

4 Budgeting:

**WE PUT YOU
IN CONTROL**

“Delivering your bottom line – optimising budget and expense control by partnering with a PCO”



Benefits of a PCO in a downturn economic cycle

As the world moves into a cycle of economic uncertainty, issues around budget and expense control will increasingly concern Associations and Conference Organising Committees. And rightly so – most Associations are “not-for-profit” entities and do not necessarily possess the “war chest” of financial resources that many commercial entities typically retain to sustain them in times of economic downturn. However, help is at hand – this is the specific area where a Professional Conference Organiser (PCO) can perhaps contribute most value, despite the perception that engaging such services actually adds to the bottom line!

How does a PCO make money?

While there are many cost models employed by PCOs around the world, typically a PCO is remunerated on a fee basis. Such fees cover the PCO's staff and time expenses and may be calculated (a) as a percentage of the overall estimated conference revenue (b) on a per delegate head basis or (c) on the basis of a per day or per hour rate. The actual expenditure of the conference, including expenses such as web site design, on-line registration system, mailings, telephone calls, etc. are charged separately and additionally. However, all costs, including fees, are incorporated into the conference budget from the outset so that delegate participation fees and estimated sponsorship and exhibition income can be established so as to off-set and cover all expenses. If delegates are offered an accommodation-booking service the costs of this are often covered by commissions paid by the accommodation providers, thereby off-setting this as a line item cost to the conference. Whatever model is employed, the Association client and PCO agree clearly in advance on what is covered by the fee. A written contract between two parties, Client (Principal) and PCO (Agent), is essential.

Key PCO benefits

If taken in isolation and out of context, the cost of PCO services might look expensive. However PCO's are expert in the art and science of Conference and Event Organisation and know how to make the event successful. Consider the following unique expertise which the PCO brings to the event:

- (a) Specialist knowledge around marketing the conference so as to maximize delegate numbers and attendant revenues;
- (b) Specialist knowledge and expertise around exhibition management from the lay out and logistics of the exhibition hall to the sourcing of the exhibitors;
- (c) In-depth insight into sourcing of sponsorship and creation of successful tiered sponsorship programmes;
- (d) Profound destination equity and knowledge of the entire supplier community ensuring maximum leverage of relationships and delivery of best prices;
- (e) Expertise in creating and managing conference budgets involving multi-digit sums;

All of the 5 key elements of PCO expertise contribute very tangibly to the bottom line and guarantee the integrity of the overall conference or event budget.

What people say about INCON

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Our final counting results in 12,841 participants which was a record number for our Meeting and we can all be very proud of the smooth and effective organization. No need to mention that I appreciated very much your extremely effective management of the Meeting.

Annual Meeting of the European Association for the Study of Diabetes EASD

I just wanted to say a huge thank you to you and all your team for helping to make the IBA conference such a big success. It really was great and you were all a pleasure to work with. The whole team was so dedicated and supportive that it is hard to single any one out so I hope you will pass this on to all of them.

International Bar Association Conference IBA

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Robin Lokerman

Robin Lokerman is a thought-leader in the meetings industry and CEO of the MCI Institutional Division. He is responsible for strategic & business development of MCI's services to association and government markets. He also leads the development of MCI in Asia, as President MCI Asia Pacific and relocated to Singapore in September 2007. He is frequent speaker and consultant to associations and first non-US member of the Board of Directors of the ASAE & The Center for Association Leadership and was recently elected as Chairman-Elect of The Center for Association Leadership.



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