

Start & Run an Event Planning Business

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Getting Started

Self-Assessment

What is it that makes one person succeed in the events industry while another fails? There is no one stereotype of a successful special events entrepreneur, but certain common characteristics can be found in those who succeed. For example, they are invariably hard-working, determined, resourceful, and capable of honest self-appraisal.

Starting your own special events business is risky, and you need to be clear on whether it is the best choice for you. You may already be working in the special events industry, but turning your skill into a business is a very different venture. Examining both your strengths and your weaknesses gives you the chance to remedy the factors that may impede your success. If you don't manage time well, don't like to work alone, and dislike making decisions, starting your own events business may not be appropriate — unless you are willing to work on your shortcomings. You don't have to be perfect, but you do need to recognize and acknowledge your strengths and weaknesses before investing time and money in a business.

To aid you in your self-analysis, a self-assessment test is provided here for your use (see Worksheet 1). It outlines some characteristics for success in this field and asks you to evaluate yourself against them. Answer the questions honestly to determine how many success characteristics you already have. This test will not definitively tell you what you should do, but it can help you engage in honest self-appraisal. A passion to succeed, an eagerness to learn, and an acceptance of responsibility can overcome any weaknesses.

The value of any quiz, test, or questionnaire lies in that it can help you identify your strengths and admit your weaknesses. Look on this self-appraisal as an important first step in your journey to starting and running a successful special events business. You are capable of capitalizing on your strengths and compensating for your weaknesses as long as you know what they are and if your desire to do so is powerful enough.

Once you have determined that starting a special events business is the right venture for you, take some time to test your ability to create special events. If you have not created events before, we recommend that you create on paper two or three theme events. Organize them in a portfolio with sketches, photos, fabric swatches, menus, rental details, production schedules, and budgets. Use this portfolio of event ideas when doing your market research by showing them to family and friends.

Determining Your Market

Once you have decided on whether or not this field is right for you, your next step is to determine your market or area of specialty. Is there a big enough market waiting to hire you to produce their special events? Make certain you discover this before you risk time and money on starting a business.

Many start-up operations are established solely on instinct and optimism. The enthusiastic new business owner may have only a vague idea about who his or her clients are or, indeed, whether or not there will be any clients at all. Operating on blind faith, such people are relying on plain old luck to see them through, and sometimes, it takes just that. However, while every business needs a little luck now and then, banking on it is hazardous to the long-term health of your enterprise.

The special events industry is so vast that the event organizer is not limited to just one market segment. Even those who are experts

WORKSHEET 1 SELF-ASSESSMENT TEST

Check the appropriate column for each of the following statements.
(N = never; M = most of the time; A = always)

	N	M	A
1. I am a self-starter.	_____	_____	_____
2. I am normally positive and optimistic.	_____	_____	_____
3. I easily accept personal responsibility.	_____	_____	_____
4. I have no problem working alone.	_____	_____	_____
5. I am competitive.	_____	_____	_____
6. I commit strongly.	_____	_____	_____
7. I am flexible.	_____	_____	_____
8. I am self-confident.	_____	_____	_____
9. I relate well to other people.	_____	_____	_____
10. I am a goal setter.	_____	_____	_____
11. I am a creative problem solver.	_____	_____	_____
12. I like to plan.	_____	_____	_____
13. I am a decision maker.	_____	_____	_____
14. I enjoy working hard.	_____	_____	_____
15. I can tolerate risk.	_____	_____	_____
16. I seldom procrastinate.	_____	_____	_____
17. I am innovative.	_____	_____	_____
18. I handle stress well.	_____	_____	_____
19. I am independent by nature.	_____	_____	_____
20. I am a logical thinker.	_____	_____	_____
21. I am persistent.	_____	_____	_____
22. I communicate well with others.	_____	_____	_____
23. I manage my time well.	_____	_____	_____
24. I have plenty of common sense.	_____	_____	_____
25. I have the ability to think objectively.	_____	_____	_____
26. I am in good health.	_____	_____	_____
27. I like to learn new things.	_____	_____	_____
28. I am realistic.	_____	_____	_____
29. I can take criticism.	_____	_____	_____
30. I am ambitious.	_____	_____	_____

Now determine your score. Should you start your own business? Count your **Always** and **Most of the time** answers as positive. If you scored

30 out of 30	You should be running General Motors.
26 – 29	You've got what it takes.
21 – 25	You'll do just fine.
16 – 20	Be sure you answered yes to number 14 and 27.
15	Questionable.
Under 15	Unlikely, but nothing is impossible.

in the events business will have a difficult time trying to define all the potential markets. But to be successful in a field that is so broad, you need to find your niche — a specialty that combines your best capabilities with a service that is necessary and, preferably, underserved in your area. As outlined in the introduction, the choices are plentiful: conferences, conventions, incentives, corporate meetings, expositions, trade shows, fund-raisers, weddings, sporting events, concerts, festivals, parades, children's events, golf tournaments, and the list goes on. When you concentrate on one market, referrals and word-of-mouth businesses come your way much more quickly. On the flip side, when you work in different fields and functions, you reduce your chances to become known as the best in the business.

