client participate in the meetings?
- Who makes the final decisions?
- Who is the point person responsible for approving changes during the event?
- What are the presenter's requirements?
- What are the presenter's equipment needs?
- What size is the event?

□   Is the event a conference or meeting, or does it include an exhibition?

□   What is the general event schedule?

□   What is the attendee profile?

□   How many staff members will work at the event?

Initiating an event can be a long process which will vary, depending on the amount of assistance the client needs and your level of involvement. You may sit in a six-hour meeting and only answer two questions. The information you gather at the meeting will help you through the entire event process. The quality of the information collected in these initial contacts can provide a strong base for the rest of the event planning process.

An example:

"The sales department brings me a Request for Proposal document, or an RFP. The first thing I try to determine is what kind of client it is. I try to challenge the sales staff to have as much information as possible before they come see me. Is this person charged with planning the event? Has the person planning the event ever planned an event before? Are they the contact person for changes during the event and if not who is? What is their stake in the outcome of this event? What is our relationship going to be with this person? The more information I know about the client, the better I can be prepared to meet their needs."

Creating Plans – The Project Planning Phase

Successfully creating plans depends on the quality and quantity of client information collected during the initiating phase. This information will help you begin the planning phase of the process. The purpose of the planning phase is to create plans to achieve the goals you set for the event.

Plans Created During the Project Planning Phase:

Scope Plan – Once you know the maximum number of event attendees, resources and space, you can create a plan to manage the size of the event. Managing scope can be a balancing act between managing the client's expectations and keeping the event within a budget.

Cost Plan – Once you know how much the client and your company will spend on the event, you should create a cost plan. The results of cost plans are budgets. Cost plans must consider both the costs of the resources and the costs that may occur as a result of decisions made during the course of the event.

Staffing Plan – Once you know the schedule, you can begin forming a staffing plan. List all the tasks that need to be accomplished at the event, then list the skills required to complete these tasks. Look at the schedule; there will be times were you will need more than one person to complete all the tasks scheduled for that time. Create a list of people with what necessary skills you will need at specific times. This will give you an idea of how many people you need and what their schedules should be.

Quality Plan – Quality plans should always focus on presenting the client with the highest quality service within the scope of the event. This can be done by listing goals for quality of service. An example of a goal may be to have a tech available to every presenter during every session. The quality plan can tie into the staffing plan. For example, if you were to hire people with specialized skills to operate the equipment rather then giving someone a crash course right before the event, your plan may increase the quality of the event.

Communications Plan – Plan the chain of communication. If there is a change, who needs to know about it? If a change occurs, everyone involved should know who to inform and how it will affect the event. The communications plan specifies how this is accomplished.

Risk Management Plan – Create plans to deal with factors that may threaten the success of the event, or the project. An example of a live event's risk is planning for the eventuality that half of the equipment gets shipped to Coco Beach rather than the event. Next decide what risks are more likely to happen and have the most impact on the event and prioritize them. Plan how to respond to each risk as it would occur and reduce any risks that you possibly can. This plan begins a continual process of checking and monitoring things that can occur throughout the event.

Procurement Plan – Once you know how many resources you need to complete the event, create a procurement plan. Determine the amount of things you must purchase or rent, then determine when and how you will obtain them. This plan may encompass signing contracts, comparing costs, selecting providers, and closing contracts.

Schedule Plan – Every event is different. Some events have people who will tell you where to be and when. Others will tell you what they want and leave it up to you to schedule everything. The scheduling plan is created for two purposes– to run an efficient event and meet the client's expectations. To meet these expectations, this plan encompasses the other plans as a guide to ensure a successful event.

Here is an example illustrating these concepts:

"Our company was hired to provide equipment for an event in Costa Rica. The RFP for the event did not include a projection screen. When I noticed the obvious discrepancy, I notified the sales team. The client confirmed that the scenic vendor was responsible for the projection screen. During the time that elapsed between the initial contact and the actual event, the contact person changed, the budget was decreased, and the scenic vendor was dismissed. We were notified that the budget was cut and that the show was going to be done in a simplified format. At that point, we should have gone back and started all over with a new RFP. Instead, we continued through the planning process and no one noticed that there wasn't a projection screen. We arrived in Costa Rica without a 10 by 30ft (3 by 9m) projection screen. This was not a trivial problem; large projection screens are difficult to find in Costa Rica. After an unsuccessful local search, we decided that our only solution was to have a screen flown to Costa Rica from our home office."

Creating each plan will help you identify tasks you need to perform to achieve each goal. Follow your plans and revise them as needed to keep your actions and decisions on the correct course.

Planning an Event's Scope

The size of an event is determined by attendance numbers and the number of resources the event uses. These will be identified in the pre-event communications and updated through the entire event process. Typically, large events will require many resources and have high attendance. No matter what size the event, the scope must be carefully monitored. As the day of the event grows closer, the event itself may change. The need for equipment may increase as the event gets under way and your company's resources may become depleted. This is why the scope of the event must be continually and carefully monitored.

Managing Scope involves:
- Scope planning
- Scope definition
- Work Breakdown Structure or (WBS)
- Scope Verification
- Scope Control (Project Management Institute, p.103)

Scope Planning – creating a project scope management plan that documents how the project scope will be defined, verified, controlled and how the WBS will be created and defined" (Project Management Institute, p. 103).

Scope Definition

In general terms, state what the result of the event will be. For example "We will provide the expertise, equipment, and personnel for two hundred people to see and hear a concert." Then as the second part of the definition:

- List what resources, procedures, time, and money you need to reach the result.
- Ask for input from people with experience in setting up events.
- Create several plans for reaching the goal efficiently and effectively.
- Decide what method is the most efficient and effective for putting on the event.
- List the factors that are limiting the size of the event, such as money or space (Project Management Institute, pp. 109-110).
- List the assumptions you are making when creating the definition. For example, when you create a timeline, you assume the shipping trucks will not break down. Think about what can go wrong and list what you assume will not go wrong. (Project Management Institute, p. 19)

Create a work breakdown structure — A WBS divides the event (deliverable) into small jobs. Examples of breaking down the result into a work breakdown structure are: setting up a stage, rigging, and setting lights.