Where do you see yourself? What makes sense to you and the community you plan to serve? You may need some experience to gain this insight, but what's important is to keep your options open and remember that you cannot succeed if you spread your special events business too thin. The key to your success is to identify your potential customers, to know what they want, and to determine how to fill that need.

Market Research

Your market is that segment of the population that could potentially use your service. Finding out who they are and what they want is called market research. This research will provide you with the data you need to help identify your potential clients and determine how to reach them. Conducting thorough market research is the foundation of any successful business.

First, you must research your competition. Any special events company that is doing serious business will be advertised in the Yellow Pages and will likely have a website. Spend time looking at your competitors' websites and studying their printed materials. This should give you a good idea of who the major players in the marketplace are and the type of competition you are up against. Remember that these people may be your competitors now, but there is a good possibility that they will become your future colleagues — people who will refer clients to you and people with whom you may associate professionally to share information on growing your businesses. It is not in your best interest to pretend to

be a customer and waste another event professional's time asking for quotes or ideas. This type of behavior can return to haunt you.

Competition is not a deterrent to going into business. However, it is important to know who your competitors are and where they are located so that you are on an equal footing. Knowing your competition allows you to learn from them. What do they do right? What do they do wrong? How will you be better?

Market research helps confirm market size, minimize financial risk, save time, and pinpoint where you should concentrate your service. Researching your market can also uncover market segments that you may not have originally considered. It establishes a foundation for decision-making and positioning your service. However, not taking the time to do some basic market research can cause you to fail when you might otherwise have succeeded.

The steps in basic market research are outlined here.

Set a realistic time limit

Decide how much time you intend to devote to market research and stick to that time limit. Think in terms of normal working days and eliminate weekends. Do not become so caught up in doing research that it takes precedence over getting the business started.

Define your information needs

What do you need to know? By properly defining your needs, you can save valuable time and avoid having to cope with too much information. To give your special events business a realistic chance of success, and to have the information necessary to write a comprehensive business plan, you must define what data is relevant for your proposed business.

When you are starting out, you should collect information about the following aspects of the industry:

- (a) Number of potential markets
- (b) Size of each market
- (c) Market trends
- (d) Demographics of the clients served within markets
- (e) Competitive companies
- (f) Market share

Within the market as a whole, you will also want to identify demographics, industry outlook, growth potential, economic trends, population shifts, consumer trends, and relevant economic indicators.

For example, if your proposed business is located in an area with a convention center, you could consider convention management, trade shows, event or conference registration, and spousal programs as potential markets and gather all relevant data. The size of the market is the number of meetings and conventions booked each year. Market trends would be the size of the conventions, conferences, and trade shows booked and the types of associations, industries, and corporations booking the facility. Your target customers would be the decision-makers at the companies who organize the meetings and events. Competitive companies are the number of other companies in your area that offer their special events services to the convention center. Market share is the percentage of the convention center special events you realistically think you could attain.

Allocate resources

Your resources for market research are personnel and funds. If you are starting a business with a partner or if a family member is available, delegate tasks and responsibilities and try not to step on each other's toes. One person could make phone calls while the other goes to the library. If you are not already set up at home with a computer and an internet connection, this is the time to install this equipment. See chapter 3 for more information on getting set up.

Much of the information-gathering will require time, but the cash required should be minimal. However, be prepared to spend some money, for government reports and publications on industry trends and statistics may be of interest, and many of them cost money.

Gather the data

Identify and contact the most appropriate sources for the information you need. Organize and file your research results as they accumulate. Don't keep unnecessary data, and do keep an eye on your projected completion date. The following are some good sources of information, from the general to the more targeted:

The internet

The internet provides a wealth of information at your fingertips. Start by using a good search engine. (Yahoo!, Google, and AOL are among the top picks.) Your local bookstore or library should be able to supply you with some great search tips, if you are not that familiar with search tools. Once you become acquainted with internet research, you will find this method will save you time on the phone and in your car, as much of the research legwork can be done on your computer. Be careful to check your sources — links from recognized organizations (chambers of commerce, government, Better Business Bureau, etc.) are your best bets for starting out, as not everything on the internet is credible information. Your local government or chamber of commerce will also provide you with community and business links to lead you to the information you need.

Your local library

Libraries are invaluable resources. Look through business and trade publications for trends and sales information. Often you can find market studies on file that directly fit your needs. You can also locate census information and trade reports. Ask the librarian for help with your specific information needs.

The Yellow Pages

Your local telephone book can be a major resource. Study the classifications that list your competitors under the headings Special Event Planners, Wedding Planners, Party Planners, and so on. How many competitors are there and do they use display advertising?

Chamber of commerce

Your local chamber of commerce is an excellent source for all business information. Visit them online, call them, or visit them in person. If they cannot help you, they will direct you to someone who can.