Scope Verification – This step is difficult to apply to the rental and staging industry. It is defined as "formalizing acceptance of the completed project deliverables" (Project Management Institute, p.103). The closest application of this is when the finalized plan for the event is submitted to the client for final agreement. The methods to complete this step vary from company to company.

Scope Control – is controlling the changes to the project's scope" (Project Management Institute, p. 103). Controlling the scope of an event occurs when anything is added or taken away from the finalized event plan. Each time you think about adding equipment to the setup that was not originally planned, you are controlling the scope of the event.

To successfully manage the plans:
- Keep the event within the scope identified in the RFP or scope plan
- Verify that all your resources or activity attributes are onsite.
- Review all schedules prior to the event including equipment schedule, operator schedule, production schedule, script, and technical rehearsal schedule.

- Review the inventory equipment pick list and update when necessary.
- If any major changes happen prior to the event, start over.

Proficiently monitoring and planning the scope of the event is essential to making the event safe and profitable. Properly managing the scope is a delicate process. You must allow an event to grow as much as possible without expanding beyond the capacity of its resources. Knowing where to draw the line comes from experience and careful planning.

Conducting a Site Survey

In the RFP or during pre-event communications the client's goals and expectations are translated into a general equipment list by a sales person or an AV technician. The information the RFP doesn't include but is necessary for the event needs to be recorded during the site survey.

Depending on how an AV company is organized, either a lead AV technician or the sales staff will conduct a site survey. It is important that a skilled AV professional conduct the site survey to prevent mistakes and repeated visits to the site to gather more information. This professional must create a very specific equipment list from the details gathered during the site survey. The equipment must be selected to meet the goals of the client and work well within the venue.

Best practice to conduct a site survey:
The person responsible for approving changes should be identified during the initiating phase. This person's contact information must be available to the AV technician on site so that they can make necessary changes as quickly as possible. A standard approval procedure for making changes to the setup must be in place *before* the event begins and communicated to everyone on staff.

- ☐ Make contact with onsite personnel
    - Gather contact names and telephone numbers, and email addresses.
    - Inquire about the facility rules.
    - Ask about outside vendor contract requirements.
    - Find out what the liability insurance requirements are.
- ☐ Inspect and review loading dock procedures.
- ☐ Verify access to the event space
    - Measure door heights and widths to assure accessibility for your equipment.
    - Measure the dock height.
    - Measure any ramp grades.
    - Assess the need for ramps, dock plates, or forklifts.

- Ask about dock hours and restrictions.
- Ask about city or hour, or time restrictions for trucks on streets and docks.
- Ask about the security of the dock.

☐ Determine the accessibility of the elevator by measuring its interior and door.

☐ Determine accessibility to the event space by measuring all doorways and hallways.

☐ Ask for a map of the interior of the building to record the path to the event space. Determine the most efficient interior route to take when moving equipment into the room(s).

☐ Contact the security personnel, and ask them when they work, which doors are locked, and when you can access the rooms.

☐ Determine city or time restrictions for trucks on the street and docks.

☐ Inspect the event space to determine:
  - Ceiling height
  - The height of the chandelier and soffits
  - The sight lines
  - Drawing availability

☐ Note the location of all fire exits.

☐ Meet with riggers and learn about the specifications and locations of the rigging points.

☐ Investigate functionality of the house light controls.

☐ Learn how to operate the lights and electrical system.

☐ Determine a safe power distribution path.

☐ Locate and test telecommunication connections. If necessary, meet with the telecommunications specialists and arrange for service that you need.

☐ Fill out any site survey forms your company may provide. If your company doesn't require any forms, keep detailed notes on all the observations you make instead.

☐ If union members are used, determine what tasks they may not be permitted to do.

Conducting a site survey is very important to the success of the event. It helps you determine what equipment to bring and how to smoothly install it into the space. There are so many important details that need to be attended to during this step it can be easy to forget one. Create a checklist, like this one, of all the tasks you must accomplish during the survey. That way you will avoid the expensive prospect of returning to the site multiple times for more information you simply forgot to gather.

Site Survey Documents

Onsite Personnel Contact Information			
Contact Name		**Contact Name**	
Contact Job Title		Contact Job Title	
Telephone		Telephone	
Email Address		Email Address	
Contact Name		**Contact Name**	
Contact Job Title		Contact Job Title	
Telephone		Telephone	
Email Address		Email Address	
Contact Name		**Contact Name**	
Contact Job Title		Contact Job Title	
Telephone		Telephone	
Email Address		Email Address	

Typical Facility Rules	
No alcoholic beverages on site	**Additional Rules**:
Smoking is not permitted anywhere on the property.	
No cameras and recording devices on the property	
No re-selling of tickets	
No selling of merchandise not approved by the facility	
No foul or abusive language or inappropriate or unacceptable gestures	
Only use gaffers tape in the facility	
You are responsible for any damage you do to the facility.	
No bringing guests in during an event	
No weapons	
No animals except guide dogs	

Managing Clients' Goals and Expectations

A sales person may begin identifying the client's goals during the initiating phase of the event and record it in some other form of documentation. As time passes and decisions are made these goals can become lost in the process. You or the sales representative need to confirm and communicate how the goals of the event are being met or altered as decisions are made. This sequence is repeated throughout the event process until the event has been completed and the client determines that the goal has been met.

Questions that may be revisited during the event process:
- How have the decisions being made affected the purpose of the event?
- How have the decisions being made affected the budget for the event?
- What are the current budget expectations?
- Has your stake in the event changed?
- How have these decisions affected what the audience sees and hears?
- How have the client's needs changed during the planning process?

Record everything that is expected of you, and document all the agreements that are reached. Documenting interactions will help you measure the success of the event and follow up with the client. If at any time during the process you feel that it is impossible to meet the client's expectations, tell your supervisor, and the client if possible.

Managing Client Expectations
- Build a relationship with your client through service and personalized contact.
- Ask the client personalized questions to understand their expectations.
- Aim to exceed your client's expectations, without exceeding the scope of the event.
- Give the client your contact information and be available for them.
- Communicate both good and bad news to your clients.
- Respond in a timely fashion.
- Communicate before, during and after an event.
- Set limits and communicate them to the client when you have reached the limits.

After the pre-event meeting, respond to all inquires as soon as possible with thoughtful and considerate communications. Follow up with the client after the event to make sure you met their

needs. Remember that many client complaints stem from lack of continued communication between your company and the client.

Missing the Goal

Your client may want a wide range of the latest and most sophisticated equipment. This type of client seems like the perfect client, allowing you to work with all the new equipment. Sometimes these clients lose site of the goal of their event, so you must find out what the central goal of their event is before discussing the technology. For example, if the event's goal is to communicate the importance of educating the homeless, the keynote speaker might be an elderly woman who was homeless, but through education was able get back on her feet. Outfitting the event with all the latest technology, large bright displays, and flashing lights may distract from the goal of the event. Letting your clients know what options are appropriate for their event will help them achieve their goal.

Feeling Comfortable

Many presenters are well practiced at what they do. They create presentations using the media available at the time and continue to use the same presentations for years. Creating new presentations and using new technology intimidates them; they don't want to learn about new techniques and want to stick with what has been successful in the past. You can give them confidence by showing them how new technology would leave a greater impact on their audience, and can be more reliable and easier to use than the old technology. Don't force them into a situation that makes them uneasy. If they insist on the older technology, supply them with equipment that is in good condition. Your knowledge of past and current technology will make you valuable from one end of the market to the other.

Sticking to a Budget

Client's expectations can often exceed the limits of what is physically possible and what is within the budget. When their expectations begin to break the laws of physics and the budget, you need to gently and tactfully bring them back down to reality. During pre-event talks the client may list all the equipment they want to use. As they describe what equipment they want, you can use your company's price sheet to keep a running total. Once they are done listing the equipment, you can total the charges and check with them; make sure your figure matches what they expect to pay. This method of communicating the financial status of the event before you send them an invoice will help you to manage expectations.

AV specialists tend to focus on the technology and devices. Remember that these are just tools to serve clients. Your goal is to help clients present their information as effectively as possible. This means not only that the equipment must be appropriate and work properly, but also that the event itself be well planned.

Scheduling

The schedules you create will be part of larger schedules created by the producer, event organizer, sales staff, or client. Changes in their schedules will be reflected in your schedule. Keep the lines of communication open during the creation of these schedules. Your schedule will need to be constantly monitored, reviewed, modified, and updated during the event. Use the plans you created to guide you as you create the schedules. During the scheduling process, allocate resources to meet the requirements of the plans and thus the goals of your client.

Creating Plans Using Milestones
List the milestones you must reach at the end of the event. Use your client's goals and the plans you created to achieve those goals.

Remember the plans you created earlier:
- Scope Plan
- Schedule Plan
- Cost Plan
- Quality Plan
- Staffing Plan
- Communications Plan
- Risk Management Plan
- Procurement Plan

Examples of Milestones:
- Equipment arrives for concert in main ballroom
- Equipment set up in main ballroom
- Modifications to the stage completed

Scheduling Using the Activity Definition Method
"Defining the schedule activities involves identifying and documenting the work that is planned to be performed" (PROJECT MANAGEMENT INSTITUTE, p.127). Begin by breaking the work that needs to be done.

For example:
- Transport equipment to the venue
- Set up equipment
- Operate equipment

- Tear down equipment
- Transport equipment back to the warehouse

These are known as work packages, and they will differ depending on the scope of the schedule being created. For example, if you wish to schedule the entire event planning process including the sales staff's activities, you should begin identifying work groups at that level.

Once you have identified the work packages that you need to schedule, break these packages into smaller components that can be scheduled. Allow enough time for each activity to be accomplished by the number of people you have available at the time.

Possible Scheduled Actives:
- Pull equipment from warehouse
- Load the truck
- Travel to the venue
- Unload the equipment
- Place equipment in the proper rooms
- Set up equipment in the proper rooms
- Test all setups
- Person A needs to be in room A to operate equipment A
- Person B needs to be in room B to operate equipment B
- Rooms A, B, C need to be turned at this time
- Rooms A and B can be torn down at this time
- All rooms can be torn down at this time
- All equipment needs to be torn down and packed up by this time
- All equipment needs to be loaded on the trucks by this time
- Travel to the warehouse
- Unload equipment

Once you have listed the activities you can begin identifying the activity attributes, which are details about each scheduled activity.

Activity Attributes:
- Number and type of equipment (equipment pick list)
- Amount of equipment
- Number and type of cords
- Local labor
- Sub-rentals
- Freelancers
- Number of trucks
- Size of trucks
- Size and type of dock
- What time restrictions there are
- Number of people required with a certain skill set

- Geographical area
- Predecessor actives
- Successor activities
- Relationships
- Ordering
- Sorting
- Procedures

Planning Methods

Now you are ready to sequence the activities. People follow a variety of methods to create the sequence of activities. Some create a diagram showing what needs to happen before the next task can begin. Others use calendars and time slots to manage the resources. There are many software programs specifically designed to do this. Do what you can to help visualize where all the people and equipment need to be at certain times.

Planning Using the Activity Sequencing Method

Below is an example of the "Arrow Diagram" or Critical Path method (PROJECT MANAGEMENT INSTITUTE, p.132). Each circle or rectangle represents the beginning or completion of a task and the lines and arrows represent their relationship with each other. This way you can visualize what activities can be started immediately and what activities require a predecessor activity before they can begin. Time is read from left to right, and tasks that can be accomplished at the same time align vertically.
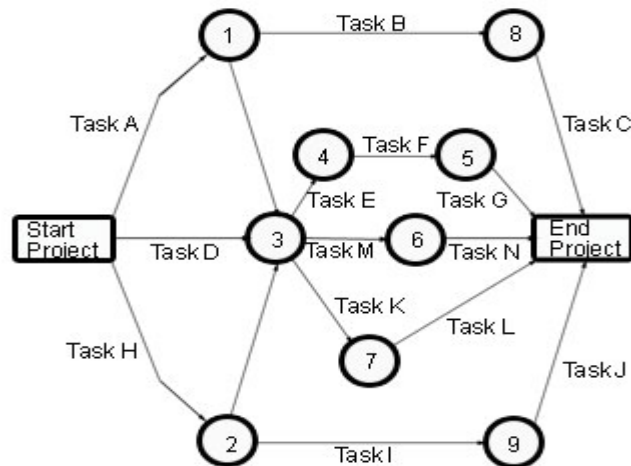
This method is actually very complex and can support very large and complex projects. For now, you only need to understand how this method can help plan an event, not the complexities of planning a large project using this method.