College or university business departments

Many college and university business departments offer extensive research help to the new businessperson. Occasionally, advanced students will take on the complete market research function for a company as a research project.

Government departments

Government departments, particularly those devoted to small-business development, can be another helpful source of information. In the United States, the Small Business Administration (SBA) offers publications covering topics such as budgeting, market research, legal structures, marketing, and financing. Call your local office and ask a counselor what is available. In Canada, these departments are the responsibility of each province. The department that handles small-business development can provide information on start-up assistance and point you to federal programs that may be helpful.

Both federal and provincial or state governments are increasingly using “portal” technology to better guide their online users. Through these portal websites, governments direct you by your area of interest to the relevant resources and portfolios available, both online and in print. These sites offer reliable links to business sites within government. Go to <www.state.gov> or <www.whitehouse.gov> for the US government portals. The Government of Canada’s portal is at <www.gc.ca>.

The Business Development Bank of Canada (BDC) <www.bdc.ca> conducts seminars on business topics, which are very informative to anyone new to business. It also offers books and pamphlets. (Go to <<http://www.sba.gov/aboutsba/sbaprograms.html>> on the internet for a complete listing of the topics covered.) There is a charge for most of these publications. If you do not have a BDC office near you, write to the nearest regional office.

If you need demographics, the BDC’s online computer service has it all. Again, if you do not use a computer with an internet connection, you should get set up now. Otherwise, you can engage the services of a research firm to help you with your search, but keep in mind that these services can be expensive.

The face-to-face meeting

Perhaps the most effective way to gather data is to arrange personal meetings with people who are potential sources of information. A representative from your local chamber of commerce, the head of a trade association, an executive from a hotel, the owner of a travel agency, and a corporate executive are a few examples of people who could provide you with valuable information. More than any other

information-gathering activity, face-to-face meetings often lead to other important sources for data and will often establish business contacts that could be important to you in the future.

Remember that in the events world, you may have to meet with several departments in larger organizations. For example, individual departments may be responsible for their own events (sales and marketing division versus research and design), and they may even have responsibility for different aspects of one event (planning versus operations). Again, the internet is a great place to start doing some background research on the companies you have targeted. Look for up-to-date information on events or meetings or media. Often, there is a contact name listed. Review the news releases and calendars if they are available. Do an online search to find out if the company has networking associations with other companies.

Telephone well in advance to schedule a face-to-face meeting. Know the name and proper title of the person you want to see and use it during your conversation. Introduce yourself and briefly indicate what you would like to talk about. People are busy, so don't waste time or talk about your plans in too much detail.

Try to gather as much information as possible before you meet face-to-face. Once you have conducted this initial research, you will be better equipped to pose questions that are relevant to the person you are interviewing. Refer to the information you have collected and ask for specifics. Here are some basic questions to ask during a personal interview with a potential client for your business:

- (a) Does their company currently hire special events professionals?
- (b) How often do they hire special events professionals?
- (c) What type of events do they put on?
- (d) Are they satisfied with the quality and cost of the events?
- (e) What are their event objectives that must be met?
- (f) Do they see their event needs changing in the near future (for example, special occasions coming up, such as a company anniversary, new associations or expansions, change of venue)?
- (g) Do they have associations with other organizations that do events or partner on events?

(h) What sources do they use to find event professionals?

The more questions you ask, the better understanding you will have of your potential clients and exactly what they are looking for. Bring a portfolio with several of the special event ideas that you have produced or created. Write down information as the meeting progresses. Refer to your notes and ask questions to be certain that you get the information you need. Ask for a referral to another source for information. If possible, hand the person a card with your name and number and ask for a call of introduction.

After the meeting, review what you have learned, rewrite your notes, and file them. Always follow up by contacting referrals, and always remember to send a thank-you note after a face-to-face meeting. One of the most important things to keep in mind when planning for and operating your business is the follow-up. Those you meet with today to collect market research may be the companies and individuals you do business with later on. Always take the opportunity to make a lasting impression on your future clients by sending them a formal thank-you note for their time and assistance, including your name and contact information.

Analyze the information

Study the information you have collected as objectively as possible. Ask yourself the following questions:

- (a) Is there a market for your service?
- (b) Can you define who your potential clients are?
- (c) Do you know who your competitors are?
- (d) Can you see any advantage your service will have over your competitors?
- (e) Do you know your competitors' prices?
- (f) Do you know where your clients are?
- (g) Are there enough clients to sustain your business?
- (h) Do you know how to sell and market your service?
- (i) Can you afford to be on the same playing field with your competition (i.e., are you in the same league)?
- (j) Can you price your services competitively and still make a profit?

Weigh your findings against your original idea. Does the data suggest a slight deviation from that plan? Does it affirm or negate your business premise? Cull from the data what fits best with your experience, resources, creativity, and preference. Based on this information, you can define your service. Then date the material and file it for future reference. Save any remaining research information that backs up your business idea.

Once you feel you can comfortably answer yes to these ten questions, the next step is to research a location for your new business and an operation site within that location.