To explain the basic principles of this method, look at a simple task such as a basic loudspeaker and projector setup. List each task that must be completed to finish the setup. Decide which tasks can be completed at the same time, and which tasks must be completed consecutively. To help you organize the tasks, you can put this into a task list.

For example:

Task #	Description of Task	Task Dependent on
1	Assemble all equipment stands	
2	Assemble the projection screen	
3	Place the loudspeakers and projector on the stands	1
4	Connect all cables and power cords	3
5	Properly align the projector and speake	1, 2, 3, 4
6	Test the signal	1-5
7	Properly gaff all cables	1-4

The chart shows the tasks, but not the start dates and duration of the tasks. Those details are designed for more complex project plans.

1. Arrange the task list in a successive order, then use the left column of the chart to number each task.

2. The column on the right site of the chart indicates what task must be completed before another can begin or – dependent tasks.

An example of a dependent task is task number 3, listed in the chart above. You know that this is a dependent task because a number is listed in the right hand column. In this example, task number 3 is dependent on task number 1.

Why is task number 3 dependent? Task number 3 asks you to place the loudspeakers and projector on the stands, which cannot be accomplished until the stands are set up which happens to be task number 1.

3. To record your list of tasks in an arrow diagram look at the first task: "Assemble all equipment stands." On a

blank sheet of paper, draw a circle with number 1 inside, and then draw an arrow pointing to a circle with a number 2 in it. The circles represent the beginning and end of the task, and the arrow represents the activities that must happen to complete the task.
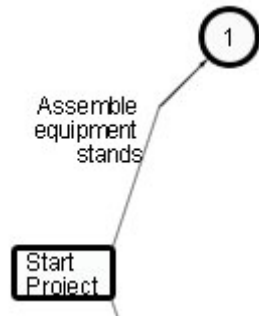
4. In instances where one activity is dependent on the completion of another to begin, draw an arrow.
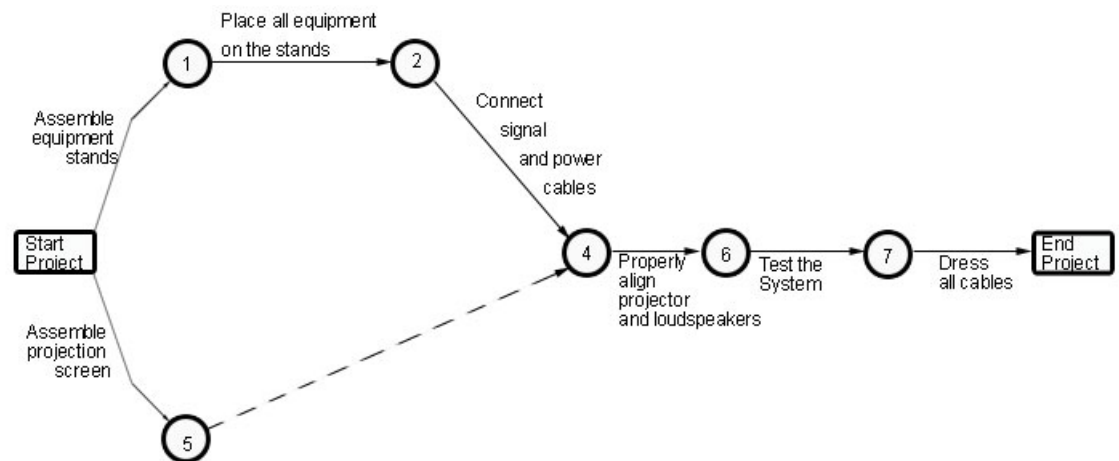
5. Build each completed task with another arrow until the setup has been completed. The charts are typically drawn to scale with the length of each line and arrow representing the amount of time it takes to complete a project.

Planning Summary

This was an introduction to some basic methods of managing projects. All of these methods are far more detailed than demonstrated in this course. The purpose of this lesson is to introduce you to the basic concepts of project management and the tools that you can use to help organize your projects.

Activity Resource Estimating

Estimating the resources you need is a balancing act. You don't want so many resources that you expend too much money, yet you don't want so few that you can't accomplish the tasks. Resource estimation is based on the schedule you created, records of past task performances, and a list of assumptions.

1. Estimating your time is important because 1) "Time estimates establish the setting of deadlines for delivery of projects, and hence peoples' assessments of your reliability" (Mind Tools, 2006)., and, 2) "They often determine the pricing of contracts and hence, their profitability". (Mind Tools, 2006).

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3. "They often determine the pricing of contracts and hence, their profitability" (Mind Tools, 2006).

Steps to Accurately Estimate Your Time:

1. Understand what you need to achieve
2. List all tasks you must achieve
3. Account for all eventualities including:
   - Other high urgency tasks to be carried out which will have priority over this one
   - Accidents and emergencies
   - Internal meetings
   - Holidays and sickness in essential staff
   - Contact with other customers – to arrange the next job
   - Breakdowns in equipment
   - Missed deliveries by suppliers
   - Interruptions
   - Quality control rejections
   - Etc. (Mind Tools, 2006)

If you are planning a complex project, try breaking it down into manageable parts using the drill down method.

Steps to Using the Drill Down Method:

1. Write the issue or task down on the left-hand side of a large sheet of paper.
2. Record the points that make up the next level of detail on the issue a little to the right of this. These may be factors

      contributing to the issue, information relating to it, or questions raised by it.

3. This process of breaking the issue down into its component part is called drilling down.

For each of these points, repeat the process. Keep on drilling down into points until you fully understand the factors contributing to the issue. If you cannot break them down using the knowledge, you have then carryout whatever research is necessary to understand the issue (Mind Tools, 2006).

To create realistic estimates, there will always be some assumptions. Assumptions identify factors that are beyond your control but may negatively affect the event. For example, most project managers will assume that a natural disaster will not happen during or prior to the event. This is a fair assumption: it rarely happens and preparing for it would be very costly. Basically, you are identifying and documenting when each task will be accomplished, provided a number of situations do and don't occur.

Project Budgeting

Cost Plans and Budgets

Depending on the policies of your company, you may be involved with developing the cost plan and maintaining the event's budget. Often the client has been given a quote before the show, which typically includes expenses such as pre-planning, travel, sub-rentals, and other variable costs. It's the responsibility of the AV technician to monitor the budget during the event.

There are a variety of budgets, all created to track and categorize every dollar. As an AV technician, you will have the greatest impact on two types of budgets:

- Event budgets or event cost plans
- Company budgets

It is easy to get these two types of budgets confused. Due to their close relationship, they share several standard accounting characteristics.

Examples of a rental company's finances (Figure A) and the budget breakdown of an event (Figure B) are on the next page. These are great examples of the blocks of financial data that are organized and analyzed by the accounting department to forecast the financial standing of the company.

Notice that both tables track similar data such as income, revenue, and expenses; except an event's budget is focused on financial details of a single event rather than the impact of many events.

When it comes to individual shows, the cost structure changes in comparison to the company's overall picture. An event that uses minimal outside resources will appear to be more profitable. Look in the example below at the event's finances and compare it to the company finances. This is an example of an event where the event's expenses (Figure B) exactly match the percentages for the whole rental company (Figure A).

An example of a company's finances:

Rental Company	
Income Statement	
Revenue	100%
(less Expenses)	90%
= Gross Profit	10%
Revenue Breakdown	
Equipment Rental	60%
Labor	30%
Supplies/Materials	10%
= Total Revenue	100%
Expenses Breakdown	
Business Overhead	40%
Labor - internal	15%
Labor - external	15%
Cost of Supplies	5%
Cost of Sale Items	5%
Sub-Rentals	10%
= Total Expenses	90%

(Figure A)

An example of an event's finances:

An Event's Budget	
Budget Breakdown	
Revenue	$10,000
(less Expenses)	9,000
= Gross Profit	$1,000
Revenue Breakdown	
Equipment	7,500
(less 20% discount)	(1,500)
Estimated Labor	3,000
Materials Sold	1,000
= Total Revenue	10,000
Expenses Breakdown Average	
Share of Business Overhead	4,000
Cost of Staff used on event	1,500
Cost of outside labor	1,500
Cost of supplies sold	500
Cost of supplies used	500
Cost of sub-rentals	1,000
= Total Expenses	9,000

(Figure B)

Notice the similarities between the data that is tracked for the company and event.

Income

Many businesses divide their accounting into two groups: cost centers and profit centers. Profit centers are sources of revenue. Cost centers are the departments that are not responsible for generating revenue, such as the accounting department.

Any events an AV tech works on are typically categorized as profit centers. The event is intended to make a profit. If the event is successful, it will increase the amount of dollars in that profit center- if it is not successful, it will decrease the amount of dollars in that profit center, showing a loss of income for that event. When an event shows profit, it brings the company income. Whether the even makes a profit or not, it is still considered a profit center.   A company's revenue is sometimes called income, and can be acquired from different sources.

A rental or staging company's income sources may include:
1.   Equipment Rental

2.   Labor

3.   Materials

To make a profit, the company needs to charge the client more for the service or materials than it is costing them to acquire, and maintain it.   The pricing structure must be set so that it brings in income: Total Costs + Profit = Price. However, the price must be competitive when compared to what other companies are charging for the same service or product. This often results in more of a profit on some items and less on others, making some items more profitable than others. In the rental industry, on average, the majority of income will not come from the mark-up on labor or materials; but from the rental of equipment.

Expenses

Expenses come in many different forms. They are categorized by how often they occur and if they are expected to reoccur. Categorizing these expenses can be difficult, but so can calculating them. There are straight forward calculations such as costs of salaries and purchasing equipment. Other expenses, which are more difficult to assess are: deprecation of equipment, mileage on vehicles, and the cost of replacing lost or stolen equipment. The company's ability to track and prepare their finances for these expenses is essential to the company's degree of success.

Two Types of Expenses

Operating overhead is a large expense for a company in the live events industry. Operating overhead, also known as fixed expense, is not directly altered by the amount of business at any given time. The allocation of operating overhead will affect the entire company. An example of this is the amount a company will pay in salaries. Calculating total operating overhead will help the company set prices that will allow them to make a profit.

Examples of operating overhead:
- Equipment depreciation
- Insurance, utilities
- Rent
- Salaries (for cost center labor)– , accounting, marketing, and management

Variable expenses can fluctuate in proportion to the sales revenue (income). Theoretically, they are controllable based on the level of sales. The classic example of a variable expense is a sales commission, which varies based on the amount of sales revenue. All the other variable expenses will change based on units sold. Accurately calculating these expenses will help the accounting department analyze the performance compared to prior years and adjust the prices accordingly.

Examples of variable expenses are:
- **Sub-rental** – equipment you must pay to use
- **Materials** – items sold to the client
- **Supplies** – items that are used in the course of doing business, but are not paid for by the client
- **Direct Labor** – (profit center staff) – positions directly associated with revenue.

To calculate profit, the accounting department may follow a simple formula: *unit margin (the price you pay for a unit and your costs for purchasing and maintaining it) unit sales volume = total margin – fixed expenses = operating profit*. Changes in sales volume and prices per unit will affect the entire profit structure.

Understanding Variable Expenses

Sometimes it is difficult to appreciate the impact variable expenses have on a company's profit margin. Variable expenses are the most easily adjusted, and therefore, the most easily controlled. Once you understand the large impact these expenses can have on your company's profits, you can appreciate the role you can play in managing your company's variable expenses.

Costs of Sub-Rentals

One of the largest variable expenses for rental companies is sub-rental. This is the equipment rented from other companies to supplement or replace existing inventory. Minimizing unnecessary sub-rentals is one of the most important things a rental company can do to control expenses. For example, if a company can reduce sub-rentals by $20,000 per year by purchasing a $50,000 item that will last for three years, then it can realize a 20% return on its investment over three years ($20,000 x 3= $60,000. $60,000 - $50,000= $10,000 or, 20% of the $50,000 purchase).

What are some ways that you can reduce the amount of sub-rentals your company uses?

Costs of Lost or Stolen Equipment

A lost piece of gear has three costs associated with it:

1. **Purchase cost** – The purchase price of equipment depreciates overtime, which translates into a monthly cost. For example, a $1,000 item depreciated over three years costs the company $27.78 a month regardless of the number of uses.

2. **Sub-rental cost** – The cost of renting a replacement for lost or stolen equipment. If the $1,000 item rents to a client for $100 a week and the replacement sub-rental costs $90 a week, that leaves only $10 to pay for the $27.78 depreciation instead of the $100 normally received from a non sub-rental.

3. **Replacement cost**– If the company buys a new $1,000 item, the total depreciation increases to $55.56. This increase accounts for the deprecation of the stolen equipment.

4. **Hidden cost**– **Employee time** spent tracking lost inventory, reporting stolen gear to authorities, purchasing new gear, arranging for sub-rentals, and transporting sub-rentals.

What are some ways you can reduce the cost of lost or stole gear?
- Secure all the equipment at all times.
- Keep doors shut and locked.
- Record what gear is removed from the warehouse and when it is returned to the warehouse.
- Keep records of where the equipment is at all times.
- Avoid keeping equipment in the trucks if you can.
- If equipment must be stored in the trucks, park the trucks in secure areas or in highly visible areas.

Expense Tracking

Here is an example of a live event budget form that tracks the costs of an event:

LIVE EVENTS FORM						
Event Title:						
Event Date:						
Length:						
Event Personnel:	**Number**	**Days**	**Rate**	**Indirect Costs**	**Direct Costs**	**Total**
Onsite Project Manager						
Lead AV Technician						
Assistant AV Technician						
Pre-Production						
Post-Production						
Camera Director						
Camera Operator						
Audio Engineer						
Sound Board Operator						
Gaffer						
Heavy Lifting						
Rigger						
Personnel Subtotal						
Equipment:	**Number**	**Days**	**Rate**	**Indirect Costs**	**Direct Costs**	**Total**
Scaffolding Package						
Projection Package						
Camera Package						
Equipment: (cont'd)	**Number**	**Days**	**Rate**	**Indirect Costs**	**Direct Costs**	**Total**
Sound Package						
Lighting Package						
Dolly Rental						
Sub-Rentals						
Strike of Equipment						
Equipment Subtotal						
Supplies:	**Number**	**Days**	**Rate**	**Indirect Costs**	**Direct Costs**	**Total**
Gaffer's Tape						
Projection Bulbs						

Batteries						
VHS						
SVHS						
DVI						
DVD						
CD-RW						
Supplies Subtotal						
Travel:	**Number**	**Days**	**Rate**	**Indirect Costs**	**Direct Costs**	**Total**
Lodging						
Air Fare						
Parking						
Meals						
Per Diem						
Travel Subtotal						
Office	**Number**	**Days**	**Rate**	**Indirect Costs**	**Direct Costs**	**Total**
Telephone						
Computer						
Photocopying						
Postage						
Supplies						
Office Sub-total						
Miscellaneous	**Number**	**Days**	**Rate**	**Indirect Costs**	**Direct Costs**	**Total**
Event Insurance						
Location Permits and Fees						
Catering						
Parking Fee						
Docking Fee						
Vehicle Mileage						
Vehicle Rental						
Miscellaneous Subtotal						

Key Financial Factors During an Event

Making good decisions during crisis situations can be a daunting task. You must use your knowledge of the show's budget, the client's temperament, and your company's resources to come up with viable solutions. One resource that you can use to make informed decisions is the employee time log. This will help you know the status of each employee.

Before you make a decision look at the key factors to consider during a crisis:
- Fixed labor
- Unreimbursed (you cannot charge your client) overtime
- Unreimbursed (you cannot charge your client) supplies
- Unnecessary sub-rentals

Fixed labor – Fixed labor costs are the labor costs guaranteed to the client not to increase and are typically estimated prior to the event as a package price. If a lead AV technician manages time and resources well, tit is possible to finish the event using less labor hours than estimated. Completing events early can help make a profit for the company. Unfortunately, when a crisis situation occurs, additional labor and material is often required. If the crisis is not caused by the client, the client will not have to pay any extra costs, and your company will have to absorb the cost, causing a loss of revenue.

Unreimbursed overtime – Depending on the contract and situation, un-reimbursed overtime can take several forms. Unreimbursed overtime occurs when you cannot charge the client for overtime. This is often caused by mistakes in time management or in allocation of resources. A example of this would when the equipment being delivered arrives late due to traffic problems, which can causes the labor crew to get paid for just waiting to work.

The next example of unreimbursed overtime is **hidden overtime.** This type of overtime occurs when the crew is working two consecutive events. If circumstances dictate that the first event has the crew work a longer than planned, it causes them to roll into overtime during the second event.

Unreimbursed supplies – These are supplies that are consumed during the course of one or many events. Examples of unreimbursed supplies include projector lamps, gaffer's tape, and batteries.

Sub-Rental – This is equipment that the company does not own and must pay to use. If managed properly, sub-rentals can help the company when its own inventory is temporarily short, or the equipment needed for a job is out of the normal scope of services the company usually provides. Unnecessary sub-rentals, however, can be a result of mistakes, such as poor logistical planning, lack of proper maintenance leading to equipment failure, and improperly diagnosed equipment problems.

Extra labor, sub-rentals, and supplies can quietly destroy an event's profit and, over time, a company's business. Manage your resources wisely and use prudent control over expenditures when ever possible. Be resourceful and explore all of your options before incurring expenses. Take the time to realign your revenue and expenses on a regular basis by looking at your financial paperwork.

Keeping Accurate Time Logs

Keeping accurate logs is vital to the success of the event, especially when faced with a crisis. Crisis situations may cause you to abandon all thought and react on instinct. STOP! Hasty decisions can increase the probability of lost profit margins. You need to keep a cool head and use resources such as time logs to make intelligent decisions.

To stay within budget, you need to inspect your time logs. Figure out ways to maximize efficiency. When you can, utilize an employee who:
- is not being paid overtime
- has taken their break
- is completing their assigned task ahead of schedule
- is capable of solving the problem

Below is an example of a timesheet that tracks the task that the employee is working on and the time spent on that task. The hours this person worked on the event can be recorded on a master sheet so that you know the current status of each employee. This will allow you to make informed decisions and save money.

It is a **best practice** to standardize your company's timesheets. Each sheet should include the employee's name, the event ID (if working on multiple events), the the employee began and ended working, , the total hours worked per day, and hours worked per event.

It is difficult to motivate employees to keep an accurate account of the hours. One way to help remove common obstacles is by creating a standard time log. This log should be clear, concise, and easy to complete, use, and reference.

Time Sheet				
Name:				
Date:				
Event:				
Assigned Task	**Start Time**	**Stop Time**	**Total Hours Per Task Regular Time**	**Total Hours Per Task Overtime**
		Total:		

Allocating Resources During an Event

There are many decisions to make during an event. When you are new to managing events, it is often difficult to know what decisions to make. Unfortunately, there is no list of right and wrong answers, when it comes to these decisions. You must learn about the common mistakes made during the event and do your best to avoid making similar mistakes.

Each company has a different process for approving changes to the budget or schedule. These processes can often require an AV technician to contact several people before making a change. It is a **best practice** for a company to provide its technicians with contact information for everyone who must approve a change, and the procedure involved with making that change.

Analyze a possible situation where you may need to allocate resources during an event and analyze some possible solutions.

You are a lead AV technician for an event. During the course of this event, a video projector fails. Your company doesn't have any spare projectors, so a sub-rental has to be secured. Once you secure a sub-rental, you must decide how to proceed with transportation and installation. As a project manager or lead AV technician, you have the ability to minimize certain costs with good decision-making.

Lead technician "A" decides to use outside labor to locate, transport, and install the sub-rental projector. Due to the meticulous time logs, the lead technician knows that the outside labor is still on straight time while the inside labor would be on overtime.

RENTAL EVENT	
Budget Breakdown	
Revenue	$10,000
(less Expenses)	9,000
= Gross Profit	$1,000
Revenue Breakdown	
Equipment	7,500
(less 20% discount)	(1,500)
Estimated Labor	3,000
Materials Sold	1,000
= Total Revenue	10,000
Expenses Breakdown - Average	
Share of Business Overhead	4,000
Cost of Staff used on event	1,500
Cost of outside labor	1,500
Cost of supplies sold	500
Cost of supplies used	500
Cost of sub-rentals	1,000
= Total Expenses	9,000

When organizing the show the lead technician "B" decides to use inside staff to find a sub-rental projector, transport it, and install it. Since the time logs are out of date, the lead technician "B" has no idea who would be working overtime hours. This decision causes the amount of staff overtime to increase, whereas outside labor would have been on straight time. In this example, there is a low

profit on supplies and materials and no profit to offset the costs of supplies.

RENTAL EVENT	
Budget Breakdown	
Revenue	$10,000
(less Expenses)	9,350
= Gross Profit	$450
Revenue Breakdown	
Equipment	7,500
(less 20% discount)	(1,500)
Estimated Labor	3,000
Materials Sold	1,000
= Total Revenue	10,000
Expenses Breakdown - Average	
Share of Business Overhead	4,000
Cost of Staff used on event	1,750
Cost of outside labor	1,000
Cost of supplies sold	950
Cost of supplies used	250
Cost of sub-rentals	1,000
= Total Expenses	9,350

Making informed decisions about labor can mean the difference between a profitable event and a costly event. Having up-to-date logs will help you make informed decisions faster. The sooner a problem is resolved the less chance your client will notice the problem, the greater chance you have of fixing it in time, and the more time your crew will have to complete their tasks on schedule without incurring overtime.

Facility Contracts and Insurance

Every event will need insurance and contracts to operate legally. The types of contracts and insurance required will vary depending on regional codes and laws. The event site or your company will know what type of contracts and insurance are required for you to legally operate. As an AV technician, you must know where the legal documentations are so that you can produce it if asked. If the legal documentation is not available at the show site, you must know who to contact to confirm the documentation.

AV technicians usually don't sign contracts with clients. Normally, an AV technician needs to know that the contracts exist and who is responsible for enforcing their terms. Smaller AV organizations

require an AV technician to read and interpret contracts with venues, insurance agencies, or sub-rental agencies. If your company requires you to work with contracts, they should provide guidelines for you to follow.

Here are some examples of contract features that should cause concern when you see them:

- The terms of the contract infringe on rights or create dangerous situations.
- The terms of the contract can be interpreted in multiple ways.
- The terms of the contract violate anyone's rights which are guaranteed them under the law.
- The penalties outlined in the contract seem unreasonable.

In these cases, bring the issue to the attention of your supervisor. In many cases, the contract will need to be rewritten, or the changes will be written into the original contract and initialed by both parties.

Liability
The most prevalent legal issue in the live events industry is safety. Insurance companies exist to make sure their client is the last one found liable in the event of an accident. Insurance companies hire people to make sure large corporations and hotels are never found liable. As an AV company, vendor, or sub-contractor, you need to be protected by liability insurance. As an AV technician, you must follow proper procedures and be aware of your actions at all times to prevent an accident.

To prevent accidents, monitor the area before, during, and after the event and look for:
- Improperly secured cables
- Improperly taped cables
- Dangerous overhead rigging and hanging equipment
- Damage to the facility
- Unsafe operation of equipment
- Damaged hardware
- Damaged cables

Here is an example of what can happen:
A company was doing a show in an atrium lobby. Lights were mounted on pipe and base hung out over the edge of the balcony, held in place only by sandbags. After the show had ended, a stage hand removed all the sandbags from the bases, the lights and pipe fell down four stories and killed a woman. It was a horrible tragedy that was caused by an employee who had not been properly trained. This company was extremely negligent, suffered lawsuits, and almost went out of business as result. You have to be very

aware of what you are doing and understand what could happen. The reason AV professionals tape cables around doorways is because they know what could happen. There are a lot of "what could happens" and there is no end to the number of things to consider.

In the event of an accident, always take care of the people first. Make sure they get proper medical attention, then ask for the person's information, documentation, and then notify your supervisor so that the proper forms can be filled out.

When working in the client's venue (hotel, convention center, or building), there may be other authorities that need to be notified. In a hotel or convention center, it's often the security office, or they may even have a safety officer who needs to be notified. Make sure you go through the proper channels and be accommodating. Your company may be liable, so don't do anything that's going to make it worse by being uncooperative. Take care of people first. Accidents don't happen very often but when they do it can be very devastating to a company and the people involved. Do everything you can to prevent accidents from happening.

Client Contracts and Quotes

Every event will have a contract or quote associated with it. These documents are the result of pre-event meetings and negotiations. Contracts provide a way to define the working relationship between parties.

A typical contract will outline what resources the client is being charged for and what the set-up will be when the event or service agreed upon is complete. Contracts are typically legally binding documents requiring that both parties meet the terms of the contract. Many contracts allow for the price and terms of the contract to change under certain circumstances.

Unlike contracts, quotes typically are not binding; they are an educated guess at what the client may expect to pay for an event. No matter what type of agreement has been reached between your company and the client, you should understand the terms of the agreement, so if a change needs to be made you will know what you can do about it.

Contracts in the live events industry:
- Are created in the pre-event meetings
- Are legally binding documents that require both parties to meet the terms of the contract
- Describe the charges to the client

- Describe what resources or services the client will receive
- Allow for changes to the terms under certain circumstances

An event budget is created from an RFP form or a contract setting limits on how much a company will spend on an event. Typically, the company providing the services will allow for a profit to be made from the event by charging the client more for the event than it costs to provide it. If the event's expenses exceed the contracted price, the expenses start decreasing the profit; if they continue to increase, the event will cost the company money instead of bringing in revenue.

Tips for working with quotes or contracts:

☐ Bring a copy of the quote or contract, signed by the client, to any pre-event meetings and maintain a copy during the event. Make sure you know if it is a quote or contract. Don't discuss the terms of this contract with anyone unless you have been authorized to do so. Use the copy for reference and to answer any questions the client may have.

☐ A quote needs to be detailed enough that you know what items will be included or excluded from the bill.

☐ If you are responsible for quotes, learn how to calculate the taxes for the region where you are working. Some organizations may be tax exempt. Find out what their status is before totaling the bill.

☐ Not all contracts have every term recorded. Find out about hidden expenses, such as union labor, electricity charges, stage risers, lifts, drayage, meal charges, security, or other hotel charges not specifically quoted.

☐ Follow your company's chain of command to approve any changes. Your company should provide you with all of the contact information required to approve a change.

☐ If the client must sign any documentation, have those documents with you at all times. For example, a document allowing a change to the order, such as equipment additions or deletions and change to the labor hours may be needed.

☐ Ask about your company's contracts, including cancellation terms, such as client cancellations, acts of God, and weather-related cancellations.

☐ Find out how equipment additions or deletions should be handled. For example, clients may have paid their bill prior to

the event and will need to pay for any changes before the event begins. Other clients may be getting the bill after the event and will need to sign a document agreeing to any changes to the bill.

☐ If you have to quote prices, have a price chart, including equipment price and labor costs, with you at all times. This way you will be able to fully disclose the price of any event changes to the client before they are made.

☐ Examine the contract and find out how many labor hours you have to complete the event.

☐ Record all the tasks involved in completing this event.

☐ Estimate how much time each task will take, check this total with the total labor estimate. If you feel that an error has been made, let your supervisor know.

☐ Assign tasks to all crew members, and tell them the amount of time they have to complete their task. This sounds easier than it is because you must make sure that each crew member can complete the task assigned. This means you must know what the dependent tasks involve and what the skill level of the crew member needs to be. For example, if the task is to hang the projector but the rigging hasn't been constructed and the crew member doesn't know how to hang a projector, the task cannot be completed.

☐ Manage the crew by managing their tasks. They should be working efficiently on the assigned task and completed each task before they start the next. Make sure they have completed their last task and have all the supplies they need for the next task before assigning them the next task.

☐ Keep accurate records of the time the crew is working and the time it takes for them to perform each task. This not only helps the company account for the labor costs, but it will help you explain why the labor costs increased or decreased on this event.

☐ Follow the labor laws and allow for breaks and overtime when assigning each task.

☐ If you are authorized to make changes, document the change on paper and keep a live computer record as up-to-date as possible. Give the manual forms to the first and second AV technicians. Meet with them often and keep the documents up-to-date.

Contracts and quotes are used to communicate and document agreements between companies and clients. They can help facilitate communication and resolve conflicts when they arise.

Common Contracts in the AV Industry

The most popular standard contracts in the industry are known as all-inclusive AV rental contracts, otherwise categorized as client contracts. They are created for companies that rent individual pieces of equipment to end users. Typically, they include an agreement and legal language that states that the person signing the contract is agreeing to take responsibility for the equipment. You will find these contracts throughout the AV rental industry.

Many companies will transition from a rental company to a staging company. During the process they bring their standard contracts with them. Too often these contracts are not revised to meet the new needs of the staging company. This may place the company in a tenuous situation if the terms of the contract do not cover all their operations.

Common Types of Contracts
- **Venue and client contracts** are contracts typically agreeing on the terms of a service and use of a space.
- **Long-term contracts with venues and clients** are contracts that agree to terms over an extended amount of time.
- **Labor contracts** are agreements between the suppliers and employers of labor.
- **Sub-vendor contracts** are agreements with an organization that will carry out the business on behalf of the entity that proposed the contract.

Contracts may include terms such as:

Contract to perform a service – this says that one party agrees to do something for another party in exchange for some type of compensation.

Partnership agreements – defines how two or more parties will "get along" while working together.

Agreements – are loose contracts that are usually used to define the expectations or rules that one party requires of another. A hotel will often provide a service provider agreement for an AV company to sign that defines the rules and regulations of the venue.

Scope of work – will define the limits to the services one party will provide to another. This is often used when the provider wants to define where its responsibility ends to avoid being held liable for circumstances beyond its control.

Summary

The live events industry provides a time-sensitive service that requires careful preparation, planning, and management. Understanding your clients' goals and knowing how to meet or exceed their expectations depends on how well you plan for the event and how well you execute your plan. Ensuring the continued success of your business will depend on your knowledge of how to properly manage an event how to properly budget, so that you remain both competitive in the marketplace and profitable within your organization.

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